

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

THE STATE OF TEXAS §

COUNTY OF KAUFMAN §

KAUFMAN COUNTY FRESH WATER SUPPLY DISTRICT NO. 7-A §

The Board of Directors (the “Board” or the “Board of Directors”) of Kaufman County Fresh Water Supply District No. 7-A (also sometimes referred to herein as the “District”) met in special session, open to the public, at 2728 N. Harwood Street, Suite 500, Dallas, Texas 75201, a designated meeting place outside the boundaries of the District on January 24, 2024, and the roll was called of the members of the Board to-wit:

Barbara King	President
Karen Arington	Vice President
W. Garrett Wesp	Secretary
Laura Harris	Assistant Secretary
Joshua Lane	Assistant Secretary

All members of the Board were present at the commencement of the meeting, thus constituting a quorum. Also present were: Mr. Ishmael Machoka of LJA Engineering, Inc. (“LJA” or “Engineer”); Ms. Kerry Tovery of Dye & Tovery, LLC (“Bookkeeper”); Mr. Scott Eidman, attorney, and Ms. Amy Bieber, paralegal, each of Winstead PC; and Mr. Bill King, a member of the Kaufman County Fresh Water Supply District No. 7-B Board of Supervisors. Mr. James Mabrey, a developer of land within the District, joined the meeting by telephone.

The meeting was called to order at 12:07 p.m.

1. The Board called for public communications and comments. Hearing none, Director Wesp moved that the Board close the public comment section of the meeting. Director King seconded said motion, which carried unanimously.

2. The Board next acknowledged receipt of the Minutes from the December 6, 2023, Board of Directors meeting. Following a discussion Director Arington moved that the Board approve the Minutes as presented. Director Harris seconded said motion, which carried unanimously.

3. The Board next recognized Mr. Mabrey, who updated the Board with regard to development within the District, reporting that LGI Homes is almost ready to begin construction of homes. Mr. Mabrey also noted that the contractor will mobilize next week to begin construction of the wastewater treatment plant in Kaufman County Fresh Water Supply District No. 7-B to serve the District. No formal action was taken by the Board.

4. The Board next considered ratification of the Assignment and Assumption of TCEQ Water Quality Permit No. WQ0015633001 from the developer to Kaufman County Fresh Water Supply District No. 7-B. Following a discussion, Director King moved that the Board ratify the assignment as presented. Director Wesp seconded said motion, which carried unanimously.

5. The Board deferred action with regard to a professional services agreement by and between the District and Inframark, LLC.

6. The Board next recognized Mr. Machoka, who presented to and reviewed with the Board an engineering report dated January 24, 2024, a copy of which is attached hereto as Exhibit "A", and updated the Board with regard to engineering matters within the District. Next, Mr. Machoka recommended the award of the following contracts to the lowest qualified bidders:

- Water, wastewater, and storm drainage improvements contract to Circle H Contractors, LP ("Circle H") for Kingsborough Phase 1B in the base bid amount of \$1,498,909.16 for 60/15 calendar days.

Mr. Machoka noted that while Circle H was the second lowest bidder for the Phase 1B water, wastewater, and storm drainage improvements contract, the lowest bidder was unable to start work on the contract until March 15, 2024, which is significantly later than the development schedule allows. Therefore, the Engineer recommended award of the contract to Circle H. Next, Mr. Machoka recommended approval of the following pay applications and change orders:

- Change Order No. 6 in the amount of (\$31,878.00) from RPM xConstruction, LLC ("RPM") under the earthwork and SWPPP facilities contract for Kingsborough Phase 1.
- Pay Application No. 7 in the amount of \$55,304.82 from RPM under the earthwork and SWPPP facilities contract for Kingsborough Phase 1.
- Pay Application No. 8 in the amount of \$7,484.40 from RPM under the earthwork and SWPPP facilities contract for Kingsborough Phase 1.
- Pay Application No. 9 Retainage in the amount of \$135,749.43 from RPM under the earthwork and SWPPP facilities contract for Kingsborough Phase 1.
- Pay Application No. 7 Retainage in the amount of \$181,390.21 from KCK Utility Construction, Inc., under the water, wastewater, and storm drainage improvements contract for Kingsborough Phase 1A.
- Change Order No. 3 in the amount of \$3,412.70 from Midkiff Holdings, LLC, d/b/a GM Construction TX ("GM") under the paving improvements contract for Kingsborough Phase 1A.
- Pay Application No. 4 in the amount of \$42,320.07 from GM under the paving improvements contract for Kingsborough Phase 1A.
- Pay Application No. 5 Retainage in the amount of \$144,229.56 from GM under the paving improvements contract for Kingsborough Phase 1A.

Next, Mr. Machoka reported that the following contracts are complete, and recommended final acceptance of the same: (i) earthwork and SWPPP facilities contract for Kingsborough Phase 1; (ii) grading improvements contract for Kingsborough Phase 1A; (iii) water, wastewater, and storm drainage improvements contract for Kingsborough Phase 1A; (iv) paving improvements contract for Kingsborough Phase 1A; and (v) master water, wastewater, and storm drainage improvements contract for Kingsborough East. The Board next considered a proposal from LJA for construction phase services, and Mr. Machoka explained that the proposal is for construction inspection services in Kingsborough Phase 1B.

Following a discussion, Director Wesp moved that the Board (i) ratify and approve award of the water, wastewater, and storm drainage improvements contract for Kingsborough Phase 1B to Circle H as recommended by the District's Engineer; (ii) approve the pay applications and change orders as recommended by the District's Engineer; (iii) approve final acceptance of all contracts as recommended by the District's Engineer; (iv) approve the proposal for construction phase services as presented; and (v) approve the Engineer's report as presented. Director Lane seconded said motion, which carried unanimously.

7. The Board next recognized Ms. Tovery, who presented to and reviewed with the Board a bookkeeping report dated January 24, 2024, a copy of which is attached hereto as Exhibit "B". Ms. Tovery also noted a cost-of-living increase of hourly rates pursuant to the District's bookkeeping services agreement. Following a discussion, Director Harris moved that the Board (i) approve the bookkeeping report as presented; (ii) authorize the payment of bills listed thereon; and (iii) approve the investment of funds as recommended by the District's Bookkeeper. Director Arington seconded said motion, which carried unanimously.

8. The Board next recognized Mr. Eidman, who reviewed the District's current Investment Policy, dated January 7, 2020, with the Board. Mr. Eidman 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, Mr. Eidman 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 King moved that the Board approve the Resolution as presented. Director Arington seconded said motion, which carried unanimously.

9. 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 Arington moved that the Board adopt the Resolution as presented. Director Wesp seconded said motion, which carried unanimously.

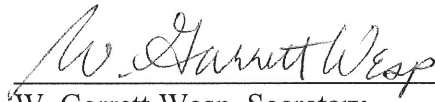
10. The Board next considered a Resolution Designating Depositories and Establishing Investment Accounts for Deposit of District Funds, a copy of which is attached hereto as Exhibit "E". Following a discussion, Director King moved that the Board approve the Resolution as presented. Director Lane seconded said motion, which carried unanimously.

11. The Board next considered the supplemental agenda. Mr. Eidman presented to and reviewed with the Board an Order Calling Directors Election, a copy of which is attached hereto as Exhibit "F". Following a discussion, Director Wesp moved that the Board (i) approve the Order as presented; and (ii) authorize preparation and posting of the Notice of Election as required by law. Director Arington seconded said motion, which carried unanimously.

There being no further business to conduct, Director King moved that the meeting be adjourned at 12:32 p.m. Director Harris seconded said motion, which carried unanimously. The Board adjourned until further call.

[Signature page follows]

APPROVED AND ADOPTED this 28th day of February, 2024.



W. Garrett Wesp, Secretary
Board of Directors
Kaufman County Fresh Water Supply District
No. 7-A

