

HAYS COUNTY DEVELOPMENT DISTRICT NO. 1

Minutes of Meeting Thursday, September 8, 2022

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, September 8, 2022, 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:

| | |
|----------------|-----------------------------------|
| David Reynolds | President |
| Vacant | Vice President/Investment Officer |
| George Baker | Secretary |
| Kasey Studdard | Assistant Secretary |
| Billy Foulds | 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"); with Corey Howell of the GMS Group, L.L.C. ("Financial Advisor") attending by telephone.

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 August 11, 2022.**

The Board reviewed the minutes of the regular meeting held on August 11, 2022, a copy of which was previously distributed to the Board.

Upon motion by Director Baker, seconded by Director Foulds, after full discussion and with all Directors present voting aye, the Board approved the regular meeting minutes of the August 11, 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 three (3) transfers for the Board's approval.

Mr. Taack also requested the Board approve the upcoming Bond Payments that are due October 1, 2022.

Upon motion by Director Studdard, seconded by Director Foulds, after full discussion and with all Directors present voting aye, the Board: i) authorized payment of the Bond Payments:

SR2018 – \$99,528.13 (Road)
SR2019 – \$62,843.75 (Road)
SR2020 – \$59,703.13 (Utility)
SR2021 – \$84,612.50 (Utility)

c. The proposed Budget for the fiscal year ending December 31, 2023, was tabled.

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

IV. **Developer's Report.**

Mr. Howe updated the Board on the current activities in the District. He reported 606 lots on the ground, 354 of which are occupied. He stated there are 86 lots under construction. He also stated that a home builder damaged some facilities when clearing lots, which are being repaired.

V. **Engineer's Report.**

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

Mr. Moore presented and reviewed Change Order No. 6 in the amount of \$23,285.00 for Caliterra Phase 4 Section 12 (CBD 5183); Streets, Drainage, Water, Wastewater and Erosion Control Improvements. Mr. Moore also reviewed Payment Application No. 8 in the amount of \$342,155.44 and Payment Application No. 9 in the amount of \$96,997.54. Mr. Moore recommended the Board approve Change Order No. 6 and Payment Application Nos. 8 and 9.

Next, Mr. Moore reported he received two (2) Contractor Bids for Caliterra Phase 5, Section 14:

| Contractor | Bid |
|---------------------------|----------------|
| DNT Construction, LLC | \$1,926,114.85 |
| Cornerstone Site Services | \$1,876,523.00 |

The Design Engineer recommended awarding the project to DNT Construction. Mr. Moore also recommended awarding the contract to DNT Construction, LLC. Mr. Moore stated that, in his opinion, DNT Construction was the best bidder and had already finished with the plans for the District and is working with the City, water supply corporation and District and could move more quickly.

Upon motion by Director Foulds, seconded by Director Studdard, after full discussion and with all Directors present voting aye, the Board approved the contract award for Caliterra Phase 5 Section 14 to DNT Construction, LLC in the amount of \$1,926,114.85 as the best bid.

Upon motion by Director Baker, seconded by Director Foulds, after full discussion and with all Directors present voting aye, the Board approved the Engineer's Report, including approval of Change Order No. 6 in the amount of \$23,285.00 and Payment Application No. 8 in the amount of \$342,155.44 and Payment Application No. 9 in the amount of \$96,997.54 for Caliterra Phase 4 Section 12.

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. She reported the Winter Rye pricing at 200lbs per acre is \$595 and she recommended the District purchase enough for 35 acres to include the newly installed irrigation fields.

Upon motion by Director Foulds, seconded by Director Baker, after full discussion and with all Directors present voting aye, the Board approved: 1) the Operator's Report; and 2) the Winter Rye for 35 acres.

VII. **New Business.**

a. Resolution Determining and Adopting Prevailing Wage Rates for Construction Projects. Mr. Petrov reviewed the Resolution Determining and Adopting Prevailing Wage Rates for Construction Projects, a copy of which is attached hereto as Exhibit "D".

Upon motion by Director Foulds, seconded by Director Baker, after full discussion and with all Directors present voting aye, the Board approved Resolution Determining and Adopting Prevailing Wage Rates for Construction Projects.

b. Conduct Public Hearing on Proposed 2022 Tax Rate.

Upon a motion by Director Foulds, seconded by Director Studdard, after full discussion and with all Directors present voting aye, the Board voted to open the public hearing on the proposed 2022 tax rate at 8:46 a.m.

Mr. Petrov stated that a notice was published, as required, in the Hays Free Press for at least ten (10) days prior to the meeting, a copy of which is attached hereto as Exhibit "E", and that the Board has proposed to levy a 2022 total ad valorem tax rate of \$0.90 per \$100 of assessed value for the tax year 2022. Mr. Petrov asked if anyone from the public wished to speak on the matter. No member of the public indicated a desire to speak on the matter.

Upon motion by Director Baker, seconded by Director Baker, after full discussion and with all Directors present voting aye, the Board voted to close the public hearing at 9:06 a.m.

c. Adopt Order Setting Rate and Levying Tax for 2022.

The Board then discussed adopting the proposed 2022 ad valorem tax rate of \$0.90 per \$100 assessed value.

Upon motion by Director Baker, seconded by Director Studdard after full discussion and with all Directors present voting aye, the Board adopted the Order Setting Rate and Levying Tax for 2022 (the "Tax Rate Order"), with a total ad valorem tax rate of \$0.90 per \$100 assessed valuation for the year 2022, comprised of \$0.35 per \$100 assessed valuation tax rate for operation/maintenance purposes, a water, sewer, drainage debt service rate of \$0.31 per \$100 assessed valuation tax rate, and \$0.24 per \$100 assessed valuation tax rate for road debt service. A copy of the Tax Rate Order is attached hereto as Exhibit "F".

d. Approve Amended District Information Form.

The Board next discussed approval of an Amended District Information Form, a copy of which is attached hereto as Exhibit "G", which is required to be amended to show the current tax rate, any outstanding debt, and the Notice to Purchasers form, and is to be recorded in the Hays County Real Property Records (the "HCRPR").

Upon motion by Director Baker, seconded by Director Studdard, after full discussion and with all Directors present voting aye, the Board approved the Amended District Information Form, and authorized JP to record same in the HCRPR and file it with the TCEQ, as required by law.

e. Adopt Order Appointing Tax Assessor Collector.

The Board next considered an Order Appointing Tax Assessor Collector. A copy of which is attached hereto as Exhibit "H."

Upon motion by Director Foulds, seconded by Director Baker, after full discussion and with all Directors present voting aye, the Board voted to adopt the Order Appointing Tax Assessor Collector.

f. Adopt Resolution Concerning Tax Collection Procedures.

The Board next considered a Resolution Concerning Tax Collection Procedures. A copy of which is attached hereto as Exhibit "I."

Upon motion by Director Baker, seconded by Director Foulds, after full discussion and with all Directors present voting aye, the Board voted to adopt the Resolution Concerning Tax Collection Procedures.

VIII. Financial Advisor.

Mr. Howell presented to and reviewed with the Board the Preliminary Official Statement ("POS") and the Notice of Sale ("NOS") for the Bonds, copies of which are attached hereto as Exhibit "J". Mr. Howell noted that as of July 1, 2022 the estimated taxable value of the District would allow the District to issue approximately \$8 million of bonds assuming no-growth.

Upon motion by Director Studdard, seconded by Director Baker, after full discussion and with all Directors present voting aye, the Board approved the POS and NOS.

IX. **Attorney's Report.**

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

b. Agreements between the District and Dripping Springs Water Supply Corporation.
No action taken.

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

PASSED and APPROVED this 25th day of October, 2022.


Secretary, Board of Directors

EXHIBITS:

- A - Bookkeepers Report
- B - Engineer's Report
- C - Caliterra General Manager's Report
- D - Resolution Determining and Adopting Prevailing Wage Rates for Construction Projects
- E - Affidavit of Publication
- F - Order Setting Rate and Levying Tax for 2022
- G - Amended District Information Form
- H - Order Appointing Tax Assessor Collector
- I - Resolution Concerning Tax Collection Procedures
- J - Preliminary Official Statement and the Notice of Sale

