

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

THE STATE OF TEXAS §
COUNTY OF WISE §
ROLLING V RANCH WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2 §
OF WISE COUNTY

The temporary Board of Directors (the “Board”) of Rolling V Ranch Water Control and Improvement District No. 2 of Wise County (the “District”) met in organizational session, open to the public, on the 10th day of August, 2020, by telephone conference.

Mr. Ross Martin, proposed 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:

Adam Portacci
Paul Sabbagh
Josh Moore
Grant Miller

All members of the Board were present at the commencement of the meeting. Also present were Mr. Daniel Rawls of LJA Engineering, Inc. (“LJA”); Ms. Kerry Tovery of Dye & Tovery, LLC; Mr. Ryan Nesmith and Ms. Jan Bartholomew of Robert W. Baird & Co. (“Baird”); Mr. Brian Motsenbocker and Mr. Peter Pincoffs, each of PMB Capital Investments (“PMB”); and Mr. Ross Martin, attorney, and Ms. Amy Bieber, paralegal, each of Winstead PC.

The meeting was called to order at 12:06 p.m.

1. Consideration was first given to the review of the Order Dividing Rolling V Ranch Water Control and Improvement District No. 1 of Wise County into Three Districts, a copy which is attached hereto as Exhibit “A”. The Board recognized Mr. Ross Martin of Winstead PC. Mr. Martin stated that the Board of Directors was conducting its first meeting since the creation of the District known as Rolling V Ranch Water Control and Improvement District No. 2 of Wise County (the

“District”) by division of Rolling V Ranch Water Control and Improvement District No. 1 of Wise County. Next, Mr. Martin noted the above slate of temporary Directors have expressed an interest in serving on the Board. Finally, Mr. Martin summarized the purpose and provisions of the District, including a brief overview of laws governing the District. No formal action was taken by the Board.

2. Consideration was next given to the review of Conflict of Interest Questionnaire form for Local Government Officials. Mr. Martin discussed the purpose of said questionnaire, noting instructions for completion of same, if applicable, to comply with Chapter 176 of the Texas Government Code. No formal action was taken by the Board.

3. Consideration was next given to the administration of Statement of Officer Forms, and Oaths of Office to Directors. Mr. Martin confirmed that the temporary Directors in attendance have executed their respective Statement of Officer and Oath of Office forms. Next, consideration was given to government training requirements pursuant to Chapter 551 of the Texas Government Code. Mr. Martin stated that members of the Board are subject to the Open Meetings Act, and the Public Information Act, and will be required to participate in an educational training session provided through the Texas Attorney General’s office. Finally, Mr. Martin stated that instructions for completion of same would be distributed to all members of the Board. No formal action was taken by the Board. No formal action was taken by the Board.

4. Consideration was next given to the election of officers. Following a discussion and motion by Director Miller, seconded by Director Sabbagh and unanimously carried, the following slate of officers was elected:

Adam Portacci	President
Paul Sabbagh	Vice President
Josh Moore	Secretary
Grant Miller	Assistant Secretary

5. Consideration was next given to an insurance proposal, approval of placement of Directors and Officers liability insurance, bonds, and other insurance. Mr. Martin informed the Board that they had secured a proposal for the bonds for the Directors and public employees (consultants of the District) and Directors and Officers liability insurance from McDonald & Wessendorff Insurance. A copy of the insurance proposal summary is attached hereto as Exhibit “B”. Following a discussion, Director Portacci moved that the Board approve and accept the insurance proposals as discussed. Director Miller seconded said motion, which carried unanimously.

6. Consideration was next given to the approval of an engagement letter with Winstead PC to serve as the District’s general counsel and bond counsel. At this time, Mr. Martin presented to and reviewed with the Board copies of a proposed engagement letter with Winstead PC. Mr. Martin reviewed the scope of services and fees related to same. Following a discussion, Director Miller moved that the Board (i) approve the engagement letter with Winstead PC to serve as the District’s general and bond counsel; and (ii) authorize the Board President to execute same. Director Portacci seconded said motion, which carried unanimously.

7. Consideration was next given to the engagement of LJA Engineering, Inc., to serve as the District's engineer. The Board recognized Mr. Rawls with LJA, who presented to and reviewed with the Board copies of a proposed Engineering Services Agreement, a copy of which is attached hereto as Exhibit "C". Following a discussion, Director Portacci moved that the Board (i) approve the engagement letter for engineering services from LJA; and (ii) authorize the Board President to execute same. Director Moore seconded said motion, which carried unanimously.

8. The Board next recognized Mr. Nesmith who presented to and reviewed with the Board a Municipal Advisory Services Agreement from Robert W. Baird & Co. a copy of which is attached hereto as Exhibit "D". Following a discussion, Director Miller moved that the Board approve the Municipal Advisory Services Agreement as presented. Director Sabbagh seconded said motion, which carried unanimously.

9. Consideration was next given to the engagement of Dye & Toverly, LLC to serve as the District's bookkeeper. Ms. Toverly presented to and reviewed with the Board copies of the proposed engagement letter prepared by Dye & Toverly, LLC, a copy of which is attached hereto as Exhibit "E". Following a discussion, Director Portacci moved that the Board (i) approve the engagement letter for bookkeeping services from Dye & Toverly, LLC; and (ii) authorize the Board President to execute same. Director Moore seconded said motion, which carried unanimously.

10. Consideration was next given to designating a depository bank and authorize opening of District operating accounts, and execution of required account documents, including signature cards and related bank resolutions. Ms. Toverly discussed the matter with the Board and reviewed a Resolution Designating Depositories and Establishing District Investment Accounts for Deposit of District Funds, a copy of which is attached hereto as Exhibit "F". Following a discussion, Director Sabbagh moved that the Board (i) authorize Dye & Toverly, LLC to designate Central Bank as a depository bank for the District's operating account; (ii) secure all required signature cards and related banking institution resolutions as may be required; and (iii) approve the Resolution Designating Depositories and Establishing District Investment Accounts for Deposit of District Funds as presented. Director Portacci seconded said motion, which carried unanimously.

11. The Board next recognized Ms. Toverly, who presented to and reviewed with the Board copies of a bookkeeping report dated August 10, 2020, a copy of which is attached hereto as Exhibit "G". Following a discussion, Director Miller moved that the Board (i) approve the bookkeeping report; and (ii) authorize the payment of bills listed thereon. Director Moore seconded said motion, which carried unanimously.

12. Mr. Martin next discussed with the Board the authorization of the Bookkeeper to distribute funds, noting that pursuant to Section 49.151(a) Texas Water Code, the Board of Directors typically disburses funds by checks, draft, order, or other instruments signed by a majority of the Directors. Mr. Martin stated that due to the current suspension of in-person meetings of political subdivisions such as the District, the Board may elect to authorize the bookkeeper to sign disbursements. Following a discussion, Director Portacci moved that the Board authorize the bookkeeper to sign disbursements on behalf of the Board of Directors of the District, noting that said authorization would terminate upon motion of the Board when the declared State of Disaster ceases. Director Sabbagh seconded said motion, which carried unanimously.

13. Consideration was next given to the review and approval of an Agreement for the Construction of Improvements and Reimbursement of Advances by and between the District and PMB Rolling V Land, LP (“Reimbursement Agreement”), a copy of which is attached hereto as Exhibit “H”. Following a discussion, Director Miller moved that the Board approve said Agreement as presented. Director Moore seconded said motion, which carried unanimously.

14. Consideration was next given to the adoption of a District Seal. Mr. Martin discussed the matter with the Board, noting that it was necessary to adopt a District Seal, circular in shape with the name of the District around a five-point star. Following a discussion, Director Miller moved that the Board (i) adopt the seal of the District, an impression of which is reflected on Exhibit “I” attached hereto; and (ii) authorize the Board Secretary, Assistant Secretary or records manager to affix said Seal to a District instrument as required. Director Portacci seconded said motion, which carried unanimously.

15. The Board next considered an Order Adopting Section 49.2731 Electronic Bidding Rules, a copy of which is attached hereto as Exhibit “J”. Mr. Martin explained that the adoption of electronic bidding rules as allowed by the Texas Water Code would allow the District’s engineers to accept electronic bids for construction projects, especially in instances such as the current COVID-19 pandemic when accepting bids in person may not be viable or advisable. Following a discussion, Director Sabbagh moved that the board adopt the Order as presented. Director Moore seconded said motion, which carried unanimously.

16. The Board next considered an Order Designating Offices Outside the District, a copy of which is attached hereto as Exhibit “K”. Mr. Martin noted that the District is required to designate office and meeting locations pursuant to Texas Water Code Section 49.062. Following a discussion, Director Portacci moved that the Board (a) authorize office locations on behalf of the District as described in the Order; (ii) adopt Order as presented; and (c) authorize publication of said Notice, as required. Director Sabbagh seconded said motion, which carried unanimously.

17. Consideration was next given to a Resolution Designating Posting Location of Meeting Notices, noting that the District is required to specify such location within the boundaries of the District pursuant to Texas Water Code Section 49.063. A copy of said Resolution is attached hereto as Exhibit “L”. Following a discussion, Director Moore moved that the Board adopt the Resolution as presented. Director Miller seconded said motion, which carried unanimously.

18. Consideration was next given to the review and approval of a District Information Form, a copy of which is attached hereto as Exhibit “M”. Mr. Martin discussed the matter with the Board, noting that pursuant to Texas Water Code Section 49.455, the District is required to prepare and submit same for filing with Wise County, Texas, and the TCEQ. Following a discussion, Director Sabbagh moved that the Board (i) adopt the District Information Form, subject to final review by District counsel; and (ii) authorize District counsel to file same with the property records of Wise County, Texas, and the TCEQ. Director Portacci seconded said motion, which carried unanimously.

19. Consideration was next given to an Order Adopting Code of Ethics, Travel Expense Policy, and Procedures for Selection and Review of Consultants, Policies Concerning the Use of Management Information Including the Formation of an Audit Committee, Selection of a Fiscal

Year-End and Certain Other Matters, a copy of which is attached hereto as Exhibit “N”. Mr. Martin reviewed said Order and related policies with the Board, and recommended that the Board adopt a fiscal year end at this time. Following a discussion, Director Sabbagh moved that the Board (i) adopt the Order as presented; (ii) authorize the Board President to execute said Order and the Board Secretary to attest to same; and (iii) adopt April 30 as the District’s fiscal year end. Director Miller seconded said motion, which carried unanimously.

20. Consideration was next given to an Order Establishing a Records Management Program and Appointing Records Management Officer, a copy of which is attached hereto as Exhibit “O”. Mr. Martin discussed the matter with the Board, noting that Winstead PC will be responsible for the storage and maintenance of all District records, and further proposed that the Board appoint Ms. Amy Bieber, Paralegal, to serve as the records management officer. Following a discussion, Director Miller moved that the Board (i) adopt the Order Establishing a Records Management Program and Appointing Ms. Amy Bieber as Records Management Officer; (ii) authorize the Board President to execute said Order and the Board Secretary to attest to same; and (iii) authorize the filing of said Order with the Texas State Library and Archives Commission. Director Portacci seconded said motion, which carried unanimously.

21. The Board next considered a Resolution Adopting Prevailing Wage Rate Scale for Construction Projects, a copy of which is attached hereto as Exhibit “P”. Mr. Martin explained that the District is required to adopt minimum wage rates in compliance with the Department of Labor, and the proposed wage rates match those of Wise County. Following a discussion, Director Miller moved that the Board approve the Resolution as presented. Director Portacci seconded said motion, which carried unanimously.

22. Consideration was next given to the supplemental agenda. The Board next recognized Mr. Rawls, who discussed with the Board the need to hold an election to authorize maximum bond capacities for utility, utility refunding, road, and road refunding bonds. Mr. Rawls expressed that the final bond capacity needs are still under review, but would not exceed \$100,000,000 for utility bonds, \$125,000,000 for utility refunding bonds, \$100,000,000 for road bonds, and \$125,000,000 for road refunding bonds. Next, Mr. Martin presented to and reviewed with the Board copies of an Order Approving Engineer’s Report and Calling Confirmation and Directors Election, Utility Bond Election, Utility Refunding Bond Election, Road Bond Election, Road Refunding Bond Election, and Maintenance Tax Election (“Order Calling Elections”) to be held on Tuesday, November 3, 2020, a copy of which is attached hereto as Exhibit “Q”. Mr. Martin requested that the Board approve and adopt the Order Calling Elections with the final bond capacities not to exceed the above amounts and pursuant to final approval by the District’s attorney. Following a discussion, Director Sabbagh moved that the Board approve and adopt the Order Calling Elections as presented. Director Portacci seconded said motion, which carried unanimously.

Next, Mr. Martin also explained that the District is required to contract with Wise County for election services for a November general election, and requested that the Board authorize contracting with Wise County for such services. Following a discussion, Director Portacci moved that the Board (i) authorize contracting with Wise County for election services for the November 3, 2020, elections;

and (ii) authorize District counsel to provide notice of said Election to be held within the District, as may be required. Director Miller seconded said motion, which carried unanimously.

There being no further business to conduct, Director Miller moved that the meeting be adjourned at 12:45 p.m. Director Moore seconded said motion, which carried unanimously. The Board adjourned until further call.

APPROVED AND ADOPTED this 12th day of November 2020.



Josh Moore, Secretary
Board of Directors
Rolling V Ranch Water Control and Improvement
District No. 2 of Wise County



THE STATE OF TEXAS §

COUNTY OF WISE §

ROLLING V RANCH WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2 §
OF WISE COUNTY

I, the undersigned Assistant Secretary of the temporary Board of Directors of Rolling V Ranch Water Control and Improvement District No. 2 of Wise County, certify that the attached and foregoing is a true and correct copy of the MINUTES OF THE ORGANIZATIONAL MEETING OF THE BOARD OF DIRECTORS of the District; the original of which is on file in the District's office.

WITNESS MY HAND AND THE OFFICIAL SEAL OF THE DISTRICT this ____ day of November 2020.



Josh Moore, Secretary
Board of Directors
Rolling V Ranch Water Control and Improvement
District No. 2 of Wise County

