

HAYS COUNTY DEVELOPMENT DISTRICT NO. 1

Minutes of Meeting Thursday, September 12, 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, September 12, 2024, 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, 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, Brigance & Doering, Inc. ("CBD" and/or "Engineers"); Zachary Petrov of Johnson Petrov LLP ("Attorney" or "JP"); Grant Robinson and Terry Howe of Siepiela Interests, Inc. ("Developer"); Cody Abshire and Dana Oak of Si Environmental, LLC ("Si"); 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 were no members of the public present wishing to speak.

II. **Approve regular meeting minutes of the August 8, 2024.**

The Board reviewed the minutes of the regular meeting held on August 8, 2024, 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 August 8, 2024 as presented.

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 two (2) transfers for the Board's approval.

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

Upon motion by Director Novosad, seconded by Director Studdard, after full discussion and with all Directors present voting aye, the Board: i) authorized payment of all invoices; ii) approved two (2) 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 553 homes are on the ground and 520 homes are currently occupied. He anticipates three (3) closings this month. Sections 10 and 13, 7 are under construction. The irrigation fields are almost 100% complete. Section 14, irrigation fields still under construction and cutting through rock.

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 are no action items. Mr. Moore reported that the traffic signal is expected to be fully operational in the next week or so.

Upon motion by Director Foulds, seconded by Director Baker, 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 reported that the leaking irrigation head near Water's Edge Cove has been capped and the leaking sensor valves in irrigation field 20 has been repaired. Mr. C. Abshire recommended a swale berm be constructed on a drainage easement to better direct the flow.

Upon motion by Director Founds, seconded by Director Studdard, after full discussion and with all Directors present voting aye, the Board approved the construction of a swale and berm on the easement.

Mr. C. Abshire stated Si will be requesting additional funds for the trail maintenance. Additionally, Mr. C. Abshire requested approval for irrigation fields and fence clean-up at an estimated cost of \$5,000.00 and approval for drainage easement clean-up is estimated at \$1,950.00.

Upon motion by Director Baker, seconded by Director Novosad, after full discussion and with all Directors present voting aye, the Board approved: i) the trail maintenance; ii) irrigation fields and fence clean-up at an estimated cost of \$5,000.00; iii) drainage easement clean-up is estimated at \$1,950.00; iv) and the Operation's Report.

VII. New Business.

a. Conduct Public Hearing on Proposed 2024 Tax Rate.

Upon a motion by Director Baker, seconded by Director Foulds, after full discussion and with all Directors present voting aye, the Board opened the public hearing on the proposed 2024 tax rate at 8:53 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 "D", and that the Board has proposed to levy a 2024 total ad valorem tax rate of \$0.90 per \$100 of assessed value for the tax year 2024. 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 Foulds, after full discussion and with all Directors present voting aye, the Board voted to close the public hearing at 8:54 a.m.

b. Adopt Order Setting Rate and Levying Tax for 2024.

The Board then discussed adopting the proposed 2024 ad valorem tax rate of \$0.90 per \$100 assessed value.

Upon motion by Director Foulds, seconded by Director Baker after full discussion and with all Directors present voting aye, the Board adopted the Order Setting Rate and Levying Tax for 2024 (the "Tax Rate Order"), with a total ad valorem 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, \$0.46 per \$100 assessed valuation tax rate for water, sewer and drainage debt service, and \$0.14 per \$100 assessed valuation tax rate for road debt service. A copy of the Tax Rate Order is attached hereto as Exhibit "E".

c. 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 "F", 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 Foulds, seconded by Director Novosad, 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.

d. 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 "G."

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

e. 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 "H."

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

f. Rules and Regulations regarding District Trails and Recreation Areas. The Board discussed the rules and regulations for the trails, including motorized vehicles should stay off spray fields/trails and only be allowed in designated areas.

Upon motion by Director Foulds, seconded by Director Baker, after full discussion and with all Directors present voting aye, the Board adopted rules and regulations for use of the District's recreational facilities.

VIII. **Financial Advisor's Report.**

None.

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 updated the Board regarding discussions with DSWSC.

c. Discuss transfer of property from HOA to the District.

No update 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.

No update at this time.

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

PASSED and **APPROVED** this 10th day of October, 2024.


Secretary, Board of Directors

EXHIBITS:

- A - Bookkeepers Report
- B - Engineer's Report
- C - Operations Report
- D - Affidavit of Publication
- E - Order Setting Rate and Levying Tax for 2024
- F - Amended District Information Form
- G - Order Appointing Tax Assessor Collector
- H - Resolution Concerning Tax Collection Procedures

