

**Minutes of Meeting
Board of Directors
Kaufman County Fresh Water Supply District No. 1-A**

February 10, 2022

The Board of Directors (the "Board") of Kaufman County Fresh Water Supply District No. 1-A (the "District") met in special session by open to the public, on Thursday, February 10, 2022 at 1:00 p.m., at 2728 N. Harwood Street, Suite 500, Dallas, Texas 75201, an official meeting place outside the boundaries of the District. The roll was called of the members of the Board, to wit:

Doug Bynum	President
Michael Regan	Vice President
Ronald Sorenson	Secretary
Jordan Peterson	Assistant Secretary

All Directors were present at the commencement of the meeting. The following individuals were also present: Mr. RL Lemke of Pillar Income Asset Management; Ms. Kerry Tovcry of Dye & Toverly LLC ("D&T"); Ms. Karena Hauter, P.E., and Ms. Leslie Madison, P.E. of BGE, Inc. ("BGE"); Mr. John Kissling, member of the Board of Directors of Kaufman County Fresh Water Supply District No. 1-B; Mr. Cameron Robinson of Inframark; and Ms. Sarah Landiak, attorney, and Ms. Genny Lutzal, paralegal of Winstead PC.

1. The meeting was called to Order at 1:02 p.m.
2. Public Comment and Communications. The Board opened the meeting to public comment. Hearing none, the Board closed the public comment session of the meeting.
3. Minutes of January 6, 2022 Board of Directors Meeting. Following a discussion, Director Regan moved to approve the Minutes of the January 6, 2022 Board meeting. Director Sorenson seconded said motion, which carried unanimously.
4. Engineer's Report. Ms. Hauter presented to and reviewed with the Board copies of an Engineer's Report prepared by BGE, a copy of which is attached hereto as Exhibit "A". Ms. Hauter reported that the contractor is addressing punch list items from preliminary inspection of the regional lift station. Next, Ms. Hauter provided an update on the status of the renewal application for the wastewater treatment plant permit. Ms. Hauter next provided an update on discussions held with Belt Construction regarding their request to be paid for delays in construction.

Ms. Hauter next discussed with the Board a request from Forney Independent School District ("Forney ISD") to provide 45,000 gallon per day of water and sewer capacity to serve a future school site located near Windmill Farms. BGE recommended that the Board authorize a feasibility and cost analysis for said request to include a payment deposit of \$15,000.00 from Forney ISD.

Next, Ms. Hauter reviewed with the Board the following Pay Estimates and Change Orders: (i) Windmill Farms Regional Sewer Project CR 212 to Windmill Farms Regional Lift Station (Package 1 – Force Mains & Gravity Main) - Pay Estimate No. 8 from Belt Construction of Texas, LLC in the amount of \$43,364.40; and (ii) Windmill Farms Regional Sewer Project Mustang Creek Lift Station to CR 212 (Package 2 – Gravity Main) – Pay Estimate No. 10 from Belt Construction of Texas, LLC in the amount of \$64,241.09.

Finally, Ms. Hauter discussed with the Board an Emergency Preparedness Plan (“EPP”), noting that said Plan has been drafted by BGE and Inframark, and is required to be submitted to the Texas Commission on Environmental Quality (“TCEQ”) for review by March 1, 2022, and implemented by July 1, 2022. Ms. Hauter requested District’s authorization to submit the Plan to the TCEQ following review by District counsel.

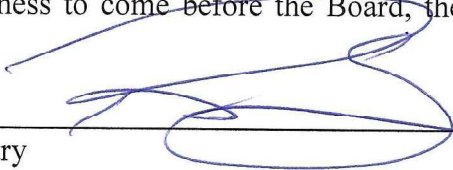
Following a discussion Director Sorenson moved that the Board (i) accept and approve the Engineer’s report including all action items recommended by BGE; (ii) approve all pay estimates and change orders as recommended by the District Engineer; and (iii) authorize BGE to submit the EPP to the TCEQ pending comments from District counsel. Director Regan seconded said motion, which carried unanimously.

5. Developer’s Report. Mr. Lemke briefed the Board on development and construction within the Windmill Farms subdivision. Next, Mr. Lemke discussed the need to consider additional security measures for water and wastewater treatment plant facilities, and recommended further discussion of the matter at the next Board meeting. Finally, Mr. Lemke briefed the Board regarding access to District property being requested, allegedly pursuant to certain ground leases by and between the District and Leman Development, Ltd. Upon motion duly made, seconded and unanimously carried, the Board authorized District consultants to prepare correspondence to Leman Development, Ltd. to restrict said access.
6. Operator’s Report. Mr. Robinson reviewed with the Board copies of an Operator’s Report, a copy of which is attached hereto as Exhibit “B”. Mr. Robinson stated that two CBOD excursions were reported for the month of December, 2021 due to inclement weather and repair work pending to restore a clarifier unit. Mr. Robinson noted that Inframark is continuing to monitor solid levels and following recommendations to mitigate inflow and infiltration issues to include additional sludge haul services. Following a discussion, Director Sorenson moved that the Board accept the Operator’s Report. Director Regan seconded said motion, which carried unanimously.
7. Drought Contingency Plan, Water Conservation Plan. Ms. Landiak presented to and reviewed with the Board copies of a Resolution Adopting Drought Contingency Plan, a copy of which is attached hereto as Exhibit “C”. Following a discussion, Director Peterson moved that the Board adopt said Plan as presented. Director Regan seconded said motion, which carried unanimously.
8. Bookkeeping Report, Payment of Invoices, Current and Proposed Budget Matters, Bank Resolutions, and related Bookkeeping matters. Ms. Tovery reviewed with the Board copies of the Operating Expense Cash Report – General Fund and Joint Utility Facilities and

Operations report prepared by D&T, copies of which are attached hereto as Exhibit “D”. Following a discussion, Director Regan moved to approve the bookkeeper reports; and authorize disbursement of funds. Director Peterson seconded said motion, which carried unanimously.

9. Draft Budgets. Ms. Tovery presented to and reviewed with the Board copies of draft budgets for fiscal year ended March 31, 2023. No formal action was taken by the Board.
10. Resolution Designating Depositories and Establishing Investment Accounts for Deposit of District Funds. Ms. Landiak presented to and reviewed with the Board said Resolution, a copy of which is attached hereto as Exhibit “E”. Following a discussion, Director Peterson moved to adopt said Resolution. Director Sorenson seconded said motion, which carried unanimously.
11. Audit Engagement Continuance Letter. Ms. Landiak reviewed with the Board copies of a letter from McCall Gibson Swedlund Barfoot & PLLC regarding audit services to be performed for fiscal year ended March 31, 2022, a copy of which is attached hereto as Exhibit “F”. Upon motion duly made, seconded and unanimously carried, the Board acknowledged same.
12. Settlement Agreement – Litigation Regarding Right-of-Way. Ms. Landiak reviewed with the Board copies of a Mediation Settlement Agreement (Cause No. 106251-CC, County Court at Law No. 1, Kaufman County, Kaufman County Fresh Water Supply District No. 1-A v. Meadow Ridge Farm, L.P.), a copy of which is attached hereto as Exhibit “G”. Following a discussion, Director Peterson moved that the Board approve the Settlement Agreement as presented. Director Regan seconded said motion, which carried unanimously.
13. Consider and approve Settlement Agreement for litigation regarding nonpayment of wastewater improvement costs by Kaufman County Fresh Water Supply District No. 1-B). The Board deferred action on the matter.
14. Tentative Date for Next Meeting. Upon motion duly made, seconded and unanimously carried, the Board scheduled the next meeting of the Board for Thursday, March 3, 2022 at 1:00 pm, or until further call.

After noting that there was no further business to come before the Board, the meeting adjourned at 1:40 pm.



Secretary