

MINUTES OF MEETING
OF THE
BOARD OF DIRECTORS

THE STATE OF TEXAS §
COUNTY OF HAYS §
ANTHEM MUNICIPAL UTILITY DISTRICT §

The Board of Directors (the "Board" or the "Board of Directors") of Anthem Municipal Utility District (also sometimes referred to herein as the "District") met in regular session at 805 Las Cimas Parkway, Building 3, Suite 310, Austin, Texas, a designated office of the District outside the boundaries of the District on August 9, 2023, and the roll was called of the members of the Board to-wit:

Brandon Brydson	President
Matt Jacobs	Vice President
Andrew Schreck	Secretary
Tammy Weber	Treasurer/Asst. Secretary
Eric B. Storm	Assistant Secretary

All members of the Board were present at the commencement of the meeting. All directors present at the time a vote was taken voted on all items that came before the Board. Also present were Andy Barrett of Barrett & Associates, PLLC ("Barrett & Associates"), attorney for the District, Kimberly Studdard, paralegal, of Winstead PC ("Winstead"), bond counsel for the District, Hank Smith with Atwell, LLC ("Atwell"), engineers for the District, Justin Taack with Bott & Douthitt, PLLC ("Bott & Douthitt"), bookkeepers for the District, and William Abshire and Cody Abshire of Capital Area Utility Management, LLC ("CAUM"), operations firm for the District. In addition, Clark Wilson and Bradley Wilson representing Kyle 150, LP, a current owner and developer of land within the District, were in attendance as well as Corey Howell of The GMS Group, L.L.C. ("GMS Group"), the District's financial advisor, whom attending the meeting via teleconference.

1. The Board called for public communications and comments, however none being heard, the Board moved on to the next item of business.

2. The Minutes from the Board's July 12, 2023 regular meeting were presented for review and approval. Following a motion by Director Weber, seconded by Director Storm and unanimously carried, said Minutes were approved as written.

3. Upon motion by Director Storm, seconded by Director Jacobs and unanimously carried, the Board confirmed receipt of the District's 2023 Certified Tax Roll from the Hays Central Appraisal District, a copy of which is attached hereto as **EXHIBIT "A"**.

4. Corey Howell with GMS Group, the District's financial advisor, was recognized and reviewed a listing of 2023 Tax Rate Setting Points for Discussion dated August 9, 2023, which contained Recommendations and a Findings & Analysis with respect to a proposed tax rate recommendation for the District's 2023 tax rate, a copy of which is attached hereto as **EXHIBIT**

"B". He noted that that he was recommending the District maintain its total tax rate for 2023 at the same rate of \$1.00/\$100 valuation with the 2023 tax rates being split into \$0.46 for the operations and maintenance tax rate, \$0.39 for utility bond debt service and \$0.15 for road bond debt service. He reviewed such recommendation in detail including, but not limited to, the Debt Service Cash Flow included in such presentation.

5. Justin Taack presented a proposed Operations Budget for the upcoming fiscal year ending September 30, 2024. The Board reviewed the proposed budget, which included revenue from the recommended tax rate of \$0.46 cents per \$100 of assessed valuation in detail. It was discussed that there was a scrivener's error in the amount reflected in the preliminary budget for engineering fees, but that the amount would be corrected prior to adoption of the final budget. Mr. Taack noted that the District has had an increase expenditures related to District facilities over the past year, but despite those increases, the District is still projected to run an approximately \$315,000 positive budget variance for the year.

6. The Board was advised of the continuing requirement under Section 49.236, Texas Water Code, as amended, and requirements under SB 2 from the 2019 legislative session, which require the preparation of a water district tax rate worksheet (as prepared by Assessments of the Southwest, Inc, and included in Mr. Howell's above written tax rate recommendation), and that an updated form of a Water District Notice of Public Hearing on Tax Rate be adopted, published and posted on various websites. The Board reviewed the above-referenced information and confirmed through discussions that the proposed tax rates for maintenance and operations of \$0.46 per \$100 assessed valuation, \$0.39 per \$100 for utility bond debt service and \$0.15 per \$100 for road bond debt service (thus a total proposed tax rate of \$1.00 per \$100) seemed reasonable and necessary. Following such discussion, upon motion by Director Storm, seconded by Director Jacobs and unanimously carried, the Board approved the proposed tax rate of \$1.00 per \$100 assessed valuation, set a hearing date of September 13, 2023 and approved the form of Water District Notice of Public Hearing on Tax Rate ("Notice"), attached hereto as **EXHIBIT "C"**, and authorized the publication of said Notice and various required postings of such information pursuant to current law.

7. With regard to a developer's report, Clark Wilson noted that his portion of the development is basically complete and that Pedernales Electric Cooperative has been able to get power to one phase with the remaining phases to follow shortly thereafter. It was noted that the school site is well underway and that roughly 13 homes were sold in July 2023. It was noted that the City of Kyle has not gotten back to Mr. Wilson on the proposed Easement and Fence Maintenance Agreement between the City and the District, and as is such, the development team has decided to relocate the fence so that the vast majority of the waterline will be outside of the fence, and therefore, not an issue.

8. The Board then reviewed Atwell's August 9, 2023 Engineer's Summary for construction and status of the separate construction projects currently underway along with recommendations for related pay applications and change orders, as applicable. By motion of Director Weber, seconded by Director Jacobs and unanimously carried, the following recommended pay applications and change orders under the stated construction contract were unanimously approved:

Freedom Phase 1A and 2 contract with CC Carlton:
Pay Application No. 3 (\$1,670,492.50).

The record shall reflect that a copy of the approved pay application is attached hereto as **EXHIBIT "D"**.

Additionally, Mr. Smith noted they are finalizing the SCADA design for the elevated storage tank and that they are working with TxDOT on the necessary turn lane into the District, but that they are awaiting approval from Landsea.

9. With regard to the attorney's report, Mr. Barrett noted he has nothing for consideration by the Board at such time, and as is such, the Board proceeded to the next item on the agenda.

10. The Board was presented with a proposal from McDonald Wessendorf for annual renewal of the District's insurance and bonds, and Ms. Studdard noted no additional coverages were added at such time, and as is such, there was only a \$5 increase in premiums for the year. Upon motion by Director Jacobs, seconded by Director Schreck, the Board unanimously approved renewal of the District's existing insurance and bonds.

11. The Board was presented with an Amended Order Adopting Travel Expense Policy, Limit on Fees of Office and Procedures for Selection and Review of Consultants, Policies Concerning the use of Management Information including the Formation of an Audit Committee, Establishment of an Investment Policy, Selection of a Fiscal Year-End and Certain Other Matters ("Amended Order") as well as a separate Resolution Setting Limit on Fees of Office ("Resolution"), and Mr. Barrett explained that following the 2023 Regular Legislation Session, a law was passed which allows for an increase in director per diems up to \$221 and that said Amended Order and Resolution were meant to effectuate that increase for the Board. Upon motion by Director Brydson, seconded by Director Jacobs, the Board unanimously approved both the Amended Order as well as the Resolution increasing their per diems to \$221 per meeting.

12. There was a brief discussion with regard to possible recording and reporting requirements for electricity, water and natural gas consumption imposed by Chapter 2265, Texas Government Code, and Mr. Barrett noted they were looking for general authorization from the Board to do whatever necessary to comply with the law, if necessary. Upon motion by Director Jacobs, seconded by Director Storm, the Board unanimously approved.

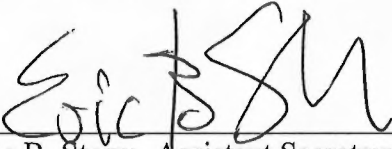
13. The Board moved to the August 9, 2023 Accounting Report, and it was noted that action was needed by the Board related to director and vendor payments as well as a fund transfer in the amounts of \$18,292.72 from the District's TexPool Operating Account to the Cadence Bookkeeper's Account and approval for Bond Payments due September 1, 2023 in the amounts of \$60,408.13 for the Series 2022 Road Bonds and \$185,718.75 for the Series 2023 Utility Bonds. It was noted there were no non-standard invoices received between meetings. Upon motion by Director Storm, seconded by Director Weber, the Board unanimously approved the Accounting Report and disbursement of funds, transfers and payments in accordance therewith.

14. Mr. Abshire then discussed with the Board an Operations Report dated August 7, 2023, and Mr. Abshire noted they visited the four existing ponds on July 11, 2023 and mowed detention ponds, as scheduled. It was noted that they continue to monitor erosion repair on Pond 1A East as well as Pond 1A North. Upon motion by Director Weber, seconded by Director Storm, the Operations Report was unanimously approved.

15. There being no action with regard to the landscape maintenance agreement, the Board confirmed their next regular meeting date as September 13, 2023, and there being no further business to conduct, Director Schreck moved that the meeting be adjourned, which motion was seconded by Director Storm and unanimously approved, and the Board adjourned until further call.

APPROVED AND ADOPTED this 13th day of September, 2023.





Eric B. Storm, Assistant Secretary
Board of Directors
Anthem Municipal Utility District