

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") of Anthem Municipal Utility District (the "District") met in regular session at 140 Monroe Drive, Kyle, Texas 78640 within the boundaries of the District on Wednesday, September 10, 2025, and the roll was called of the members of the Board to-wit:

Steven Guzzo	President
Justin Saltrev	Vice President
Eric B. Storm	Secretary
Michael A. Garemkko, Jr.	Assistant Secretary
Ravi DeSantis	Assistant Secretary

All members of the Board were present at the commencement of the meeting. Also present were Mr. Andy Barrett of Barrett & Associates, PLLC, and Mr. Justin Cox of Winstead PC, attorneys for the District, Ms. Kimberly Studdard of Red River Legal Solutions, LLC, Mr. Hank Smith with Atwell, LLC ("Atwell"), engineers for the District, Mr. Mario Garcia with Municipal Operations & Consulting, Inc. ("MOC"), the District's operations firm, and Mr. Justin Taack with Bott & Douthitt, PLLC ("Bott & Douthitt"), bookkeepers for the District. Additionally, Mr. Clark Wilson, a developer within the District, Mr. David Patterson of Assessments of the Southwest, Inc. ("ASW"), and Mr. Rob McCartney from Johnson Lake Management were in attendance via teleconference.

1. The Board called for public communications and comments, and there being none, the Board proceeded on with the agenda.

2. The minutes from the August 13, 2025 regular meeting were presented for review and approval. Following a motion by Director Guzzo, seconded by Director Saltrev and unanimously carried, said Minutes were approved.

3. The Board reviewed the formal Notice of Public Hearing on Tax Rate that had been published as well as posted on the Hays County website as well as the District's website, as required by law, and called the hearing to order in accordance with such Notice and upon motion by Director Saltrev, seconded by Director Guzzo and unanimously carried. Ms. Studdard noted the tax rate will be \$1.00 total with \$0.47 for operations and maintenance, \$0.45 for utility debt service, and \$0.08 for road debt service. Ms. Studdard confirmed that the required public notice had been published seven days prior to the meeting, as required by law, and that there was no overall tax rate increase for the upcoming fiscal year. Upon motion by Director Garemkko, seconded by Director Saltrev and unanimously carried, the hearing was adjourned.

4. Mr. Taack then discussed the proposed Operating Budget for the upcoming fiscal year of October 1, 2025 to September 30, 2026, as prepared by Bott & Douthitt. Mr. Taack noted that the financial summary indicated property tax revenue of just over \$1,000,000.00, with expenses projected at approximately \$840,000.00, resulting in a positive net budget of approximately \$218,000.00. Following a thorough review and discussion, upon motion by Director Saltrev, seconded by Director Guzzo and unanimously carried, the Board adopted a Resolution Adopting Operations Budget, a copy of which is attached hereto as **EXHIBIT "A"**.

5. In addition, the Board reviewed a proposed Debt Service Budget for the upcoming fiscal year of October 1, 2025 to September 30, 2026. It was noted that Corey Howell with GMS Group had included such budget in his recommendation of the proposed tax rate for 2025, which was presented and discussed at the Board's prior meeting. Following a motion by Director DeSantis, seconded by Director Garemko and unanimously carried, the Board approved a Resolution Adopting Debt Service Budget, a copy of which is attached hereto as **EXHIBIT "B"**.

6. Following the approval of the District's operating budget and debt service budget for the District's upcoming fiscal year, the Board reviewed a proposed Order Setting Tax Rates for 2025, and it was noted that such 2025 rate would cover operations and maintenance and debt service during the District's fiscal year of October 1, 2025 through September 30, 2026, and that taxes would begin being levied upon adoption of said Order and due by January 31, 2026. Following a full discussion and motion by Director Saltrev, seconded by Director Guzzo and unanimously carried, the Board approved said Order Setting Tax Rates for 2025, a copy of which is attached hereto as **EXHIBIT "C"**.

7. The Board then heard a report from ASW in connection with tax related services, and Mr. David Patterson presented a detailed analysis of the 2025 tax rolls compared to 2024. He reported that house valuations had decreased by 6-7% in certain sections, which was beneficial for homeowners. However, lot values for new sections have increased. David identified that some lot values were under inventory valuation, noting that an inventory waiver had been signed earlier in 2025 but would not take effect until 2026. Regarding delinquent accounts, David reported that he had contacted the mortgage company in August to arrange a special file for Anthem accounts to expedite payments on outstanding accounts with mortgages. He confirmed that all new sections, including Freedom and Anthem Cottages, were properly included on the 2025 tax roll, representing approximately \$34,500,000.00 in taxable value. Steven inquired about the status of unpaid builder lots versus individual homeowner lots, and David indicated only a handful of builder lots remained unpaid, with most delinquencies being homeowner properties. Lastly, it was noted there was nothing to approve at such time.

8. Under the developer's report, it was noted that Mr. Wilson repaired the previously-discussed sidewalk issue.

9. It was noted that a bond application had been submitted earlier in the week to the Texas Commission on Environmental Quality ("TCEQ"), but that there was nothing for the Board to review at such time. The Board then proceeded on with the agenda.

10. The Board then reviewed the Engineer's Report regarding construction and status of the separate construction projects currently underway along with recommendations for related pay applications and change orders, as applicable. Mr. Smith noted there were three action items, which are listed below, for Board consideration. Regarding the traffic light installation project, Mr. Smith explained that they are awaiting utility relocations before proceeding with construction. It was noted that three of four dry utility providers had determined that conflicts were minimal and requested waivers to leave their infrastructure in place. However, Verizon needs to relocate their utilities at a cost exceeding \$200,000.00 (paid by the developer) with completion potentially delayed until late 2026. Mr. Smith expressed frustration but noted that after soliciting other bids, the current proposal was actually the most economical option. Mr. Smith also addressed an ongoing issue with water leakage into Pond 4, attributing it to a leak in the City of Kyle's water system. He reported making weekly calls to the City but noted their repair truck was currently broken. While the pond was operating properly per TCEQ requirements, the continuous water flow was concerning given drought conditions. After a brief discussion, and upon motion by Director Storm, seconded by Director Saltrev and unanimously carried, the Board approved the pay application, 2 change orders, and Engineering Report.

Elevated Storage Tank:

Pay Application No. 17– (\$529,430.00);

Change Order No. 3 – (\$4,200.00) add water main fittings; and

Change Order No. 4 – (\$6,990.00) remove mulch sock, sidewalk, and curb.

11. There were no additional updates regarding installation of the traffic light at Anthem Blvd and FM 150 or the dry pond, and as is such, the Board proceeded on with the agenda.

12. With regard to any additional water and sewer or utility related agreements or easements or conveyances to or from the Cities of Kyle or Mountain City, tap fees and service rates with City of Kyle for retail water and wastewater service, or any service providers, as well as matters related to public financing, including but not limited to, the issuance of any bonds, bond anticipation notes or related matters, Mr. Barrett noted they can protest the water rate increase if the Board would like, and it was noted that Director Garemko attended the town meeting and noted issues with the water rate increase.

13. The Board moved to the Accounting Report, and it was noted that action was needed by the Board related to director and vendor payments as well as 4 fund transfers in the amounts of \$68,092.90 from the District's TexPool Operating Account to the Cadence Bank Bookkeeper's Account, \$1,512.58 from TexPool Tax Account to TexPool Operating Account, one in the amount of \$1,237.61 from the TexPool Tax Account to the TexPool Debt Service – Utility Account, and one in the amount of \$21,000.00 from the TexPool Tax Account to the TexPool Debt Service – Road Account. Mr. Taack also noted they paid \$2,700.00 to Hays County Appraisal District for the 4th Quarter appraisal fees. Upon motion by Director Guzzo, seconded by Director Saltrev, the Board unanimously approved the Accounting Report and disbursement of funds, transfer and payments in accordance therewith. Additionally, there was a question as to whether or not the street light damaged by the school bus had been reimbursed by Hays County ISD, and upon motion by Director Storm, seconded by Director Saltrev, and unanimously carried, the Board directed the District bookkeeper to send an invoice to Hays County ISD if the amount had not been previously reimbursed.

14. With regard to an Operations Report and District updates, Mr. Garcia reported the “no parking” signs were installed and additional signs not previously installed by MOC have been removed and stored in case needed for a later date.

15. Regarding a report from Aquatic Features as to pond remediation and maintenance, Mr. Rob McCartney from Johnson Lake Management, a branch of Aquatic Features, provided an update on wet pond maintenance. He explained that his team has been maintaining the Anthem Pond for nearly two years with bi-weekly site visits. They had also provided treatment for two larger ponds in the Freedom section, with a major treatment completed in the spring before the rains. Rob noted that despite the hot weather, the ponds had performed well with minimal algae bloom issues.

16. Regarding a report from Sunscape Landscaping, there was no additional update outside of what was noted in the written report.

17. There was a request to remove the agenda item related to resident concerns regarding restricted parking areas throughout the District due primarily to the fact that parking does not fall within the purview of the District.

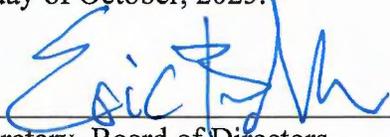
18. The Board circled back to various checks received by ASW related primarily to tax refunds for overpayments made by residents, and upon motion by Director Storm, seconded by Director Guzzo, the Board approved said checks contingent upon District attorneys verification of expenses against ASW’s written report.

19. There was then a discussion as to the Temporary Access Easement previously approved by the Board for pool construction in the District, and it was noted that residents do not appear to be using said Easement but have created an alternate path instead. Upon motion by Director Storm, seconded by Director Guzzo, MOC was instructed to notify residents of the issue, and should that not deter the continued use of the non-permissible area, the District’s attorneys were instructed to issue a formal notice or letter.

20. The Board then discussed and confirmed their next regular meeting date of Wednesday, October 8, 2025, and there being no further business to conduct, Director Guzzo moved that the meeting be adjourned, which motion was seconded by Director Saltrev and unanimously approved, and the Board adjourned until further call.

(EXECUTION PAGE FOLLOWS)

APPROVED AND ADOPTED this 8th day of October, 2025.



Secretary, Board of Directors

(DISTRICT SEAL)

