

HAYS COUNTY DEVELOPMENT DISTRICT NO. 1

Minutes of Meeting Thursday, February 9, 2023

The Board of Directors (the "Board") of Hays County Development District No. 1 (the "District") met in regular session, open to the public, at 8:30 a.m. on Thursday, February 9, 2023, at the office of Carlson, Brigrance & Doering, Inc., 5701 West William Cannon, Austin, Texas 78749, whereupon the roll was called of the members of the Board to-wit:

Billy Foulds	President
David Reynolds	Vice President/Investment Officer
George Baker	Secretary
Kasey Studdard	Assistant Secretary
Vacant	Assistant Secretary

All members of the Board were present in person, with the exception of Director Reynolds, thus constituting a quorum. Also in attendance were: Ronja Keys of Inframark ("Operator"); Justin Taack of Bott & Douthitt, PLLC ("Bookkeeper"); Ronnie Moore, P.E. of Carlson, Brigrance & Doering, Inc. ("CBD" and/or "Engineers"); Terry Howe of Siepiela Interests, Inc. ("Developer"); and Zach Petrov of Johnson Petrov LLP ("Attorney" or "JP"); Andrew N. Barrett of Barrett & Associates, PLLC ("Special Counsel") and John Bolt Harris.

The meeting was called to order at 8:30 a.m., and in accordance with the notice posted pursuant to law, the following business was transacted:

I. **Public Comment.**

There was no public comment at this time.

II. **Approve regular meeting minutes of the December 8, 2022.**

The Board reviewed the minutes of the regular meeting held on December 8, 2022, a copy of which was previously distributed to the Board.

Upon motion by Director Studdard, seconded by Director Foulds, after full discussion and with all Directors present voting aye, the Board approved the regular meeting minutes of the December 8, 2022, as presented.

III. **Bookkeeper's Report.**

a. Mr. Taack of Bott & Douthitt, PLLC presented and reviewed the Bookkeeper's Report, a copy of which is attached hereto as Exhibit "A."

b. Mr. Taack presented director and vendor payments, and five (5) transfers for the Board's approval.

Mr. Taack then reviewed the December 31, 2022 Financial Statements of the District.

Upon motion by Director Studdard, seconded by Director Foulds, after full discussion and with all Directors present voting aye, the Board: 1) authorized payment of all invoices; 2) approved five (5) transfers; and 3) approved the Bookkeeper's Report.

IV. **Developer's Report.**

Mr. Howe updated the Board on the current activities in the District. He reported 377 houses occupied, six (6) closings this month, and five (5) closings are expected in March. He also noted several trees were down as a result of the winter storm and clean-up is in progress.

V. **Engineer's Report.**

Mr. Moore of Carlson, Brigance & Doering, Inc. presented and reviewed the Engineer's Report, a copy of which is attached hereto as Exhibit "B." Mr. Moore updated the Board on the current Engineering activities within the District.

Mr. Moore presented and reviewed Payment Application No. 4 to DNT Construction, LLC in the amount of \$322,425.31. Mr. Moore recommended the Board approve Payment Application No. 4.

Upon motion by Director Studdard, seconded by Director Foulds, after full discussion and with all Directors present voting aye, the Board approved the Engineer's Report, including approval of Payment Application No. 4 to DNT Construction, LLC in the amount of \$322,425.31 for Caliterra Phase 5 Section 14.

VI. **Operator's Report.**

Ms. Keys presented and reviewed the Caliterra General Manager's Report, a copy of which is attached hereto as Exhibit "C".

Ms. Keys updated the Board on the current activities. Ms. Keys presented and reviewed with the Board the proposals from Sunscape to i) repair/replacement of decoders, spray heads and nozzles, repair two (2) lateral breaks and two (2) valve replacements in the amount of \$3,588.13; ii) replace rotor heads that were damaged during road construction along RR12, entrance to Caliterra in the amount of \$6,805.56; and iii) installation of six (6) irrigation valves and investigation function of abandoned irrigation area along RR12 in the amount of \$4,606.02, copies of which are attached to the Operations Report. Discussion ensued.

Next, the Board discussed the ownership and responsibility of certain property and separating the HOA's responsibility and the District's responsibility. Director Baker offered to take the lead and discuss with the HOA.

Director Baker was appointed to negotiate with the HOA to take over HOA owned property, parks and trails, and the District would continue to maintain the effluent areas.

Upon motion by Director Baker, seconded by Director Foulds, after full discussion and with all Directors present voting aye, the Board approved: 1) the Operator's Report, including the Sunscape proposals and 2) appointed Director Baker to discuss with the HOA each entity's responsibilities to certain property.

VII. New Business.

a. Discuss and take action to fill director vacancy. Mr. Petrov then discussed the appointment of a person to fill a vacancy position on the Board. Mr. Barrett recommended the Board appoint John Bolt Harris to fill the vacancy as Mr. Harris development experience. Mr. Harris presented a Director Qualification Affidavit, Statement of Elected/Appointed Officer, and Oath of Office, copies of which are attached as Exhibit "D." Mr. Petrov proceeded to administer the Oath of Office.

Upon motion by Director Studdard, seconded by Director Foulds, after full discussion and with all Directors present voting aye, the Board appointed Mr. Harris to fill the vacancy and welcomed him as a new director.

b. Adopt Resolution Implementing Penalty for Delinquent 2022 Taxes and Contracting with Attorneys to Collect Delinquent Taxes, a copy of which is attached as Exhibit "D-1." The Board discussed the Resolution Implementing Penalty on 2022 Delinquent Taxes and Contracting with Attorneys to Collect Delinquent Taxes.

c. Adopt Resolution Authorizing Petition to Challenging Appraisal Records, a copy of which is attached as Exhibit "D-2." Mr. Petrov reminded the Board that the resolution grants the District's Tax Assessor Collector the authority to communicate with the appraisal district regarding appraised values within the District.

d. Adopt Order Determining Ad Valorem Tax Exemptions, a copy of which is attached as Exhibit "D-3."

Upon motion by Director Foulds, seconded by Director Baker, after full discussion and with all Directors present voting aye, the Board approved i) the Resolution Implementing Penalty on 2022 Delinquent Taxes and Contracting with Attorneys to Collect Delinquent Taxes; ii) the Resolution Authorizing Petition Challenging Appraisal Records, and iii) the Order Determining Ad Valorem Tax Exemptions.

VIII. Attorney's Report.

a. Receive update from Legal Counsel concerning District operations, agreement and finances and take any action, as necessary. No update at this time.

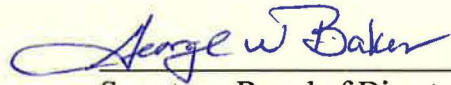
b. Agreements between the District and Dripping Springs Water Supply Corporation. No update at this time.

c. Update Regarding Director Renewals through Commissioner's Court. Mr. Barrett reported that the Director renewal request will be submitted to Hays County Commissioner's Court.

d. Property to be owned by the District or conveyed to the HOA. Discussed under Operations Report.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD, the meeting was adjourned.

PASSED and **APPROVED** this 9th day of March, 2023.



Secretary, Board of Directors

EXHIBITS:

- A - Bookkeepers Report
- B - Engineer's Report
- C - Caliterra General Manager's Report
- D - Oath, Affidavit and Statement of Officer
- D-1 - Adopt Resolution Implementing Penalty for Delinquent 2022 Taxes and Contracting with Attorneys to Collect Delinquent Taxes
- D-2 - Adopt Resolution Authorizing Petition to Challenging Appraisal Records
- D-3 - Order Determining Ad Valorem Tax Exemptions

