

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

THE STATE OF TEXAS §
COUNTY OF PALO PINTO §
PALO PINTO COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1 §

The Board of Directors (the “Board”) of Palo Pinto County Water Control and Improvement District No. 1 (the “District”) met in special session, open to the public, at 300 Throckmorton Street, Suite 1700, Fort Worth, Texas 76102, a designated meeting place of the District located outside the boundaries of the District, on Monday, January 22, 2024, and the roll was called of the members of the Board to-wit:

Todd McCall	President
Melissa Wilson	Vice President
Dr. James Arthur Smith	Secretary
Mark Dannehl	Assistant Secretary
Ric Hayward	Assistant Secretary

All members of the Board were present at the commencement of the meeting with the exception of Director Smith, thus constituting a quorum. Also present were Ms. Sarah Landiak, attorney, and Ms. Amy Bieber, paralegal, each of Winstead PC; Mr. Jonathan Ireton of Westwood Professional Services (“Engineer”); Mr. Zack Washburn, the operator for the District; Ms. Kathi Dye of Dye & Toverly, LLC (“Bookkeeper”); Mr. Brian Lopera of McCall Gibson Swedlund Barfoot PLLC (“Auditor”); and Mr. Johnny Stoker and Mr. Clint Burkett of Possum Kingdom Marine.

The meeting was called to order at 6:01 p.m., and evidence was presented that public notice of such meeting had been given as required by law.

1. The Board called for public communications and comments. The Board recognized Mr. Stoker and Mr. Burkett, who discussed with the Board their desire to receive wastewater service from the District. The Board indicated that out-of-district service and described the process and timeline for the landowners to request to be annexed into the District. Hearing no additional public comment, Director McCall moved that the Board close the public comment section of the meeting. Director Wilson seconded said motion, which carried unanimously.

2. The Board next reviewed the Minutes from the December 14, 2023, Board of Directors meeting. Following a discussion, and upon motion by Director McCall, seconded by Director Hayward and unanimously carried, the Board approved the minutes as presented.

3. The Board next recognized Mr. Lopera, who presented to and reviewed with the Board a draft of the audit for the fiscal year ended September 30, 2023, a copy of which is

attached hereto as Exhibit "A". Following a discussion, Director McCall moved that the Board (i) approve the audit pursuant to final attorney review; and (ii) authorize the District's auditor to file the same with the Texas Commission on Environmental Quality as required. Director Hayward seconded said motion, which carried unanimously.

4. The Board next recognized Mr. Washburn, who updated the Board with regard to ongoing maintenance and operations within the District, reporting that the District has experienced only minor maintenance issues in the last two months and that no problems were caused by the recent freeze. Following a discussion, Director McCall moved that the Board approve the Operator's report as presented. Director Hayward seconded said motion, which carried unanimously.

5. The Board next recognized Mr. Ireton, who updated the Board with regarding to engineering matters within the District, reporting that the wastewater treatment plant permit renewal application is pending with TCEQ. No formal action was taken by the Board.

6. The Board next recognized Ms. Dye, who presented to and reviewed with the Board a copy of the District's current bookkeeping report and sanitary sewer billing and collections report dated January 22, 2024, a copy of which is attached hereto as Exhibit "B". Ms. Dye also noted a cost-of-living increase of hourly rates pursuant to the District's bookkeeping services agreement. Following a discussion, Director McCall moved that the Board (i) approve the Bookkeeping report; (ii) approve the sanitary sewer billing and collections report as presented; (iii) authorize payment of bills as listed thereon; and (iv) approve the investment of funds as recommended by the District's Bookkeeper. Director Dannehl seconded said motion, which carried unanimously.

7. The Board next recognized Ms. Landiak, who reviewed the District's current Investment Policy, dated January 22, 2020, with the Board. Ms. Landiak 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, Ms. Landiak 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 McCall moved that the Board approve the Resolution as presented. Director Hayward seconded said motion, which carried unanimously.

8. 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 McCall moved that the Board adopt the Resolution as presented. Director Hayward seconded said motion, which carried unanimously.

9. 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 McCall moved that the Board approve the Resolution as presented. Director Wilson seconded said motion, which carried unanimously.

10. The Board next considered the supplemental agenda. Ms. Landiak presented to and reviewed with the Board an Order Calling Directors Election, a copy of which is attached

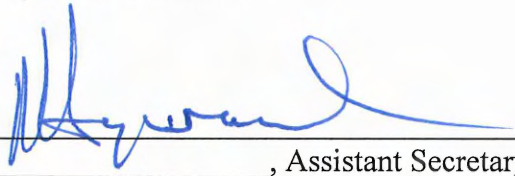
hereto as Exhibit "F". Following a discussion, Director McCall moved that the Board (i) approve the Order as presented; and (ii) authorize preparation and posting of the Notice of Election as required by law. Director Hayward seconded said motion, which carried unanimously.

There being no further business to conduct and upon motion by Director McCall, seconded by Director Dannehl and unanimously carried, the meeting was adjourned at 6:39 p.m.

[Signature page follows]

APPROVED AND ADOPTED this 21st day of March, 2024.




_____, Assistant Secretary
Palo Pinto County Water Control & Improvement
District No. 1