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 140 Monroe Drive, Kyle, Texas 78640 within the boundaries of the District, on September 9, 2026, and the roll was called of the members of the Board to-wit:

Steven Guzzo	President
Justin Saltrev	Vice President
Tim Crawford	Secretary
Michael A. Garemko, Jr.	Assistant Secretary
Ravi DeSantis	Assistant Secretary

All members of the Board were present at the commencement of the meeting, with the exception of Director Guzzo, who attended via videoconference. Also present were Andy Barrett of Barrett & Associates, PLLC ("Barrett & Associates"), attorney for the District; Maya Rai, paralegal, of Winstead PC ("Winstead"), bond counsel for the District; Joey Gallegos with Atwell, LLC ("Atwell"), engineers for the District; Justin Taack with Bott & Douthitt, PLLC ("Bott & Douthitt"), bookkeepers for the District; Mario Garcia with Municipal Operations & Consulting, Inc. ("MOC"), the District's operations firm; and Clark Wilson representing Kyle 150, LP, an owner and developer of land within the District was present. Also participating via videoconference were Nathan Neese of C3 Development, a representative of the developer; and Tyler Lambourne with Sunscapes, landscaper for the District. Also in attendance were residents Cindy Tucknuss, Jan Sills, Jaime Molina, Esther Molina, Joan Parke, and Emile Garemko.

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 Board's August 12, 2026 regular meeting were presented for review and approval. Following a motion by Director Saltrev, seconded by Director Garemko, and unanimously carried, said Minutes were approved as written.

3. The public hearing on the proposed 2026 total tax rate of $1.00 was opened at 6:05 p.m. and closed at 6:06 p.m. No motion or action was necessary in connection with this item.

4. Mr. Taack then discussed the proposed Operating Budget for the upcoming fiscal year of October 1, 2026 to September 30, 2027, as prepared by Bott & Douthitt. Mr. Taack noted that the financial summary indicated revenue of approximately $1,020,200 with expenditures projected at approximately $972,750, resulting in a projected excess of approximately $47,450. The Board reviewed and approved the Resolution Adopting the Operating Budget for the District for the period

of October 1, 2026 through September 30, 2027. Upon motion by Director Saltrev, seconded by Director DeSantis, the Board unanimously approved the Operating Budget.

5. The Board then reviewed the Resolution Adopting the Debt Service Budget for upcoming fiscal year October 1, 2026 to September 30, 2027, comprised of a Utility Debt Service tax rate of $0.50 and a Road Debt Service tax rate of $0.08. After discussion, and upon motion by Director Crawford, seconded by Director Saltrev, the Board unanimously approved the Debt Service Budget, which is now ready for filing.

6. The Board reviewed and adopted the Order Setting Tax Rate for a total tax rate of $1.00 for 2026; consisting of an Operations and Maintenance tax rate of $0.42, a Utility Debt service tax rate of $0.50, and a Road Debt Service tax rate of $0.08. After discussion, and upon motion by Director Saltrev, seconded by Director DeSantis, the Board unanimously approved and adopted the Order Setting the Tax Rate, in addition to authorizing submission of the Order to the Hays County Tax Assessor-Collector as well as the Hays Central Appraisal District, and authorizing posting the Order on the District's website.

7. The Board then reviewed the proposed rate increase regarding the updated bookkeeping engagement agreement with Bott & Douthitt. The Board discussed and questioned the significant rate increase. Mr. Taack explained that the increase compensated for the difference in not amending their contract for the past several years. The Board decided to defer making a determination on whether to approve the updated engagement agreement until the next meeting. No action was taken at this time.

8. The Board then reviewed and considered approval of the updated engagement agreement with Municipal Operations & Consulting, LLC, which included a rate increase. Motion was subsequently made in Item 15.

9. It was noted that there was no update from Assessments of the Southwest, Inc, in connection with tax related services, and no representative was present at the meeting.

10. The Board then heard a Developer Report from Mr. Wilson, who reported that current house sales have been slow. The Board then discussed construction of a traffic light, which is anticipated to be completed in December 2026, as well as discussing that traffic light improvements are considered dry utilities and thus covered by the Road Bond. Mr. Neese, attending via videoconference, reported that preliminary comments from the County are currently under review.

11. The Board then heard an Engineer's Report from Mr. Gallegos, who presented a summary, including Pay Application No. 8 for the light pole work with a current payment due of $517, 242.42. With respect to Easement 4A, Mr. Barrett mentioned that Derek Daniels with the City of Kyle has been trying to reach the engineers. Mr. Barrett requested that Mr. Gallegos call Mr. Daniels to discuss the easement and the issue of ownership as to that particular section of land, which was discussed by the Board and needs to be determined. Upon motion by Director DeSantis, seconded by Director Saltrev, the Board unanimously approved the Engineering Report, including the release of the current payment due under Pay Application No. 8 in the amount of $517,242.42. It is further noted that Director Crawford's wet signature was subsequently obtained on Pay Application No. 8.

12. The Board then heard the Attorney Report from Mr. Barrett, who explained that the District received an offer from the City of Kyle regarding the water rates, but the proposed terms were not acceptable. He reviewed the offer and counteroffer with the Board. Mr. Barrett also explained that Crosswinds MUD and LaSalle MUD, which are also involved in the matter, would generally follow Anthem's direction regarding whether to continue with litigation or pursue settlement. Mr. Barrett stated that, in his opinion, the District should pursue settlement and seek a rate closer to the original contractual structure. The discussion included a rate of approximately 1.2 x the in-city rate, compared with the substantially higher rate the District is currently being charged. The District would also seek reimbursement from the City in the form of credits. Mr. Barrett noted that David Tuckfield, who is assisting with the matter, generally agrees with this approach. Mr. Barrett also discussed the analysis from Jay Joyce, the District's expert, including concerns regarding the depreciation assumptions used by the City in developing its offer. The offer and counteroffer memoranda are confidential, so are not included in the Board Packet.

Director Guzzo, attending via videoconference, asked how the District could protect itself from similar rate issues in the future, particularly because City Council candidates are already discussing different water-rate multipliers. Mr. Barrett explained that the District could address its proposed 1.2x rate in its agreement with the City and that future City Council members would remain bound by the contractual obligations entered into by the City.

Resident Emile Garemko, who also spoke during the Attorney Report, inquired about Six Creeks and its comparatively lower rate. Mr. Barrett explained that each district may have different contractual arrangements and that he could not say specifically as to why Six Creeks has a lower rate. He noted that there could be other differences in the financing or utility arrangements that account for the lower rate.

Director Crawford expressed frustration with the City's proposed rates and the methodology reflected in its offer. Mr. Barrett replied that he was prepared to proceed in whatever direction the Board preferred.

Following discussion, the Board authorized Director Garemko and Director Crawford to work with general counsel regarding the negotiations. It was decided that Mr. Joyce, Mr. Barrett, and Mr. Tuckfield meet initially to evaluate the available approaches and determine how to proceed with the matter. Residential and irrigation rates, as well as potential refund credits, will also be addressed during negotiations. This issue is moving forward in part because the previously contemplated mediation was repeatedly postponed and ultimately canceled. After discussion, and upon motion by Director Garemko, seconded by Director Crawford, the Board unanimously approved the negotiation strategy.

13. The Board reviewed the Cash Activity Report, comprised of director and vendor payments and a funds transfer from TexPool Operating Account to Cadence Bank Bookkeeper's Account in the amount of $71,834.69. The Board noted that the report showed usual cash activity and further noted that Director Guzzo's director's fee check should be voided since he attended via videoconference. Upon motion by Director DeSantis, seconded by Director Garemko, the Board unanimously approved the Cash Activity Report.

14. The Board then discussed and considered authorizing the District to transition tax assessment and collection services to the Hays County Tax Assessor-Collector. Hays County advised

the District that they did not have all files and information needed to transition the District into their system. Assessments of the Southwest had previously provided the requested files to the County in July 2026, but re-sent the files and information to the County. It was noted that the County would request confirmation from the ACT team that the files and information are sufficient to effectuate the transition. It was further noted that the County is under a tight timeline because they are in the process of transitioning to ACT property tax software and preparing for the 2026 billing cycle. The District is still waiting on confirmation that it can be transitioned in time. In the event that the transition is not completed in time, Assessments of the Southwest will continue to handle tax collection until such time the transition is completed. In the interim, Ms. Rai will contact the Hays County Tax Assessor-Collector to determine the process for transitioning the District's tax collection services from Assessments of the Southwest back to the County Tax Assessor-Collector. No motion was made at this time.

15. The Board then heard the Operations Report from Mr. Garcia, who reported that the owners at 377 Washington, located within the District, constructed a pool and are requesting the return of their deposit. Upon motion by Director Saltrev, seconded by Director Garemko, the Board unanimously approved the return of the owner's deposit. Mr. Garcia also reported that the updated engagement agreement with Municipal Operations & Consulting, LLC, as mentioned in Item 8, reflects a 3.2% rate increase as per the annual CPI adjustment. Upon motion by Director Saltrev, seconded by Director Crawford, the Board unanimously approved the updated engagement agreement, including the 3.2% rate increase.

16. It was noted that there was nothing to report from Texas Disposal Systems at this time.

17. It was noted that there was nothing to report from Aquatic Features at this time.

18. The Board then heard a landscaping report from Mr. Lambourne, who noted that the trees on Jefferson Street have been replaced. He further noted that Sunscape Landscaping will waive a 3% fee increase as per its updated engagement agreement for 2027. However, since the agreement is an annual maintenance contract with concomitant pricing changes, the updated agreement still requires Board approval. Upon motion by Director DeSantis, seconded by Director Garemko, the Board unanimously approved the updated engagement agreement and the Sunscape Report.

19. It was noted that there was nothing to report regarding the Great Springs Project at this time.

20. It was noted that there was no need to convene in Executive Session at this time.

21. With regard to the Executive Session, no action was necessary in connection with this item.

22. The Board then discussed and confirmed their next regular meeting date of Wednesday, October 14, 2026, at 6:00 p.m.

23. There being no further business to conduct, Director DeSantis moved that the meeting be adjourned, which motion was seconded by Director Saltrev and unanimously approved, and the Board adjourned until further call.

APPROVED AND ADOPTED this 14th day of October 2026.

~~Tim Crawford,~~ Secretary Ravi DeSantis
Board of Directors
Anthem Municipal Utility District

(DISTRICT SEAL)

