

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

THE STATE OF TEXAS §

COUNTY OF HOOD §

CRESSON CROSSROADS MUNICIPAL UTILITY DISTRICT NO. 2 §

The Board of Directors (the “Board” or the “Board of Directors”) of Cresson Crossroads Municipal Utility District No. 2 (also sometimes referred to herein as the “District”) met in special session, open to the public, at 5189 E. I-20 Service Road, North, Suite 104, Willow Park, Texas 76087 at 10:00 a.m. on March 23, 2022, and the roll was called of the members of the Board to-wit:

Bill Cherry	President
Mike Barrett	Vice President
Rodney Mays	Secretary
Derek Alan Tanner	Assistant Secretary
Steve Cook	Assistant Secretary

All members of the Board were present at the commencement of the meeting with the exception of Director Barrett and Director Cook. The Board noted that Steve Cook has tendered his notice of resignation to the Board effective March 22, 2022. Also present were Mr. Doug Johnston, a property owner within the District; Mr. Ben Shanklin, PE, District Engineer; Mr. Grant Read and Ms. Paige Poad of Railhead Realty; Mr. Ryan Voorhees, developer representative; Mr. Ike Thomas of The Thomas Group, Ms. Sarah Landiak, attorney, and Ms. Genny Lutzell, paralegal, each with Winstead PC. Ms. Kerry Tovery of Dye & Tovery LLC participated by audio conference.

1. The meeting was called to order at 10:00 a.m.
2. Consideration was next given to the resignation of Director Cook, appointment of Doug Johnston and reorganization of Board. Following a discussion, Director Cherry moved that the Board (i) accept the resignation of Steve Cook; and (ii) appoint Doug Johnston to serve as Assistant Secretary. Director Mays seconded said motion, which carried unanimously.
3. Consideration was next given to public comments and communications. Hearing none, Director Cherry moved that the Board close the public comment session of the meeting. Director Tanner seconded said motion, which carried unanimously.
4. Consideration was next given to review and approval of the Minutes of the February 11, 2022, Board of Directors meeting. Following a discussion, Director Tanner moved that the Board approve minutes as transcribed. Director Cherry seconded said motion, which carried unanimously.

5. Consideration was next given to the review of a letter to the Board confirming candidates for May 7, 2022 Directors Election, and adoption of an Order Declaring Unopposed Candidates Elected and Canceling Directors Election; and authorize notice of same. Ms. Landiak noted that one candidate (Bill Cherry) formally filed for said Election, and no additional candidates filed as a write-in candidate prior to the statutory deadline. Following a discussion, Director Cherry moved that the Board adopt said Order. Director Mays seconded said motion, which carried unanimously.

6. Consideration was next given to the Engineer's Report, a copy of which is attached hereto as Exhibit "A". Mr. Shanklin presented to and reviewed with the Board copies of a letter from Childress Engineers in connection with bids received for construction of the 500,000 gallons per day wastewater treatment plant. Mr. Shanklin recommended that the Board award the contract to Brad Drake Construction in the base bid amount of \$3,074,581.00. Following a discussion, Director Cherry moved that the Board award the bid for construction of the WWTP to Brad Drake Construction as recommended by the District's engineer. Director Tanner seconded said motion, which carried unanimously.

7. Consideration was next given to the developer's report. Mr. Read addressed the Board noting the status of development and proposed construction within the District to include meetings with cities to discuss zoning requirements. No formal action was taken by the Board.

8. Consideration was next given to the review and approval of an engagement letter for operation of water and wastewater facilities. Mr. Read presented to and reviewed with the Board copies of correspondence from LA Services, LLC in connection with same, a copy of which is attached hereto as Exhibit "B". Following a discussion, Director Cherry moved that the Board authorize District consultants to request a formal agreement with LA Services, LLC, subject to review by District counsel. Director Mays seconded said motion, which carried unanimously.

9. Consideration was next given to a discussion regarding annexation of Kelly Ranch into the District. District consultants discussed the need to review City consent; and verification of ownership prior to annexation proceedings. The Board deferred action on the matter.

10. Consideration was next given to a discussion regarding establishment of four (4) defined areas within the District, and adoption of a related Resolution. District consultants discussed the need for legal descriptions relative to establishment of same. The Board deferred action on the matter.

11. Consideration was next given to the review and approval of a Lease Agreement with the City of Cresson for wastewater treatment plant location. Mr. Read discussed the proposed lease arrangement with the City. Following a discussion, Director Tanner moved that the Board authorize District consultants to proceed with said Lease Agreement, subject to any substantial changes proposed by the City, and final review by District counsel. Director Mays seconded said motion, which carried unanimously.

12. Consideration was next given to the engineer's cost estimate of, and acquisition of MSR Hydropneumatics system with acquired easements and well sites. Mr. Reed and Mr. Voorhees discussed the matter with the Board, noting the estimate prepared by Triple Z Engineer, LLC, a copy

of which is attached hereto as Exhibit “C”. Following a discussion, Director Cherry moved that the Board acknowledge receipt of the engineer’s cost of estimate, and authorize District consultants to proceed with said acquisition of MSR Hydropneumatics systems with acquired easements and well sites. Director Mays seconded said motion, which carried unanimously.

13. Consideration was next given to the bookkeeper’s report. The Board recognized Ms. Tovery who reviewed with the Board copies of a Bookkeeper’s Report prepared by Dye & Tovery, LLC, a copy of which is attached hereto as Exhibit “D”. Ms. Tovery requested assistance with allocating regulatory fees charged by the Texas Commission on Environmental Quality (“TCEQ”) for a wastewater treatment plant permit held by the City of Cresson. Following a discussion, Director Cherry moved that the Board (i) approve the bookkeeping report; (ii) void check number 1158 made payable to the TCEQ pending confirmation of authority to provide payment of regulatory fees; and (iii) authorize payment of bills presented by checks drawn on the District’s accounts as listed thereon. Director Tanner seconded said motion, which carried unanimously.

14. Consideration was next given to the review and adoption of a Resolution Adopting Prevailing Wage Rate Scale for Construction Workers, a copy of which is attached hereto as Exhibit “E”. Following a discussion, Director Cherry moved that the Board adopt said Resolution. Director Mays seconded said motion, which carried unanimously.

15. There being no further business to conduct, Director Cherry moved that the meeting be adjourned at 10:45 p.m. Director Tanner seconded said motion, which carried unanimously. The Board adjourned until further call.

*[Signature page follows]*

APPROVED AND ADOPTED this 22<sup>nd</sup> day of June, 2022



/s/ Rodney Mays  
Secretary