

## HAYS COUNTY DEVELOPMENT DISTRICT NO. 1

### Minutes of Meeting Thursday, December 14, 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, December 14, 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
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, with the exception of Director Harris, thus constituting a quorum. Also in attendance in person were: Justin Taack of Bott & Douthitt, PLLC ("Bookkeeper"); Ronnie Moore, P.E. of Carlson, Brigrance & 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 ("CAUM"); and Andrew N. Barrett of Barrett & Associates, PLLC ("Special Counsel") and by phone: Crystal Horn with McGrath and Co., PLLC ("Auditor").

The meeting was called to order at 8:32 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 wishing to speak.

II. **Approve regular meeting minutes of the November 9, 2023.**

The Board reviewed the minutes of the regular meeting held on November 9, 2023, a copy of which was previously distributed to the Board.

Upon motion by Director Studdard, seconded by Director Novosad, after full discussion and with all Directors present voting aye, the Board approved the regular meeting minutes of the November 9, as presented.

III. **Auditor's Report.**

a. Ms. Horn presented and reviewed an Audit Continuance Letter prepared by McGrath & Co., PLLC for the audit fiscal year ended December 31, 2023, a copy of which is attached hereto as Exhibit "A-1". Ms. Horn noted that the fee will be \$14,000. She also answered questions from the Board.

b. Next, Ms. Horn presented the Agreed Upon Procedures (AUP) prepared by McGrath & Co., PLLC for Costs Reimbursable to Preston Hollow Capital, LLC and CF CSLK Caliterra, LLC from \$12,100,000 Unlimited Tax Bonds, Series 2023, a copy of which is attached

hereto as Exhibit "A-2".

c. The Board moved up discussion of Item 9D regarding Conveyance of Facilities Agreement with CF CSLK Caliterra, LLC for conveyance of facilities to be reimbursed, a copy of which is attached hereto as Exhibit "A-3". Discussion ensued.

Upon motion by Director Foulds, seconded by Director Baker, after full discussion and with all Directors present voting aye, the Board approved the 1) Audit Continuance Letter prepared by McGrath & Co., PLLC for the audit fiscal year ended December 31, 2022; 2) Agreed Upon Procedures (AUP) for Costs Reimbursable to Preston Hollow Capital, LLC and CF CSLK Caliterra, LLC from \$12,100,000 Unlimited Tax Bonds, Series 2023; and 3) Conveyance of Facilities Agreement with CF CSLK Caliterra, LLC for conveyance of facilities to be reimbursed.

#### IV. **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 "B."

b. Mr. Taack presented director and vendor payments and one (1) transfer from TexPool Operating Account to Cadence Bank for the Board's approval.

Mr. Taack then reviewed the Financial Statements of the District.

c. Mr. Taack presented and reviewed the Budget for fiscal year ending December 31, 2024 with the Board, a copy of which is attached to the Bookkeeper's Report. Mr. Taack pointed out that expenses have increased due to the additional lawn maintenance, but the variance is still a net positive and the District still has more than a twelve (12) month reserve.

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 from TexPool Operating Account to Cadence Bank; and 3) approved the Bookkeeper's Report, including the Budget for fiscal year ending December 31, 2024.

#### V. **Developer's Report.**

Mr. Howe reported that three (3) closings are expected this month and another three (3) closing are expected next month. Discussion ensued regarding development. The Board noted not action was necessary.

#### VI. **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 "C." Mr. Moore updated the Board on the current Engineering activities within the District.

Upon motion by Director Studdard, seconded by Director Baker, after full discussion and with all Directors present voting aye, the Board approved the Engineer's Report.

VII. **Operations Report.**

a. 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 "D."

b. Zane Furr Landscape Maintenance Proposal and Contract ("Zane Furr Contract").

Mr. C. Abshire presented and reviewed the Zane Furr Contract, a copy of which is attached hereto as Exhibit "D-1". Discussion ensued.

Upon motion by Director Baker, seconded by Director Studdard, after full discussion and with all Directors present voting aye, the Board approved the Zane Furr Contract subject to certain legal amendments.

c. Amendment to Contract for Municipal Solid Waste Collection and Disposal Services with Texas Disposal Systems ("TDS"), a copy of which is attached hereto as Exhibit "D-2".

Upon motion by Director Foulds, seconded by Director Novosad, after full discussion and with all Directors present voting aye, the Board approved the Operations Report, including amendment to the TDS contract.

VIII. **Attorney's Report.**

a. Receive update from Legal Counsel concerning District operations, agreements and finances and take any action as necessary. Mr. Petrov noted that the District anticipates closing on the 2023 Bonds this morning.

b. Agreement between the District and Dripping Springs Water Supply Corporation ("DSWSC").

Mr. Barrett and Mr. Petrov updated the Board on discussions with DSWSC for 500 additional Living Unit Equivalents ("LUEs").

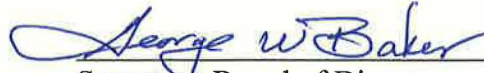
c. Maintenance of Facilities within the District and Coordination of the HOA and Developer.

Discussed under the Operations Report.

d. Conveyance of Facilities Agreement with CF CSLK Caliterra LLC for conveyance of facilities to be reimbursed. This was discussed under the Item 3c above.

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

**PASSED** and **APPROVED** this 11th day of January, 2024.

  
Secretary, Board of Directors

**EXHIBITS:**

- A - Audit Continuance Letter
- A-1 - Agreed Upon Procedures (AUP)
- A-2 - Conveyance of Facilities Agreement with CF CSLK Caliterra, LLC
- B - Bookkeepers Report and Audit FYE 12-31-24
- C - Engineer's Report
- D - Operations Report
- D-1 - Zane Furr Landscape Maintenance Proposal and Contract
- D-2 - Amendment to Contract for Municipal Solid Waste Collection and Disposal Services with Texas Disposal Systems

