

HAYS COUNTY DEVELOPMENT DISTRICT NO. 1

Minutes of Meeting Thursday, August 8, 2024

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 8, 2024, 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 Studdard, 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"); Zachary Petrov of Johnson Petrov LLP ("Attorney" or "JP"); Terry Howe of Siepiela Interests, Inc. ("Developer"); William Abshire, Cody Abshire and Dana Oak of Si Environmental, LLC ("Si"); Attending by Teleconference: Andrew N. Barrett of Barrett & Associates, PLLC ("Special Counsel"); Corey Howell of the GMS Group L.L.C. (the "Financial Advisor") and Delia Yanez, RTA of the Assessments of the Southwest, Inc..

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 were no members of the public present wishing to speak.

II. **Approve regular meeting minutes of the July 11, 2024.**

The Board reviewed the minutes of the regular meeting held on July 11, 2024, a copy of which was previously distributed to the Board.

Upon motion by Director Foulds, seconded by Director Baker, after full discussion and with all Directors present voting aye, the Board approved the regular meeting minutes of the July 11, 2024 as presented.

Director Studdard entered the meeting at this time.

III. **Bookkeeper's Report.**

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

Mr. Taack presented director and vendor payments, including one (1) transfer for the Board's approval.

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

Upon motion by Director Studdard, seconded by Director Baker, after full discussion and with all Directors present voting aye, the Board: i) authorized payment of all invoices; ii) approved one (1) transfers; and iii) approved the Bookkeeper's Report.

IV. **Developer's Report.**

Mr. Howe updated the Board on the latest development in the District and responded to questions from the Board. Mr. Howe stated 514 homes are currently occupied, 25 are under construction and five (5) closings are anticipated this month. Mr. Howe updated the Board on the treated effluent, noting that all systems are in with the exception of Section 14, due to rock.

Next, the Board discussed the Temporary Encroachment on the District's Property requested by a resident. Si stated that they do not recommend granting due to the District's irrigation.

Upon motion by Director Foulds, seconded by Director Studdard, after full discussion and with all Directors present voting aye, the Board approved the Developer's Report and declined the encroachment request.

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." There were no action items presented.

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

VI. **Operations Report.**

Mr. C. Abshire of Si Environmental, LLC presented and reviewed the Operation's Report, a copy of which is attached hereto as Exhibit "C."

Mr. C. Abshire updated the Board regarding the drainage easement issues and addressing water flow issues. He stated trees are being installed for screening at the lift station.

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

VII. **New Business.**

a. Resolution Regarding Tax Characterization for 2024, a copy of which is attached hereto as Exhibit "D". Mr. Petrov reviewed the differences between low tax rate, developing, and developed districts. He stated the District would be categorized as a developing district.

Upon motion by Director Harris, seconded by Director Baker, after full discussion and with all Directors present voting aye, the Board approved the Resolution Regarding Tax Characterization for 2024.

b. Rules and Regulations regarding District Trails and Recreation Areas. Mr. Petrov asked the Board to consider what rules and regulations were deemed necessary. No action was taken at this time.

VIII. Financial Advisor's Report.

Discuss Proposed 2024 Tax Rate, Consider Financial Advisor's Recommendation, Authorize Publication of Effective Tax Rate Calculation and Establish Public Hearing Date.

a. Mr. Howell reviewed his analysis and recommendation for the 2024 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 2024, comprised of \$0.30 per \$100 assessed valuation tax rate for operation/maintenance purposes, a water, sewer, drainage debt service rate of \$0.46 per \$100 assessed valuation tax rate and \$0.14 per \$100 assessed valuation tax rate for road debt service, and a public hearing concerning the proposed 2024 tax rate set for Thursday, September 12, 2024 at 8:30 a.m. at the office of Carlson, Brigrance & Doering, Inc., 5701 West William Cannon, Austin, Texas 78749. Discussion ensued.

b. Upon motion by Director Baker, seconded by Director Harris, 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 2024, comprised of \$0.30 per \$100 assessed valuation tax rate for operation/maintenance purposes, a water, sewer, drainage debt service rate of \$0.46 per \$100 assessed valuation tax rate and \$0.14 per \$100 assessed valuation tax rate for road debt service; 2) Scheduled a public hearing concerning the proposed 2024 tax rate set for Thursday, September 12, 2024 at 8:30 a.m. at the office of Carlson, Brigrance & Doering, Inc., 5701 West William Cannon, Austin, Texas 78749; and 3) authorized ASW to publish notice of the tax rate hearing.

IX. Attorney's Report.

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

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

Mr. Petrov presented a proposed agreement with the DSWSC and Developer for water service to the remainder of Caliterra and Carter Ranch ("Agreement"). Mr. Petrov recommended the Board approve the Agreement subject to minor legal comments.

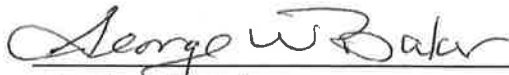
c. Discuss transfer of property from HOA to the District. No updates at this time.

d. Agreements between the District and the City of Dripping Springs (the "City") regarding wastewater service and authorize any necessary action regarding wastewater service. Mr. Barrett updated the Board regarding discussions with the City regarding wastewater capacity and Arrowhead connection.

Upon motion by Director Foulds, seconded by Director Baker, after full discussion and with all Directors present voting aye, the Board approved the Agreement subject to minor legal comments.

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

PASSED and **APPROVED** this 12th day of September, 2024.



Secretary, Board of Directors

EXHIBITS:

- A - Bookkeepers Report
- B - Engineer's Report
- C - Operations Report
- D - Resolution Regarding Tax Characterization for 2024
- E - Financial Advisor's Tax Rate Recommendation

