

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

THE STATE OF TEXAS §

COUNTIES OF DENTON AND WISE §

**ALPHA RANCH FRESH WATER SUPPLY DISTRICT NO. 1
OF DENTON AND WISE COUNTIES** §

The Board of Directors (the “Board”) of Alpha Ranch Fresh Water Supply District No. 1 of Denton and Wise Counties (the “District”) met in special session, open to the public, on the 29th day of April, 2021, by telephone conference.

Mr. Scott Eidman, 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. Eidman 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. Eidman 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:

Charlie Haynes	President
Douglas B. Strecker	Vice President
James Fipps	Secretary
David G. Sims	Assistant Secretary

All members of the Board were present by telephone at the commencement of the meeting, thus constituting a quorum. All Directors present voted on all matters that came before the Board. Also present were Mr. Andrew Mizerek, P.E., of Peloton Land Solutions, Inc.; Ms. Kerry Tovery of Dye & Tovery, LLC, bookkeepers for the District; Mr. Andre Ayala of Hilltop Securities, Inc.; and Mr. Scott Eidman, attorney, and Ms. Amy Bieber, paralegal, each of Winstead PC, attorneys for the District.

The meeting was called to order at 5:35 p.m. and evidence was presented that public notice of such meeting had been given as required by law.

1. The Board first called for public communications or comment. Hearing none, Director Fipps moved that the Board close the public comment session of the agenda. Director Strecker seconded said motion, which carried unanimously.

2. The Board next confirmed receipt of the draft minutes of the July 28, 2020, Board of Directors meeting. Following a discussion, Director Haynes moved that the Board approve the minutes as drafted. Director Sims seconded the motion, which carried unanimously.

3. Consideration was next given to an Amended District Information Form (“ADIF”), a copy of which is attached hereto as Exhibit “A”. Mr. Eidman explained that the ADIF needed to be updated to reflect the District’s levy of a tax. Following a discussion, Director Haynes moved that the Board (i) approve the ADIF as presented; and (ii) authorize the District’s legal counsel to file the ADIF with the Texas Commission on Environmental Quality (“TCEQ”) and the clerks of Denton and Wise Counties. Director Sims seconded said motion, which carried unanimously.

4. The Board next considered the renewal of District insurance coverages, a summary of the proposal for which is attached hereto as Exhibit “B”. Following a discussion, Director Fipps moved that the Board approve the renewal of District insurance coverages as presented. Director Sims seconded said motion, which carried unanimously.

5. The Board next reviewed a letter from the Denton County Tax Office regarding tax collections within the District for 2021, a copy of which is attached hereto as Exhibit “C”. Mr. Eidman noted that the rate for 2021 collections is \$1.00 per parcel, which is unchanged from last year. Following a discussion, Director Sims moved that the Board acknowledged receipt of said correspondence. Director Fipps seconded said motion, which carried unanimously.

6. The Board next recognized Mr. Ayala, who 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 “D”. 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 “E”. Mr. Ayala reviewed the proposed scope of services and standard fee schedule. Following a discussion, Director Fipps moved that the Board approve the engagement of Hilltop for financial advisory services as presented. Director Strecker seconded said motion, which carried unanimously.

7. The Board next considered a Contract for the Collection of Delinquent Property Taxes prepared by McCreary, Veselka, Bragg & Allen, P.C., a copy of which is attached hereto as Exhibit “F”; and a Resolution to Impose Additional Penalty for Collection Costs, a copy of which is attached hereto as Exhibit “G”; and a Resolution to approve such contingent fee contract, a copy of which is attached hereto as Exhibit “H”. Mr. Eidman explained that such documents are required to enable the District to recover delinquent property taxes on a contingency fee basis and recommended approval. Following a discussion, Director Fipps moved that the Board approve the contract and resolutions as presented. Director Sims seconded said motion, which carried unanimously.

8. The Board next reviewed an Order of the TCEQ dated August 6, 2020, authorizing the acquisition of drainage powers within the District, a copy of which is attached hereto as Exhibit "I". Mr. Eidman 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 Fipps moved that the Board formally acknowledge the Order of the TCEQ and the District's acquisition of drainage powers. Director Sims seconded said motion, which carried unanimously.

9. The Board next recognized Mr. Mizerek, who presented to and reviewed with the Board an engineer's report dated April 29, 2021, a copy of which is attached hereto as Exhibit "J". Next, Mr. Mizerek updated the Board with regard to engineering projects within the District, reporting that Elizabeth Creek Phase 1 is essentially complete with all construction and that in Phase 2, utility improvements are halfway complete and will be followed by paving improvements.

Next, Mr. Mizerek reviewed with the Board the proposals received for water, wastewater, and storm drainage improvements in Elizabeth Creek Phase 2, noting that the lowest qualified bidder is PCI Construction, Inc. ("PCI") in the total base bid amount of \$1,790,673.60, and recommended that the Board ratify award the contract to PCI. Next, Mr. Mizerek reviewed with the Board the proposals received for paving improvements in Elizabeth Creek Phase 2, noting that the lowest qualified bidder is Mario Sinacola & Sons Excavating, Inc. ("Sinacola"), in the total base bid amount of \$1,312,760.00, and recommended that the Board ratify award the contract to Sinacola. Next, Mr. Mizerek reviewed with the Board the proposals received for street lighting improvements in Elizabeth Creek Phase 2, noting that the lowest qualified bidder is Independent Utility Construction, Inc. ("Independent") in the total base bid amount of \$122,157.60, and recommended that the Board ratify award the contract to Independent.

Next, Mr. Mizerek, recommended ratification and approval of the following pay applications and change orders:

- Pay Application No. 1 from Burnsco Construction, Inc., ("Burnsco") in the amount of \$153,864.0 under the water, wastewater, and storm drainage improvements contract for Elizabeth Creek Phase 1.
- Pay Application No. 2 from Burnsco in the amount of \$303,534.00 under the water, wastewater, and storm drainage improvements contract for Elizabeth Creek Phase 1.
- Pay Application No. 3 from Burnsco in the amount of \$509,853.15 under the water, wastewater, and storm drainage improvements contract for Elizabeth Creek Phase 1.
- Pay Application No. 4 from Burnsco in the amount of \$720,964.44 under the water, wastewater, and storm drainage improvements contract for Elizabeth Creek Phase 1.
- Pay Application No. 5 from Burnsco in the amount of \$162,639.00 under the water, wastewater, and storm drainage improvements contract for Elizabeth Creek Phase 1.

- Pay Application No. 6 from Burnsco in the amount of \$98,847.00 under the water, wastewater, and storm drainage improvements contract for Elizabeth Creek Phase 1.
- Pay Application No. 7 from Burnsco in the amount of \$84,570.75 under the water, wastewater, and storm drainage improvements contract for Elizabeth Creek Phase 1.
- Pay Application No. 8 from Burnsco in the amount of \$125,209.80 under the water, wastewater, and storm drainage improvements contract for Elizabeth Creek Phase 1.
- Pay Application No. 9 from Burnsco in the amount of \$5,571.00 under the water, wastewater, and storm drainage improvements contract for Elizabeth Creek Phase 1.
- Pay Application No. 10F from Burnsco in the amount of \$240,561.46 under the water, wastewater, and storm drainage improvements contract for Elizabeth Creek Phase 1.
- Change Order No. 1 in the amount of \$34,288.00 from Burnsco under the water, wastewater, and storm drainage improvements contract for Elizabeth Creek Phase 1.
- Pay Application No. 1 in the amount of \$15,840.00 from Gilco Contracting, Inc. (“Gilco”) under the paving improvements contract for Elizabeth Creek Phase 1.
- Pay Application No. 2 in the amount of \$190,697.04 from Gilco under the paving improvements contract for Elizabeth Creek Phase 1.
- Pay Application No. 3 in the amount of \$931,043.12 from Gilco under the paving improvements contract for Elizabeth Creek Phase 1.
- Pay Application No. 4 in the amount of \$32,713.20 from Gilco under the paving improvements contract for Elizabeth Creek Phase 1.
- Pay Application No. 5 in the amount of \$81,054.09 from Gilco under the paving improvements contract for Elizabeth Creek Phase 1.
- Pay Application No. 6 in the amount of \$20,128.05 from Gilco under the paving improvements contract for Elizabeth Creek Phase 1.
- Pay Application No. 7F in the amount of \$141,275.06 from under the paving improvements contract for Elizabeth Creek Phase 1.
- Change Order No. 1 in the amount of \$17,2633.00 from Gilco under the paving improvements contract for Elizabeth Creek Phase 1.
- Pay Application No. 1 in the amount of \$27,078.75 from PCI under the water, wastewater, and storm drainage improvements contract for Elizabeth Creek Phase 2.
- Pay Application No. 2 in the amount of \$293,639.49 from PCI under the water, wastewater, and storm drainage improvements contract for Elizabeth Creek Phase 2.
- Pay Application No. 3 in the amount of \$273,867.03 from PCI under the water, wastewater, and storm drainage improvements contract for Elizabeth Creek Phase 2.
- Pay Application No. 4 in the amount of \$624,236.58 from PCI under the water, wastewater, and storm drainage improvements contract for Elizabeth Creek Phase 2.

Following a discussion, Director Fipps moved that the Board (i) ratify award of the contract for water, wastewater, and storm drainage improvements for Elizabeth Creek Phase 2 to PCI as recommended by the District's Engineer; (ii) ratify award of the contract for paving improvements for Elizabeth Creek Phase 2 to Sinacola as recommended by the District's Engineer; (iii) ratify award of the contract for street lighting improvements for Elizabeth Creek Phase 2 to Independent as recommended by the District's Engineer; (iv) approve all Change Orders and Pay Applications as recommended by the District's Engineer; and (v) approve the Engineer's report as presented. Director Sims seconded said motion, which carried unanimously.

10. In the absence of a developer representative, the Board deferred action on a developer's report.

11. The Board continued to recognize Ms. Tovery, who presented to and reviewed with the Board a bookkeeping report dated April 29, 2021, a copy of which is attached hereto as Exhibit "K". Next, Ms. Tovery presented a proposed engagement letter from Dye & Tovery, LLC, for preparation and filing of the District's annual financial report for the fiscal year ended March 31, 2021, a copy of which is attached hereto as Exhibit "L". Following a discussion, Director Fipps moved that the Board (i) approved the bookkeeping report and payment of expenses reflected therein; (ii) authorize the District's bookkeeper to distribute funds as approved on the bookkeeping report pursuant to Section 49.151, Texas Water Code; and (iii) approve the engagement of Dye & Tovery, LLC, for preparation and filing of the District's annual financial report. Director Sims seconded said motion, which carried unanimously.

12. The Board next considered a Resolution Designating Depositories and Establishing Investment Accounts for Deposit of District Funds, a copy of which is attached hereto as Exhibit "M". Following a discussion, Director Sims moved that the Board approve the Resolution as presented. Director Fipps seconded said motion, which carried unanimously.

13. The Board next considered a Resolution Adopting Prevailing Wage Rate Scale for Construction Projects, a copy of which is attached hereto as Exhibit "N". Following a discussion, Director Fipps moved that the Board adopt the Resolution as presented. Director Sims seconded said motion, which carried unanimously.

14. The Board next recognized Mr. Eidman, who reviewed the District's current Investment Policy, dated February 4, 2020, with the Board. Mr. Eidman noted that an annual review of said Policy is required, and that no amendments to the Investment Policy are recommended by the District's legal counsel at this time. Next, Mr. Eidman presented to and reviewed with the Board a Resolution Acknowledging Annual Review of the Investment Policy and Investment Strategies, a copy of which is attached hereto as Exhibit "O". Following a discussion, Director Sims moved that the Board approve the Resolution as presented. Director Fipps seconded said motion, which carried unanimously.

There being no further business to conduct, and upon motion by Director Fipps, seconded by Director Haynes and unanimously carried, the meeting was adjourned at 6:31 p.m. until further call.

[Signature Page Follows]

APPROVED AND ADOPTED this 10th day of August, 2021.



James Fipps, Secretary
Alpha Ranch Fresh Water Supply District
No. 1 of Denton and Wise Counties