

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

THE STATE OF TEXAS §

COUNTIES OF DENTON AND WISE §

NORTH FORT WORTH WATER CONTROL AND IMPROVEMENT §
DISTRICT NO. 1 DENTON AND WISE COUNTIES

The Board of Directors (the “Board”) of North Fort Worth Water Control and Improvement District No. 1 of Denton and Wise Counties (the “District”) met in special session, open to the public, on the 29th day of July, 2021, by telephone conference.

Ms. Sarah Landiak, General and Bond Counsel for the District, announced that the Meeting would be conducted by telephone conference to mitigate the spread of COVID-19. Ms. Landiak 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. Ms. Landiak 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:

J.D. Walker	President
Donald Lucky	Vice President
Charles Garretson	Secretary
Steve Babcock	Assistant Secretary
Thomas Thye	Assistant Secretary

All members of the Board were present 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 Ms. Sarah Landiak, attorney, and Ms. Amy Bieber, paralegal, each of Winstead PC; Ms. Kathleen Martinez of Dye & Toverly, LLC, the District’s bookkeeper; Mr. Daniel Rawls of LJA Engineering, Inc. (“LJA”); Mr. Michael Poole of Lennar Corporation; and Mr. Charlie Haynes of Haynes & Associates PC.

The meeting was called to order at 11:32 a.m.

1. The Board called for public communications or comments. Hearing none, the Board closed the public comment session of the meeting.

2. The Board next reviewed the Minutes from the June 24, 2021, Board of Directors meeting. Following a discussion, and upon motion by Director Lucky, seconded by Director Thye and unanimously carried, the Board approved the Minutes as presented.

3. The Board next confirmed receipt of the 2021 tax rolls by the Denton Central Appraisal District and the Wise County Appraisal District and recognized Ms. Landiak, who discussed the 2021 Truth-in-Taxation calculations and recommended that the Board continue to engage Assessments of the Southwest to complete said tax calculations on behalf of the District. Following a discussion, Director Garretson moved that the Board approve the continued engagement of Assessments of the Southwest to complete Truth-in-Taxation calculations for the District. Director Babcock seconded said motion, which carried unanimously.

4. The Board next recognized Mr. Ayala, who presented to and reviewed with the Board the 2021 tax rate calculations and recommendations from Hilltop, a copy of which is attached hereto as Exhibit "A". The total tax rate recommendation is \$0.60 per \$100 of net taxable value. Following a discussion, Director Babcock moved that the Board (i) approve the proposed tax rate; (ii) call a public hearing on the proposed tax rate for August 26, 2021, at 11:30 a.m. either by telephone conference; and (iii) authorize publication of a notice of the same. Director Thye seconded said motion, which carried unanimously.

5. The Board next considered an Interlocal Cooperation Agreement for Property Tax Assessment and Collection with Denton County, Texas. Ms. Landiak explained that the Agreement has been updated to reflect required language from new legislation, but the cost of tax collection services remains unchanged. Following a discussion, Director Garretson moved that the Board approve the Agreement as presented. Director Walker seconded said motion, which carried unanimously.

6. The Board next recognized Mr. Poole, who updated the Board with regard to development within the District. Mr. Poole reported that Phase 3A is ongoing with grading complete, utilities to begin in early September, and full completion with 165 homes in August 2022. No formal action was taken by the Board.

7. The Board next recognized Mr. Rawls, who presented to and reviewed with the Board an engineer's report dated July 29, 2021, a copy of which is attached hereto as Exhibit "B". Next, Mr. Rawls updated the Board with regard to engineering matters within the District and requested authorization to advertise for bids for the following construction contracts: mass grading improvements for the Shale Creek development; water, wastewater, and storm drainage improvements for Shale Creek Phase 3B; paving improvements for Shale Creek Phase 3B; water, wastewater, and storm drainage improvements for Shale Creek Phase 4; and paving improvements for Shale Creek Phase 4. Following a discussion, Director Babcock moved that the Board (i) authorize the District's Engineer to advertise for bids for the requested contraction contract; and (ii) approve the Engineer's Report as presented. Director Walker seconded said motion, which carried unanimously.

8. The Board next recognized Ms. Martinez, who presented to and reviewed with the Board copies of a Bookkeeping Report dated July 29, 2021, a copy of which is attached hereto as Exhibit "C". Following a discussion, and upon motion by Director Parker, seconded by Director Thye and unanimously carried, the Board (i) approved the bookkeeping report; (ii) authorized the

payment of bills as listed thereon, and (iii) approve the investment of funds as recommended by the District's Bookkeeper.

9. The Board continued to recognize Ms. Martinez, who presented to and reviewed with the Board a draft budget for the 2021-2022 fiscal year, a copy of which is attached hereto as Exhibit "D". Following a discussion, Director Garretson moved that the Board (i) approve the budget for the 2021-2022 fiscal year as presented; and (ii) adopt a Resolution regarding the same. Director Parker seconded said motion, which carried unanimously.

10. The Board next recognized Ms. Landiak who recommended that the Board 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 Garretson moved that the Board authorize the distribution of funds by the Bookkeeper as requested. Director Parker seconded said motion, which carried unanimously.

There being no further business to conduct, and upon motion by Director Parker, seconded by Director Babcock and unanimously carried, the Board adjourned at 11:50 a.m. until further call.

[Signature Page Follows]

APPROVED AND ADOPTED this 26th day of August, 2021.



/s/ Chuck Garretson

Chuck Garretson, Secretary, Board of Directors
North Fort Worth Water Control & Improvement
District No. 1 of Denton and Wise Counties