

HAYS COUNTY DEVELOPMENT DISTRICT NO. 1

Minutes of Meeting Thursday, August 10, 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, August 10, 2023, at the office of Carlson, Brigance & 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
Trey Novosad	Vice President
George Baker	Secretary
Kasey Studdard	Assistant Secretary
John Bolt Harris	Assistant Secretary

All members of the Board were present in person, thus constituting a quorum. Also in attendance in person or by phone were: Justin Taack of Bott & Douthitt, PLLC ("Bookkeeper"); Ronnie Moore, P.E. of Carlson, Brigance & Doering, Inc. ("CBD" and/or "Engineers"); Zach Petrov of Johnson Petrov LLP ("Attorney" or "JP"); Terry Howe of Siepiela Interests, Inc. ("Developer"); William Abshire and Cody Abshire of Capital Area Utility Management, LLC; Corey Howell of GMS Group, L.L.C. ("Financial Advisor"); and Andrew N. Barrett of Barrett & Associates, PLLC ("Special Counsel").

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 members of the public present.

II. Approve regular meeting minutes of the July 13, 2023.

The Board reviewed the minutes of the regular meeting held on July 13, 2023, 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 July 13, 2023, 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 one (1) transfer for the Board's approval and approve bond payments.

Mr. Taack then reviewed the June 30, 2023 Financial Statements of the District.

Upon motion by Director Baker, seconded by Director Studdard, after full discussion and

with all Directors present voting aye, the Board: 1) authorized payment of all invoices; 2) approved one (1) transfer; 3) approve bond payments, and 4) approved the Bookkeeper's Report.

IV. **Developer's Report.**

Mr. Howe estimated 10 closings this month and 4 closings are expected for next month.

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. 9 to DNT Construction, LLC in the amount of \$89,728.20 for Caliterra Phase 5 Section 14, Payment Application No. 10 to DNT Construction, LLC in the amount of \$110,695.81 for Caliterra Phase 5 Section 14 (partial release of retainage); and Payment Application No. 11 to DNT Construction, LLC in the amount of \$110,695.80 for Caliterra Phase 5 Section 14 (final release of retainage); copies of which are attached to the Engineer's Report. Mr. Moore recommended the Board approve Payment Application Nos. 9, 10 and 11. Mr. Moore also presented Change Order No. 4 to DNT Construction, LLC in the amount of \$7,500.00 for Caliterra Phase 5 Section 14 for approval.

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 1) approval of Payment Application No. 9 to DNT Construction, LLC in the amount of \$89,728.20 for Caliterra Phase 5 Section 14, Payment Application No. 10 to DNT Construction, LLC in the amount of \$110,695.81 for Caliterra Phase 5 Section 14 (partial release of retainage); and 2) Payment Application No. 11 to DNT Construction, LLC in the amount of \$110,695.80 for Caliterra Phase 5 Section 14; and 3) Change Order No. 4 to DNT Construction, LLC in the amount of \$7,500.00 for Caliterra Phase 5 Section 14.

VI. **Operations Report.** Mr. C. Abshire of Capital Area Utility Management, LLC presented and reviewed the Operation's Report, a copy of which is attached hereto as Exhibit "C."

Effluent Pump Station pond and Irrigation Fields.

Mr. C. Abshire reported a main line leak in Field 1 plus two other leak/head replacements in Field 1.

Mr. C. Abshire requested the Board authorization at 790 Bridge Water Loop to access District property to install pool, which should require \$5,000 deposit for property access.

Mr. C. Abshire also requested additional base fee increase of \$1,500/month to better understand the District's ponds and area of spray fields.

Upon motion by Director Harris, seconded by Director Foulds, after full discussion and with all Directors present voting aye, the Board: 1) approved repairing the leaks/head replacements in Field 1; 2) authorized the \$5,000 deposit for off property access to install pool at 790 Bridgewater Loop provided that it does not interfere with the District's spray fields; and

3) approved the Operations Report. An Amendment to the Operator's Contract will be on the agenda for the next Board meeting.

VII. New Business.

a. Resolution Regarding Tax Characterization for 2023, a copy of which is attached hereto as Exhibit "D". Mr. Petrov reviewed the differences between low tax rate, developing, and developed districts and stated that the District is currently undergoing construction projects and issuing bonds to pay for new facilities serving more than 5% of the District, which would categorize the District as a developing district. Action on this item was taken during the proposed tax rate discussion.

b. Legislative Update.

Mr. Petrov presented to and reviewed with the Board, a memo entitled "Legislative Update for the 88th Texas Legislature (2023)", which summarizes the actions of the recently concluded legislative session, with particular attention to changes in law that directly affect the District.

VIII. Financial Advisor's Report.

a. Discuss Proposed 2023 Tax Rate, Consider Financial Advisor's Recommendation, Authorize Publication of Effective Tax Rate Calculation and Establish Public Hearing Date.

Mr. Howell reviewed his analysis and recommendation for the 2023 tax rate setting. A copy of the recommendation is attached hereto as Exhibit "E". The recommendation includes a levy of a tax rate totaling \$0.90 per \$100 assessed valuation for the year 2023, comprised of \$0.32 per \$100 assessed valuation tax rate for operation/maintenance purposes, a water, sewer, drainage debt service rate of \$0.45 per \$100 assessed valuation tax rate and \$0.13 per \$100 assessed valuation tax rate for road debt service, and a public hearing concerning the proposed 2023 tax rate set for Thursday, September 14, 2023 at 8:30 a.m. at the office of Carlson, Brigance & Doering, Inc., 5701 West William Cannon, Austin, Texas 78749. Discussion ensued.

Upon motion by Director Foulds, seconded by Director Studdard, after full discussion and with all Directors present voting aye, the Board: 1) proposed a tax rate of \$0.90 per \$100 assessed valuation for the year 2023, comprised of \$0.32 per \$100 assessed valuation tax rate for operation/maintenance purposes, a water, sewer, drainage debt service rate, \$0.45 per \$100 assessed valuation tax rate, and \$0.13 per \$100 assessed valuation tax rate for road debt service; 2) Scheduled a public hearing concerning the proposed 2023 tax rate set for Thursday, September 14, 2023 at 8:30 a.m. at the office of Carlson, Brigance & Doering, Inc., 5701 West William Cannon, Austin, Texas 78749; 3) authorized ASW to publish notice of the tax rate hearing; and 4) approved the Tax Characterization Resolution designating the District as a developing district for the 2023 tax year.

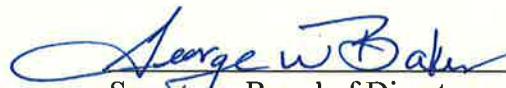
IX. **Attorney's Report.**

a. Receive update from Legal Counsel concerning District operations, agreements and finances and take any action as necessary.

Mr. Petrov reported that the response had been sent to the representative of homeowners regarding the future spray fields.

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

PASSED and **APPROVED** this 14th day of September, 2023.



Secretary, Board of Directors

EXHIBITS:

- A - Bookkeepers Report
- B - Engineer's Report
- C - Operations Report
- D - Resolution Regarding Tax Characterization for 2023
- E - 2023 Tax Rate/Financial Advisor's Recommendation

