JOHNSON RANCH MUNICIPAL UTILITY DISTRICT
OF COMAL COUNTY, TEXAS
MINUTES OF MEETING OF THE BOARD OF DIRECTORS

January 14, 2025

The Board of Directors (the "**Board**") of the Johnson Ranch Municipal Utility District of Comal County, Texas (the "**District**") met in **regular** session, open to the public at 12:00 p.m. on January 14, 2025, at the Johnson Ranch Amenity Center located at 31020 Clover Pass, Bulverde, Texas 78163, pursuant to notice duly given in accordance with the law. The roll was called of the following members of the Board to wit:

Sheryl Short	President
Duane Wilson	Vice President
Peggy Braaten	Secretary
Arthur Seago	Treasurer
Kathy Phillips	Asst. Sec./Treasurer

and all Directors were present, except Director Phillips, thus constituting a quorum.

Also present or joining during the meeting were Chris Espinoza of DHJB Development, LLC ("**DHJB**"), a developer in the District; Kathy Muniz and Buck Nunley of Lennar Homes of Texas Land and Construction, Ltd. ("**Lennar**"), a developer in the District; Travis Rohwedder of the Guadalupe-Blanco River Authority ("**GBRA**"), the District's Operator; Kenny Watkins of Bleyl Engineering ("**Bleyl**"), the District's Engineer; and Patrick Lindner of Davidson Troilo Ream and Garza PC ("**DTRG**"), the District's Attorney. Two residents were also in attendance.

Upon calling the meeting to order, Director Short noted that David Ronquillo, a resident of the District, wished to address the Board. Mr. Ronquillo spoke to the Board regarding his concerns about the firefighting capabilities within the District. He presented a written summary of his concerns and related questions, a copy of which is attached hereto as an exhibit to these minutes. Director Short responded that Comal County (the "**County**") has not adopted a residential fire code and only has requirements for commercial properties and multi-family developments of four units or more. Mr. Rohwedder clarified that the fire department maintains the fire hydrants within the District and that the GBRA is responsible for any repairs to the malfunctioning valves.

The Board next considered the regular Board meeting minutes of December 10, 2024. Upon a motion duly made by Director Braaten and seconded by Director Seago, the Board voted unanimously to approve the minutes as written.

Next, the Board reviewed the report provided by the Guadalupe-Blanco River Authority ("**GBRA**"), the District's Operator. A copy of the report is included in the Board Packet, and the packet is attached to these minutes as an exhibit. Mr. Rohwedder stated that the GBRA has initiated Level 4 drought restriction protocols for its wholesale water

customers, which requires them to reduce their water usage by thirty percent. He added that due to the declining water levels in Canyon Lake, the GBRA is now pulling water from its second-level pipe.

Mr. Nunley then presented the development report for Johnson Ranch North. He reported that repairing the sidewalks damaged by the Lower Colorado River Authority (the "**LCRA**") and the revegetation of Cumin Court, along with other agreed-upon areas, will require an additional sixty days for completion. Mr. Nunley also specifically stated that the area between the sidewalk and curb on the cul-de-sac portion of Cumin Court will be sodded. Mr. Watkins questioned the large amounts of mulch in the area across from the GBRA easement near Cumin Court, and he reiterated that the District does not accept mulch as revegetation material. Mr. Nunley responded that the mulch was likely spread by the builders in the area for stabilization purposes but that he would investigate the issue.

Next, Mr. Espinoza presented the development report for Johnson Ranch South. He stated that work is continuing in Section 3, Units 7, 8, and 9 and that he anticipates that the GBRA punch list of items will be completed by next week. He added that the paving of Unit 9 is scheduled for next week, weather permitting, and stabilization of the cut walls on Star Gazer Road is expected to be complete in approximately three weeks.

Continuing his report, Mr. Espinoza stated that the County still has not accepted the section of Johnson Way between Horseshoe Path and Fox Trot Trail. He added that he is meeting with the paving contractor next week to discuss a plan proposal, which will be presented to the County Engineer for approval. Mr. Espinoza acknowledged that multiple items were on the County's punch list for the road. Several Directors commented on the worsening "dip" in that section of the road, and Mr. Espinoza agreed to inspect the area.

Next, Mr. Espinoza reported that the water barrels were being removed from around the pecan trees along Johnson Way and that the trees would be trimmed after they bud. Several Directors challenged this timing and reminded him of the previous recommendations that trimming be done from January to early February before budding. He agreed to double-check this with the arborist on the timing of the tree trimming.

Mr. Espinoza then told the Board that he continued to discuss the issue of spare parts for the wastewater treatment plant within the District (the "**WWTP**") with Charlie Hill. He then questioned Mr. Watkins about his request to remediate the drainage inlet in the area, and Mr. Watkins clarified the issue. Mr. Espinoza stated that he would meet with the contractor next week to discuss the remediation of the drainage inlet. Director Short emphasized the Board's frustration with the continued delays in completing the WWTP punch list.

Mr. Espinoza then stated he did not have any updates on the status of the Trail Manhole. Directors Short and Braaten expressed extreme frustration that this item has been on the District's agenda for over four years and that there has been a continuous

and changing list of excuses for non-completion. Mr. Espinoza then questioned whether the modification needed to be done, to which Mr. Watkins replied that the Trail Manhole currently did not meet GBRA standards. Mr. Espinoza agreed to check with the GBRA to clarify their current standards and if their approval of the remediation plan was still valid, given the lengthy delay in completion.

Agenda Items 7b and 7c were deferred to the executive session.

The next item of business before the Board was consideration of A RESOLUTION BY THE BOARD OF DIRECTORS OF THE JOHNSON RANCH MUNICIPAL UTILITY DISTRICT TO ADOPT A COVERED APPLICATIONS AND PROHIBITED TECHNOLOGY POLICY AS REQUIRED BY CHAPTER 620 OF THE TEXAS GOVERNMENT CODE; PROVIDING FOR SEVERABILITY AND SAVINGS CLAUSE; SETTING AN EFFECTIVE DATE (the "**Technology Policy**"). Upon a motion duly made by Director Braaten and seconded by Director Seago, the Board voted unanimously to approve the Technology Policy as presented. A copy of the Technology Policy is included in the Board Packet.

Next, the Board considered the need to conduct the annual review of the District's Investment Policy and investment strategies pursuant to the requirements of Chapter 2256, Texas Government Code, the Texas Public Funds Investment Act. The Board noted that no changes to the Investment Policy were recommended. The Board also reviewed an updated list of brokers authorized to handle investments of the District. After review, the Board decided that no changes were required in the District's Investment Policy and Investment Strategies. Therefore, upon a motion duly made by Director Wilson and seconded by Director Short, the Board voted unanimously to approve the RESOLUTION OF THE BOARD OF DIRECTORS OF JOHNSON RANCH MUNICIPAL UTILITY DISTRICT AFFIRMING INVESTMENT POLICY FOR JOHNSON RANCH MUNICIPAL UTILITY DISTRICT; ADOPTING A LIST OF QUALIFIED BROKERS; PROVIDING FINDINGS OF FACT; AND PROVIDING FOR OPEN MEETING (the "**Resolution**"**)**. A copy of the Resolution is included in the Board. Packet.

The Board next considered the requirement that pursuant to Chapter 2206, Texas Government Code, the District, as an entity with eminent domain authority, must file an annual report with the Texas Comptroller of Public Accounts (the "**Comptroller**") describing any condemnation activity carried out by the entity during the previous year, as well as providing the statute that authorizes such condemnation activity. After a brief discussion, upon a motion duly made by Director Braaten and seconded by Director Short, the Board voted unanimously to authorize the District's Administrative Assistant to complete the District's eminent domain filing, as required.

The next item of business before the Board was the annual renewal of the District's insurance coverage from McDonald & Wessendorff Insurance ("**McDonald**"), the District's current insurance provider. The Board reviewed the proposals presented by McDonald at length. After discussion, upon a motion duly made by Director Wilson and seconded by Director Seago, the Board voted unanimously to approve the proposal from

McDonald, as presented, for the same policies as approved in 2024. A copy of the proposals, thus approved, is included in the Board Packet.

The Board then discussed disposing or retaining some older District records pursuant to the District's Records Retention Policy. After discussion, upon a motion duly made by Director Seago and seconded by Director Wilson, the Board voted unanimously to authorize Director Short to investigate pricing on storage options for the records and contract with the best site at a total monthly cost not to exceed $250.00.

Mr. Watkins next reviewed the Engineer's Report in detail with the Board, a copy of which is included in the Board Packet. He first reported that he and Director Short inspected Star Gazer Road this morning before the meeting and that he has not yet received the geotechnical report from DHJB or any acknowledgment of road approval by other agencies. He reminded the Board that the District is always the final agency that issues approvals. Mr. Espinoza commented that Units 7, 8, and Star Gazer Road must be completed before he requests the City of Bulverde's engineer to inspect the road. He added that he anticipates being ready for the inspection within two weeks. Director Short stressed the importance of opening Star Gazer Road as soon as possible. Mr. Lindner asked if the Board wanted to hold a special Board meeting to approve the road if it was completed before the next regular meeting, and the Board responded in the affirmative. Mr. Watkins requested that Mr. Espinoza send him confirmation of approval from the other agencies as soon as it is received; at this point, Mr. Watkins will inspect the area.

Mr. Watkins then told the Board that in late December 2024, the District was notified by the design engineer for the 279-unit Build-to-Rent project, located on the original Johnson Ranch homestead, that he would be resubmitting plans for the project. He added that no other project details are known at this time.

Director Short then reported that she had obtained an estimate from On Point for repairing the fencing around the water quality pond located within the District. After discussion, Director Seago motioned, and Director Wilson seconded to authorize Director Seago to consult with the insurance company of the driver who had damaged the fence to arrange for the repair and payment by the insurance company. The motion passed unanimously.

Director Braaten then reported on the discussion she and Mr. Watkins had with a resident regarding drainage concerns near his residence. She noted that the resident's questions and concerns appeared to be resolved to his satisfaction at this time.

The next item before the Board was the Bookkeeper's Report, prepared by Municipal Accounts & Consulting, L.P. ("**MAC**"), the District's Bookkeeper. The Board reviewed the reports, including the activity in each of the District's accounts. Director Seago then motioned, and Director Braaten seconded, to (1) approve the Cash Activity Report and (2) authorize payment of the District's bills as presented, with the exception of the check to Director Phillips. The motion passed unanimously. A copy of the Bookkeeper's Report is included in the Board Packet.

The Board then entered into executive session at 1:26 p.m., pursuant to V.T.C.A. Government Code, Chapter 551.071, to receive the District Attorney's advice on Items 7b and 7c as listed on the agenda. The Board reconvened in open session at 2:30 p.m. Director Short reported that no decisions were made, and no votes were taken on the items discussed in executive session.

Finally, the Board confirmed that their next regular meeting would be on February 11, 2025, and the meeting was adjourned.

Peggy Braaten
Peggy Braaten (Feb 20, 2025 16:27 CST)

Peggy Braaten
Secretary, Board of Directors
Johnson Ranch Municipal Utility District

2025_01-14 Johnson Ranch Meeting Minutes(2930771)

Final Audit Report 2025-02-20

Created:	2025-02-19
By:	Suzanne McCalla (smccallajrmud@gmail.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAY2yGP_0So1vm_35gmfKvhietLAtsow7Q

"2025_01-14 Johnson Ranch Meeting Minutes(2930771)" History

Document created by Suzanne McCalla (smccallajrmud@gmail.com)
2025-02-19 - 8:22:49 PM GMT

Document emailed to Peggy Braaten (peggy.braaten@jrmud.org) for signature
2025-02-19 - 8:22:53 PM GMT

Email viewed by Peggy Braaten (peggy.braaten@jrmud.org)
2025-02-20 - 10:26:38 PM GMT

Document e-signed by Peggy Braaten (peggy.braaten@jrmud.org)
Signature Date: 2025-02-20 - 10:27:16 PM GMT - Time Source: server

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