

**MINUTES OF THE MEETING
OF THE BOARD OF DIRECTORS**

THE STATE OF TEXAS §

COUNTY OF DENTON §

BROOKFIELD FRESH WATER SUPPLY DISTRICT NO. 1 §

The Board of Directors (the “Board”) of Brookfield Fresh Water Supply District No. 1 (the “District”) met in regular session, open to the public, on the 7th day of August, 2020, by telephone conference.

Mr. Ross Martin, General and Bond Counsel for the District, announced that the Meeting would be conducted by telephone conference to mitigate the spread of COVID-19. Mr. Martin confirmed that Meeting participants would observe guidance provided by the Texas Attorney General’s office to suspend certain requirements of the Texas Open Meetings Act. Mr. Martin next stated that (i) Notice of the Meeting was given in accordance with Chapter 551, Government Code, and Chapter 49, Texas Water Code, as amended by the Governor’s order and Attorney General’s guidance; (ii) the Meeting was being conducted in a transparent and accessible manner; (iii) Meeting packets were distributed to all participants and made available to the public; and (iv) the Meeting would be recorded and made available for electronic distribution upon request.

The roll was called of the members of the Board, to-wit:

Sandra Tabacinic	President
Madeleine Mitchell	Vice President
Abraham Achar	Secretary
Shelly Elieson	Assistant Secretary
Bethany Brackebusch	Assistant Secretary

All members of the Board were present by telephone at the commencement of the meeting with the exception of Director Achar and Director Elieson, thus constituting a quorum. All Directors present by telephone voted on all matters that came before the Board. Also present were Ms. Kathleen Martinez of Dye & Toverly, LLC, bookkeepers for the District; Mr. Ross Martin, attorney, and Ms. Amy Bieber, paralegal, of Winstead PC, attorneys for the District; Mr. Mark Spear of Pape-Dawson Engineers, Inc., engineers for the District (“Pape-Dawson”); and Mr. Steve Howard of D.R. Horton, developer of lands within the District.

The meeting was called to order at 10:32 a.m.

1. The Board opened the meeting to public communication or comment. Hearing none, Director Tabacinic moved that the Board close the public comment section of the meeting. Director Mitchell seconded said motion, which carried unanimously.

2. The Board next reviewed the Minutes from the July 2, 2020, Board of Directors meeting. Following a discussion, and upon motion by Director Tabacinic, seconded by Director Mitchell and unanimously carried, the Board approved the July 2, 2020, minutes as presented.

3. The Board next recognized Mr. Ayala, who introduced himself and presented to and reviewed with the Board a statement of qualifications from Hilltop Securities, Inc. ("Hilltop"), a copy of which is attached hereto as Exhibit "A". Next, Mr. Ayala presented to and reviewed a Municipal Advisory Agreement by and between the District and Hilltop, a copy of which is attached hereto as Exhibit "B". Mr. Ayala reviewed the proposed scope of services and standard fee schedule. Following a discussion, Director Tabacinic moved that the Board approve the engagement of Hilltop for financial advisory services. Director Mitchell seconded said motion, which carried unanimously.

4. The Board continued to recognize Mr. Ayala, who explained the process of setting tax rates, noting that the District would levy its initial tax rate in 2020 prior to the completion of houses within the District. Mr. Ayala noted that the proposed tax rate is slated for operation and maintenance expenses. Next, Mr. Martin presented to and reviewed with the Board copies of an Order Setting Tax Rate for 2020, a copy of which is attached hereto as Exhibit "C". Mr. Martin stated that the District would be levying its initial tax rate and that notice requirements would change in future years to include a public hearing on the matter, but recommended an initial tax rate after consultation with the District developer of not to exceed \$1.20 per \$100 of assessed value. Following a discussion, Director Tabacinic moved that the Board (i) accept the tax rate recommendation of not to exceed \$1.00 per \$100.00 of assessed value; and (ii) adopt the Order Setting Tax Rate for 2020 as presented subject to finalization by the attorney for the District, which was \$1.20 per \$100.00 of assessed value. Director Mitchell seconded said motion, which carried unanimously.

5. The Board deferred action on the addition of lands to the District.

6. The Board deferred action on an Order Adding Lands and Redefining Boundaries.

7. The Board deferred action on an Amended District Information Form.

8. The Board next reviewed an Order of the Texas Commission on Environmental Quality ("TCEQ") dated August 4, 2020, authorizing the acquisition of drainage powers within the District, a copy of which is attached hereto as Exhibit "D". Mr. Martin noted that a hearing with TCEQ on the District's application for the acquisition of drainage powers was held on July 29, 2020, and the application was approved. Following a discussion, Director Tabacinic

9. The Board next recognized Mr. Spear, who presented to and reviewed with the Board an Engineer's report dated August 7, 2020, a copy of which is attached hereto as Exhibit "E". Next, Mr. Spear updated the Board with regard to engineering matters within the District, noting that the District would need Letters of No Objection from EnLink Midstream, LLC, to approve easements for pipeline crossings and requested that the Board authorize the Engineer to sign those when available upon attorney approval.

Next, Mr. Spear recommended that the Board approve Pay Application No. 4 in the amount of \$289,492.20 from Burnsco Construction, Inc. (“Burnsco”), under the water, sanitary sewer, and storm drainage improvements contract for Liberty Trails Phase 1A. Next, Mr. Spear recommended that the Board approve Pay Application No. 2 in the amount of \$255,469.95 from Burnsco Construction, Inc. (“Burnsco”), under the water, sanitary sewer, and storm drainage improvements contract for Liberty Trails Phase 1B. Following a discussion, Director Tabacinic moved that the Board (i) approve the engineer’s report as presented; (ii) approve Pay Application No. 4 for Phase 1A and Pay Application No. 2 for Phase 1B from Burnsco as recommended by the District’s Engineer; and (iii) authorize the Engineer to approve easement agreements with EnLink for pipeline crossings. Director Mitchell seconded said motion, which carried unanimously.

10. The Board next recognized Mr. Howard, who updated the Board with regard to development matters within the District. Mr. Howard reported that they are seeing good progress through Phase 1A and expect to shave concrete next week. Mr. Howard also reported that Phase 1B utilities are 40-50% complete. No formal action was taken by the Board.

11. The Board next recognized Ms. Martinez, who presented to and reviewed with the Board copies of a bookkeeping report dated August 7 2020, a copy of which is attached hereto as Exhibit “F”. Following a discussion, Director Tabacinic moved that the Board (i) approve the bookkeeping report; and (ii) authorize the payment of bills listed thereon. Director Mitchell seconded said motion, which carried unanimously.

12. The Board next recognized Mr. Martin, who recommended that the Board continue to authorize the District’s bookkeeper to distribute funds as approved on the bookkeeping report pursuant to Section 49.151, Texas Water Code. Following a discussion, Director Tabacinic moved that the Board authorize the distribution of funds by the Bookkeeper as requested. Director Mitchell seconded said motion, which carried unanimously.

There being no further business to conduct, Director Tabacinic moved that the meeting be adjourned, which motion was seconded by Director Mitchell and unanimously carried, whereupon the Board adjourned at 10:54 a.m. until further call.

[Signature Page Follows]

APPROVED AND ADOPTED this 11th day of September, 2020.



A handwritten signature in black ink, appearing to read "Abraham Achar", is written over a solid horizontal line.

Abraham Achar
Secretary, Board of Directors
Brookfield Fresh Water Supply District No. 1