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

March 11, 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 March 11, 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, thus constituting a quorum.

Also present or joining during the meeting were Chris Espinoza of DHJB Development, LLC ("**DHJB**"), a developer in the District; Buck Nunley and Kathy Muniz of Lennar Homes of Texas Land and Construction, Ltd. ("**Lennar**"), a developer in the District; Cecil Holliday of the Guadalupe-Blanco River Authority ("**GBRA**"), the District's Operator; Chris Lane of ("**SAMCO")**, the District's Financial Advisor; 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. Seven residents were also in attendance.

Upon calling the meeting to order, Director Short noted that resident David Ronquillo wished to address the Board. Mr. Ronquillo stated that approximately 100 residents had attended recent resident-sponsored community meetings held in Johnson Ranch and that they all expressed opposition to the proposed 279-unit BTR project on the ranch homestead property. He further expressed concern regarding the limited water resources in the area.

The Board next considered the regular Board meeting minutes of February 11, 2025. Upon a motion duly made by Director Braaten and seconded by Director Wilson, 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, which is attached to these minutes as an exhibit. Mr. Holliday stated that the GBRA has not yet initiated Stage 5 drought restriction protocols for its retail water customers.

Mr. Nunley then presented the development report for Johnson Ranch North. He reported that the gabions on Stahl Road had been repaired and the culverts cleaned out. He further stated that the LCRA damaged area has been repaired, the Cumin Court and Escarole Bend areas have been revegetated, and all the rocks on Cumin Court have been removed. Mr. Watkins commented that the sidewalk still needs to be replaced and that the vegetation needs additional watering, and Mr. Nunley agreed. Mr. Nunley requested that Mr. Watkins inspect the area prior to the next Board meeting, and Mr. Watkins agreed to do so.

Next, Mr. Espinoza presented the development report for Johnson Ranch South. He stated that revegetation is in progress in Units 7 & 8, and that they are working on completing the GBRA punch list for Units 7 & 9. He continued that he had met with Perry Homes and instructed them to put matting in front of each house and silt fencing on the sides. He further stated that he had hired a contractor to install silt fencing on the developer-owned lots in Units 7 & 8, with completion scheduled by next week. Mr. Espinoza next reported that he is meeting with the contractor tomorrow to obtain a bid for repair of the walking trail using cement stabilized decomposed granite. Mr. Watkins commented that Units 7, 8, 9, and Star Gazer Road are included in one bid package. Director Short questioned whether there is a surety bond in place for potential trail repairs.

Continuing his report, Mr. Espinoza stated that there is no status change on the wastewater treatment plant (the **'WWTP"**) punch list, and that he is still requesting spare parts from the contractor. Mr. Watkins questioned why there were still no spare parts. Director Short questioned why the District should be paying extra interest on future bond issuances for reimbursement of the WWTP when the developer is responsible for the extensive, ongoing delays in completing the WWTP, and what options are available to the District. Mr. Lindner replied that the District could request on the bond application that TCEQ disallow the interest due to the delay and notify them to focus on the conditions for acquiring the plant. He further stated that pressure could be applied to GBRA and a moratorium be imposed because they have not pushed the developer for completion. He recommended contacting the GBRA and Michael Sullivan of Bleyl regarding this matter. Mr. Watkins questioned whether the remediation to the drainage inlet at the WWTP had been completed. Mr. Espinoza replied that he would have it completed next week and would email photos to Mr. Watkins.

Next, Director Phillips questioned the anticipated opening date for Star Gazer Road. Mr. Espinoza replied that 95% revegetation is required and that it was close. Mr. Watkins reported that the contractor had offered the ability to post a fiscal surety bond for conditional acceptance of Star Gazer Road prior to full revegetation. A lengthy discussion ensued regarding the Board's conditions that the surety bond amount be sufficient to cover multiple revegetation attempts and the use of water trucks and account for potential future price increases. Mr. Espinoza agreed to send an estimate to Mr. Watkins prior to the next Board meeting. Mr. Watkins then expressed concern with the pavement markings at the left turn onto Star Gazer Road from the through lane on Mustang Vista.

Mr. Espinoza next reported that he met with the contractor and **GBRA** to establish a plan for remediating the Trail Manhole. He stated that the contractor is preparing submittals and is three weeks out on his schedule.

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

The Board next addressed the Permanent Wastewater Easement Agreement. Mr. Lindner reported that the developer [**DHJB**] and **GBRA** made some changes to the form, and he recommends removing the District from the form.

Director Short next reported on an email she had received from a resident expressing concerns about drainage issues along Cardamon Way. Mr. Lindner stated that because of pending litigation, the District could not respond to the resident's questions until required, other than to respond to the question regarding the use of District taxes.

Mr. Watkins reviewed the Engineer's Report in detail with the Board, a copy of which is included in the Board Packet. Based on Mr. Watkin's recommendation, upon a motion duly made by Director Wilson and seconded by Director Seago, the Board voted unanimously to approve Pay Application No.15 for Units 7, 8, 9, and Star Gazer Road.

Mr. Watkins commented that Lennar had made extensive efforts to address the revegetation and repair issues in Unit 9, and that he thought that it would likely qualify for final acceptance next month.

Director Seago next reported that the fence repair at the water quality pond has been completed. Director Short commented on an issue with the gate locking mechanism and Director Seago agreed to investigate this with the contractor.

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 District account. Director Seago reported that current revenues are $50,000 above budget, and current expenditures are $90,000 below budget. 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. 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 12:53 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 1:36 p.m. Director Short reported that no decisions were made, and no votes were taken on the items discussed in executive session.

Mr. Lindner stated that the law firm of Jackson Walker, which the Board had engaged the previous month, had unexpectedly withdrawn due to a discovered conflict of

interest. Consequently, he recommended that the Board engage the services of J. Parker Fauntleroy with the Cokinos Law firm. Director Seago motioned to engage Cokinos law firm. Director Braaten seconded the motion, which passed unanimously.

Finally, the Board confirmed that their next regular meeting would be held on April 8, 2025, and the meeting was adjourned.

Peggy Braaten
Peggy Braaten (Apr 16, 2025 17:57 CDT)

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

2025_03-11 Johnson Ranch Minutes

Final Audit Report 2025-04-16

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