

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

August 3, 2023

The Board of Directors (the "Board") of Kaufman County Fresh Water Supply District No. 1-D (the "District") met in regular session by open to the public on Thursday, August 3, 2023 at 12:00 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:

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| Alice D. Bittner | President |
| Jenny Berry Woods | Vice President |
| Heather Street Baker | Secretary |
| Kellye Teal | Treasurer/Asst. Secretary |
| Neima Gas | Assistant Secretary |

All Directors were present at the commencement of the meeting. The following individuals were also present: Mr. RL Lemke, Mr. Erik Johnson of Pillar Income Asset Management; Mr. Brad Phillips of Liberty Bankers Life Insurance Company; Mr. Josh Dennison of Scarborough Lane Development; Kaufman County Constable Jerry Kitchens, Precinct 2; Mr. Bryant Caswell, P.E., Mr. Jason Fry, and Mr. Matt Robinson, P.E. each with BGE, Inc.; Mr. Andre Ayala of Hilltop Securities, Inc.; Ms. Kerry Tovery and Ms. Julia Le of Dye & Tovery, LLC ("D&T"); Mr. Cameron Robinson of Inframark, LLC ("Inframark"); Mr. John Kissling, Board member of Kaufman County Fresh Water Supply District No. 1-B ("KC1B"); Mr. Ross Martin attorney and Ms. Genny Lutz, paralegal, each with Winstead PC. Ms. Alyssa Saccomen of McCall Gibson Swedlund Barfoot PLLC participate by audio conference.

1. Call to Order. The meeting was called to order at 12:05 p.m.
2. Public Comments and Communications. Mr. Martin opened the meeting to public comment. Hearing none, Director Bittner moved to close the public comment session. Director Berry-Woods seconded said motion, which carried unanimously.
3. Minutes of July 13, 2023 Board meeting. Following a discussion, Director Bittner moved to approve the minutes as transcribed. Director Teal seconded said motion, which carried unanimously.
4. Audit Report for Fiscal Year Ended March 31, 2023. The Board recognized Ms. Saccomen at this time who summarized the draft audit report with the Board. Following a discussion, Director Bittner moved that the Board (i) approve the Audit Report for fiscal year ended March 31, 2023, subject to final review by District counsel; (ii) authorize McCall Gibson to file same with the Texas Commission on Environmental Quality; and (iii) authorize District counsel to file the Report with the Texas State Comptroller. Director Berry-Woods seconded said motion, which carried unanimously.

5. Confirm Receipt of 2023 certified tax roll; review tax rate recommendation; approve proposed tax rate for 2023; adopt Notice of Water District Hearing on Tax Rate, and authorize publication of same. Mr. Ayala confirmed receipt of the 2023 tax roll and certified values. Next, Mr. Ayala reviewed with the Board copies of a memo prepared by Hilltop Securities in connection with a Tax Rate Recommendation for 2023, a copy of which is attached hereto as Exhibit "A". Next, Mr. Martin recommended that the Board authorize Assessments of the Southwest, Inc. to perform required tax rate calculations on behalf of the District for 2023 in accordance with Section 26.04 of the Texas Tax Code. A copy of the proposed agreement with Assessments of the Southwest, Inc., is attached hereto as Exhibit "B". Following a discussion, Director Bittner moved that the Board (i) acknowledge receipt of the 2023 Tax Roll; (ii) authorize Assessments of the Southwest to perform required tax rate calculations on behalf of the District; (iii) set the public hearing on the proposed 2023 tax rate for September 7, 2023 at 12:00 noon; and (iv) authorize publication of a Notice of Public Hearing on Tax Rate. Director Berry-Woods seconded said motion, which carried unanimously.
6. Patrol Activity Report. Constable Kitchens reviewed with the Board copies of the July 2023 Patrol Report with the Board, a copy of which is attached hereto as Exhibit "C". Next, Constable Kitchens remarked on the absence of "No Fireworks" signage through the Windmill Farms subdivision, noting that in the past, the homeowners' association has managed the installation and removal of same. No formal action was taken by the Board.
7. Communications Report. Mr. Martin reviewed with the Board copies of a communication consultant report prepared by Triton Consulting Group, LLC ("Triton") a copy of which is attached hereto as Exhibit "D". Director Gas confirmed that text alerts are now being transmitted to District residents, and confirmed that recipients have the option to "opt out". No formal action was taken by the Board.
8. Engineer's Report. Mr. Caswell reviewed with the Board copies of an Engineer's Report, prepared by BGE, Inc., a copy of which is attached hereto as Exhibit "E". Mr. Caswell summarized the status of construction projects currently underway within the District.

Next, Mr. Caswell recommended that the Board approve Pay Estimate No. 4 in the amount of \$1,086,267.90 for utility improvements in Windmill Farms Phase 6B from CW Young Construction, LP.

Next, Members of the Board and District consultants discussed methods to address maintenance of creek channels noting the need to consider an amended budget for same. Mr. Caswell discussed with the Board a preliminary estimate from a contractor to perform drainage cleanup and maintenance.

Upon motion by Director Bittner, seconded by Director Teal, and unanimously carried, the Board approved (i) the Engineer's Report; and (ii) Pay Estimate No. 4 in the amount of \$1,086,267.90 made payable to CW Young Construction, LP.
9. Operator's Report. Mr. Robinson reviewed with the Board copies of an Operator's Report as of June 2023, a copy of which is attached hereto as Exhibit "F". Mr. Robinson reviewed account collections, deposit refunds and general operation matters, noting no compliance

issues. Next, Mr. Robinson reported that Inframark has received the remainder of the meters needed to complete buildout of the District. Next, Mr. Robinson reported that water accountability is at 83%. Following a discussion, Director Bittner moved that the Board approve the Operator's Report. Director Teal seconded said motion, which carried unanimously.

10. Developer's Report. Mr. Lemke discussed the status of status of lot development noting that Windmill Farms Phase 6B lots continue to be developed. No formal action was taken by the Board.
11. Bookkeeper's Report. Ms. Tovery presented to and reviewed with the Board copies of a bookkeeper's report and joint utilities facilities and operations reports prepared by D&T, copies of which are attached hereto as Exhibit "G". Next, Board members and District Counsel discussed amounts due from the District relative to the Lease Agreement for Interim Pump Station – Phase 1 (expansion). Upon motion by Director Bittner, seconded by Director Teal, and unanimously carried, the Board (i) approved the Bookkeeper's Report; (ii) authorized the Bookkeeper to void check no. 7352 in the amount of \$122,925.65; and (iii) authorized the Bookkeeper to issue a check for \$53,953.24 which would reduce the cost share by the District's portion of the expansion lease for \$34,486.20 for two months totaling \$68,972.40.
12. Amended District Information Form. The Board deferred action on the matter.
13. Tentative Date for Next Meeting. Upon motion duly made, seconded and unanimously carried, the Board scheduled the next meeting of the Board for Thursday, September 7, 2023, at 12:00 noon, or until further call.

After noting no further business to come before the Board, Director Teal moved that the meeting be adjourned. Director Bittner seconded said motion, which carried unanimously. The meeting adjourned at 12:50 pm.


Secretary

