

**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 regular session, open to the public, at 2728 N. Harwood Street, Suite 500, Dallas, Texas, on January 12, 2023, and the roll was called of the members of the Board to-wit:

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|-------------------|---------------------|
| 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. Also present were Ms. Sarah Landiak, attorney, and Ms. Amy Bieber, paralegal, each of Winstead PC; Ms. Brandi Galindo and Ms. Stefani Chastain of Dye & Toverly, LLC (“Bookkeeper”); and Mr. Daniel Rawls of LJA Engineering, Inc. (“Engineer”).

The meeting was called to order at 11:31 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 December 8, 2022, Board of Directors meeting. Following a discussion, and upon motion by Director Babcock, seconded by Director Garretson and unanimously carried, the Board approved the Minutes as presented.

3. The Board deferred action with regard to a draft of the audit for the fiscal year ended July 31, 2022.

4. The Board next recognized Mr. Poole, who updated the Board with regard to development within the District. Mr. Poole noted that Shale Creek Phase 3A is complete, and once the final plat has been recorded in Wise County home construction will begin. Mr. Poole also reported that Phase 3B should be complete in early 2024 with Phase 4 to follow with completion currently projected in mid-to-late 2024. Following a discussion, Director Thye moved that the Board approve the Developer’s report as presented. Director Walker seconded said motion, which carried unanimously.

5. The Board next recognized Mr. Rawls, who presented to and reviewed with the Board an engineering reported dated January 12, 2023, a copy of which is attached hereto as

Exhibit "A". Mr. Rawls updated the Board with regard to engineering and development matters within the District, reporting that the final walk of the 174 lots that comprise Shale Creek Phase 3A was completed the previous Friday and a notice to proceed for wet utilities in Phase 3B will be issued for February. Next, Mr. Rawls recommended approval of the following pay applications and change orders:

- Change Order No. 2 from Conatser Construction TX, L.P. ("Conatser") in the amount of \$(59,000.00) under the mass grading improvements contract for the Shale Creek development.
- Pay Application No. 7 from Conatser in the amount of \$3,060.00 under the mass grading improvements contract for the Shale Creek development.
- Pay Application No. 8 (Retainage) from Conatser in the amount of \$67,939.85 under the mass grading improvements contract for the Shale Creek development.
- Pay Application No. 5 from North Texas Contracting, Inc. ("NTX") in the amount of \$22,590.00 under the wastewater treatment plant construction contract for the Shale Creek development.
- Pay Application No. 6 (Retainage) from NTX in the amount of \$43,472.50 under the wastewater treatment plant construction contract for the Shale Creek development.

Mr. Rawls noted that the deductive change order from Conatser was removal of final grading from the scope of work so that the contract can be closed out with retainage released without waiting for additional lots, now on hold, to be completed. Following a discussion, Director Babcock moved that the Board (i) approve all pay applications and as recommended by the District's Engineer; and (ii) approve the Engineer's report as presented. Director Thye seconded said motion, which carried unanimously.

6. The Board next recognized Ms. Galindo, who presented to and reviewed with the Board copies of a Bookkeeping Report dated January 12, 2023, a copy of which is attached hereto as Exhibit "B". Ms. Galindo also noted a cost of living increase of hourly rates pursuant to the District's bookkeeping services agreement. Following a discussion, Director Garretson moved that the Board (i) approve 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. Director Walker seconded said motion, which carried unanimously.

7. The Board next recognized Ms. Landiak, who reviewed the District's current Investment Policy, dated January 27, 2020, with the Board. Ms. Landiak 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, Ms. Landiak 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 "C". Following a discussion, Director Babcock moved that the Board approve the Resolution as presented. Director Garretson seconded said motion, which carried unanimously.

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

9. 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 "E". Following a discussion, Director Garretson moved that the Board approve the Resolution as presented. Director Walker seconded said motion, which carried unanimously.

There being no further business to conduct, and upon motion by Director Garretson, seconded by Director Babcock and unanimously carried, the Board adjourned at 11:41 a.m. until further call.

[Signature Page Follows]

APPROVED AND ADOPTED this 9th day of February, 2023.

Steven Sakr

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

