

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

**February 4, 2021**

The Board of Directors (the "Board") of Kaufman County Fresh Water Supply District No. 1-A (the "District") met in regular session by audio conference, open to the public, on Thursday, February 4, 2021 at 1:00 pm.

Mr. Ross Martin, General and Bond Counsel for the District, announced that the Meeting would be conducted by audio 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 available for electronic distribution upon request.

The roll was called of the members of the Board to-wit:

Greg Leveling	President
Steve Mitchell	Vice President
William Rogers	Secretary
Michael Regan	Assistant Secretary
Ronald Sorenson	Assistant Secretary

All Directors were present by audio conference at the commencement of the meeting. The following individuals were also recorded as present: Mr. Bryant Caswell, P.E., and Ms. Karena Hauter, P.E. with BGE, Inc. ("BGE"); Ms. Kerry Tovery of Dye & Tovery, LLC ("D&T"); Mr. Cameron Robinson of Inframark; Mr. RL Lemke of Pillar Income Asset Management; Mr. John Kissling, member of the Board of Directors of Kaufman County Fresh Water Supply District No. 1-B ("KC1-B"); and Mr. Ross Martin attorney, and Ms. Genny Lutzel, paralegal, with Winstead PC.

1. Call to Order. The meeting was called to order at 1:01 p.m.
2. Public Comments and Communications. Director Leveling opened the meeting to public comment. Hearing none, Director Rogers moved that the Board close the public comment session. Director Mitchell seconded said motion, which carried unanimously.
3. Minutes of January 7, 2021 Board Meeting. Following a discussion, Director Rogers moved that the Board approve the Minutes of the January 7, 2021 Board Meeting. Director Mitchell seconded said motion, which carried unanimously.

Executive Session. Upon motion by Director Regan, seconded by Director Rogers, the Board voted unanimously to convene into Executive Session pursuant to Section 551.071(1)(A), Texas Government Code to consult with the District's attorney regarding pending or contemplated litigation.

Mr. Martin stated that the Board would enter Executive Session by telephone conference in a manner set forth by email to Board members. The meeting was closed to the public at 1:05 p.m. The President reconvened the meeting in open session at 1:21 p.m., and stated that it would be appropriate at this time to consider the Second Amendment to Joint Utility and Wholesale Allocation Agreement ("Second Amendment to JUWAA") as set forth in paragraph no. 7.

4. Engineer's Report. Ms. Hauter 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 next summarized the status of construction projects currently underway within the District, noting that electrical service work continues at the regional lift station site. Next, Ms. Hauter stated that punch list items are being addressed following an inspection of the pump station expansion project.

Ms. Hauter next requested Board approval of a proposed Lease Agreement For Interim Pump Station – Phase 1 for the pump station expansion project. Following a discussion, Director Mitchell moved that the Board approve the Lease Agreement for Interim Pump Station – Phase 1 with the AUC Group., Inc., subject to final review by District counsel, and BGE. Director Regan seconded said motion, which carried unanimously.

Next, Ms. Hauter reviewed with the Board plans for construction of a 16"-30" water main line from the Windmill Farms Pump Station to Reeder Road, and requested Board approval for BGE to (i) proceed with construction plans and specifications for said project; and (ii) authorize advertisement of bids for same. Following a discussion, Director Mitchell moved to authorize BGE to proceed with construction plans and specifications for the water main line, as described, and advertisement of bids for same. Director Regan seconded said motion, which carried unanimously.

Next, Ms. Hauter reviewed with the Board plans for construction of a water line extension from the Windmill Farms Pump Station to Walden Road and Water Meter, and requested Board approval for BGE to (i) proceed with construction plans and specifications for said project; and (ii) authorize advertisement of bids for same. Following a discussion, Director Mitchell moved to authorize BGE to proceed with construction plans and specifications for the water line extension, as described, and advertisement of bids for same. Director Regan seconded said motion, which carried unanimously.

Next, Ms. Hauter reviewed with the Board copies of bid summary received for construction of the Windmill Farms Regional Sewer Project CR 212 to Windmill Farms Lift Station (Package 1 – Force Main & Gravity Main) and Windmill Farms Regional Sewer Project Mustang Creek Lift Station to CR 212 (Package 2 – Gravity Main). Ms. Hauter stated that BGE is currently reviewing qualification statements from Belt Construction of Texas, LLC at this time.

Next, Ms. Hauter recommended that the Board approve Change Order No. 6 for \$9,251.41 from McInnis Brothers Construction, Inc. for work performed on the Regional Lift Station project. Following a discussion, Director Mitchell moved that the Board approve Change Order No. 6 as recommended by the District's Engineer. Director Regan seconded said motion, which carried unanimously.

Ms. Hauter next requested Board approval to authorize BGE to perform survey work to identify the location of a water line located within an easement dedicated to Kaufman County Fresh Water Supply District No. 1-C ("KC1-C"). Ms. Hauter noted that services would be billed on an hourly basis, at an estimated cost of \$5,500.00. Following a discussion, Director Mitchell moved to authorize BGE to proceed with survey work as described. Director Rogers seconded said motion, which carried unanimously.

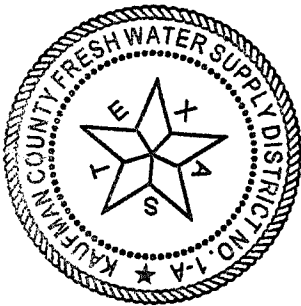
Upon motion by Director Mitchell, seconded by Director Rogers, and unanimously carried, the Board accepted the Engineer's Report.

5. Developer's Report. Mr. Lemke generally discussed the status of development, lot and home sales within the Windmill Farms subdivision, and future development of Kaufman County Fresh Water Supply District No. 1-E. Upon motion by Director Rogers, seconded by Director Regan, the Board accepted the Developer's Report.
6. Cost-Sharing Agreement Regarding Expansions of Water Supply and Wastewater Treatment Facilities by and among Kaufman County Fresh Water Supply District No. 1-C, Kaufman County Fresh Water Supply District No. 1-D, and the District ("Cost-Sharing Agreement"). Mr. Martin reviewed the draft Agreement with the Board, and recommended that the Board approve same, subject to further attorney comments. A copy of the draft agreement is attached hereto as Exhibit "B". Following a discussion, Director Rogers moved that the Board approve the Cost-Sharing Agreement, subject to further review and comment by District counsel. Director Mitchell seconded said motion, which carried unanimously.
7. Review and approve Second Amendment to Joint Utility and Wholesale Allocation Agreement. Mr. Martin reviewed with the Board copies of a draft Second Amendment to the JUWAA prepared by counsel to KC1-C. Mr. Martin recommended that the Board approve the Agreement, subject to removal of language related to ongoing litigation with KC1-B, and further attorney comment. Following a discussion, Director Sorenson moved to approve the amendment, subject to recommendations set forth by District counsel. Director Mitchell seconded said motion, which carried unanimously.
8. Operator's Report. Mr. Robinson reviewed with the Board copies of an Operations Report prepared by Inframark, a copy of which is attached hereto as Exhibit "C". Mr. Robinson summarized operation and maintenance items performed on behalf of the District. Next, Mr. Robinson reported that Inframark has completed blower repairs, and upon completion of sludge hauls, digester repair work will proceed. Next, Mr. Robinson stated that the wastewater treatment plant is compliant with all permit parameters. Finally, a general discussion took place among consultants regarding the status of completion of improvements, and BGE noted that the regional lift station should be complete within the

next 60 days. Following a discussion, Director Mitchell moved that the Board accept the Operator's report. Director Regan seconded said motion, which carried unanimously.

9. 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". Next, Ms. Tovery presented to the Board a copy of the mediation expense report, noting amounts due from KC1-B, KC1-C, and KC1-D. Following a discussion, Director Mitchell moved to (i) approve the bookkeeper reports and disbursement of funds; and (ii) waive amounts due from KC1-C and KC1D for mediation expenses. Director Rogers seconded said motion, which carried unanimously.
10. Draft Budgets. Ms. Tovery presented to and reviewed with the Board draft budgets for fiscal year ending March 31, 2022. No formal action was taken by the Board.
11. 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 4, 2021, 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 2:00 p.m.



  
Secretary