

**MINUTES OF THE ORGANIZATIONAL MEETING  
OF THE  
BOARD OF SUPERVISORS**

THE STATE OF TEXAS §

COUNTY OF KAUFMAN §

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

The temporary Board of Supervisors (the “Board”) of Kaufman County Fresh Water Supply District No. 7-B (the “District”) met in organizational session, open to the public, on the 29<sup>th</sup> day of June, 2021, by telephone conference.

Mr. Scott Eidman, General and Bond Counsel for the District, announced that the Meeting would be conducted by telephone conference to mitigate the spread of COVID-19. Mr. Eidman 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. Eidman 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 made available for electronic distribution upon request.

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

Bill King  
Joshua Heathcote  
Dave Arington

All members of the Board were present at the commencement of the meeting. Also present were Mr. Jim Wiegert of LJA Engineering, Inc. (“LJA”); Ms. Kathi Dye of Dye & Toverly, LLC; Mr. Ryan Nesmith of Robert W. Baird & Co. (“Baird”); Mr. Scott Eidman, attorney, and Ms. Amy Bieber, paralegal, each of Winstead PC; and Mr. Jim Mabrey, a developer of lands within the District.

The meeting was called to order at 2:07 p.m.

1. Consideration was first given to the review of an Order Dividing Kaufman County Fresh Water Supply District No. 7 (“District 7”) into Two District, a copy of which is attached hereto as Exhibit “A”. The Board recognized Mr. Scott Eidman of Winstead PC. Mr. Eidman stated that the Board of Supervisors was conducting its first meeting since the creation of the District known as Kaufman County Fresh Water Supply District No. 7-B (the “District”) by division of District 7, which was created by order of the Kaufman County Commissioner’s Court, into the District and Kaufman County Fresh Water Supply District No. 7-A (“District 7-A”). Next, Mr. Eidman noted the

above slate of temporary Supervisors have expressed an interest in serving on the Board. Finally, Mr. Eidman summarized the purpose and provisions of the District, including a brief overview of laws governing the District. No formal action was taken by the Board.

2. The Board continued to recognize Mr. Eidman, who gave a brief overview of the planned development and timeline for planned construction. Mr. Eidman explained to the Board that the District will serve as a “master district” that will contain a wastewater treatment plant to serve both District 7-A and other adjacent districts who will contribute revenue via contract taxes to pay for such facilities. No formal action was taken by the Board.

3. The Board deferred action with regard to the appointment of Supervisors.

4. Consideration was next given to the administration of Statement of Officer Forms, and Oaths of Office to Supervisors. Mr. Eidman confirmed that the temporary Supervisors in attendance have executed their respective Statement of Officer and Oath of Office forms. No formal action was taken by the Board.

5. Consideration was next given to the election of officers. Following a discussion and motion by Supervisor Arington, seconded by Supervisor King and unanimously carried, the following slate of officers was elected:

Dave Arington	President
Bill King	Vice President
Joshua Heathcote	Secretary
VACANT	Assistant Secretary
VACANT	Assistant Secretary

6. Consideration was next given to the review of Conflict of Interest Questionnaire form for Local Government Officials and government training requirements pursuant to Chapter 551 of the Texas Government Code. Mr. Eidman discussed the purpose of said questionnaire, noting instructions for completion of same, if applicable, to comply with Chapter 176 of the Texas Government Code. Mr. Eidman next stated that members of the Board are subject to the Open Meetings Act, and the Public Information Act, and will be required to participate in an educational training session provided through the Texas Attorney General’s office. Finally, Mr. Eidman stated that instructions for completion of same would be distributed to all members of the Board. No formal action was taken by the Board.

7. Consideration was next given to an insurance proposal, approval of placement of Supervisors and Officers liability insurance, bonds, and other insurance. Mr. Eidman informed the Board that they had secured a proposal for the bonds for the Supervisors and public employees (consultants of the District) and Supervisors and Officers liability insurance from McDonald & Wessendorff Insurance. A copy of the insurance proposal summary is attached hereto as Exhibit “B”. Following a discussion, Supervisor Arington moved that the Board approve and accept the insurance proposals as discussed. Supervisor King seconded said motion, which carried unanimously.

8. Consideration was next given to the approval of an engagement letter with Winstead PC to serve as the District's general counsel and bond counsel. At this time, Mr. Eidman presented to and reviewed with the Board copies of a proposed engagement letter with Winstead PC. Mr. Eidman reviewed the scope of services and fees related to same. Following a discussion, Supervisor Arington moved that the Board (i) approve the engagement letter with Winstead PC to serve as the District's general and bond counsel; and (ii) authorize the Board President to execute same. Supervisor King seconded said motion, which carried unanimously.

9. Consideration was next given to the engagement of LJA Engineering, Inc., to serve as the District's engineer. The Board recognized Mr. Wiegert with LJA, who presented to and reviewed with the Board copies of a proposed Engineering Services Agreement, a copy of which is attached hereto as Exhibit "C". Following a discussion, Supervisor King moved that the Board approve the engagement of LJA for engineering services. Supervisor Heathcote seconded said motion, which carried unanimously.

10. The Board next recognized Mr. Nesmith who presented to and reviewed with the Board a Municipal Advisory Services Agreement from Robert W. Baird & Co. a copy of which is attached hereto as Exhibit "D". Following a discussion, Supervisor Arington moved that the Board approve the Municipal Advisory Services Agreement as presented. Supervisor King seconded said motion, which carried unanimously.

11. Consideration was next given to the engagement of Dye & Toverly, LLC, to serve as the District's bookkeeper. Ms. Dye presented to and reviewed with the Board copies of the proposed engagement letter prepared by Dye & Toverly, LLC, a copy of which is attached hereto as Exhibit "E". Following a discussion, Supervisor Arington moved that the Board approve the engagement of Dye & Toverly, LLC, for bookkeeping services. Supervisor King seconded said motion, which carried unanimously.

12. Consideration was next given to the engagement of Dye & Toverly, LLC, for preparation and filing of the District's annual financial report. Ms. Dye presented to and reviewed with the Board copies of the proposed engagement letter, a copy of which is attached hereto as Exhibit "F". Following a discussion, Supervisor Arington moved that the Board (i) approve the engagement of Dye & Toverly, LLC, for preparation and filing of the District's annual financial report. Supervisor King seconded said motion, which carried unanimously.

13. Consideration was next given to designating a depository bank and authorize opening of District operating accounts, and execution of required account documents, including signature cards and related bank resolutions. Ms. Dye discussed the matter with the Board and reviewed a Resolution Designating Depositories and Establishing District Investment Accounts for Deposit of District Funds, a copy of which is attached hereto as Exhibit "G". Following a discussion, Supervisor Arington moved that the Board (i) authorize Dye & Toverly, LLC to designate Plains Capital Bank as a depository bank for the District's operating account; (ii) approve the Resolution Designating Depositories and Establishing District Investment Accounts for Deposit of District

Funds as presented; and (iii) secure all required signature cards and related banking institution resolutions as may be required. Supervisor King seconded said motion, which carried unanimously.

14. The Board next recognized Ms. Dye, who presented to and reviewed with the Board copies of a bookkeeping report dated June 29, 2021, a copy of which is attached hereto as Exhibit "H". Following a discussion, Supervisor Heathcote moved that the Board (i) approve the bookkeeping report; (ii) authorize the payment of bills listed thereon; and (iii) approve the investment of funds as recommended by the District's Bookkeeper. Supervisor King seconded said motion, which carried unanimously.

15. Consideration was next given to the review and approval of an Agreement for the Construction and Purchase of Facilities and Reimbursement of Costs ("Reimbursement Agreement"), a copy of which is attached hereto as Exhibit "I". Following a discussion, Supervisor Arington moved that the Board approve said Agreement as presented. Supervisor King seconded said motion, which carried unanimously.

16. Consideration was next given to the adoption of a District Seal. Mr. Eidman discussed the matter with the Board, noting that it was necessary to adopt a District Seal, circular in shape with the name of the District around a five-point star. Following a discussion, Supervisor Arington moved that the Board (i) adopt the seal of the District, an impression of which is reflected on Exhibit "J" attached hereto; and (ii) authorize the Board Secretary, Assistant Secretary or records manager to affix said Seal to a District instrument as required. Supervisor King seconded said motion, which carried unanimously.

17. Consideration was next given to adopt an Order Designating Office Locations Outside the District, and authorize publication of Notice of same. Mr. Eidman presented to and reviewed with the Board copies of a draft Order Designating Offices Outside the District, a copy of which is attached hereto as Exhibit "K". Mr. Eidman noted that the District is required to designate office and meeting locations pursuant to Texas Water Code Section 49.062. Following a discussion, Supervisor Heathcote moved that the Board (a) authorize the following office locations on behalf of the District: (i) the offices of Winstead PC located at 2728 N. Harwood Street, Suite 500, Dallas, Texas 75201; 401 Congress Avenue, Suite 2100, Austin, Texas 78701; and 300 Throckmorton Street, Suite 1700, Fort Worth, Texas 76102 were designated as meeting places outside the boundaries of the District and for the storage of District records; (ii) the office of LJA Engineering, Inc., 6060 North Central Expressway, Suite 440, Dallas, Texas 75206 was designated as a meeting place outside the boundaries of the District and for the storage of engineering records and for the opening of construction bids; (iii) the office of Dye & Toverly, LLC at 2321 Coit Road, Suite B, Plano, Texas, was designated as a meeting place outside the boundaries of the District and for the storage of bookkeeping records; and (iv) the office of Mabrey & Partners, LLC, 5956 Sherry Lane, Suite 1000, Dallas, Texas 75225 was designated as a meeting place outside the boundaries of the District and for the storage of District records and for the opening of construction bids; and (b) authorize publication of said Notice, as required. Supervisor King seconded said motion, which carried unanimously.

18. Consideration was next given to a Resolution Designating Posting Location of Meeting Notices. Mr. Eidman presented to and reviewed with the Board a draft Resolution designating the location for placement of meeting notices within the boundaries of the District, noting that the District is required to specify said locations pursuant to Texas Water Code Section 49.063. A copy of said Resolution is attached hereto as Exhibit "L". Following a discussion, Supervisor Arington moved that the Board (i) adopt the Resolution as presented; and (ii) authorize the Board President to execute and Board Secretary to attest to same. Supervisor King seconded said motion, which carried unanimously.

19. Consideration was next given to the review and approval of a District Information Form, a copy of which is attached hereto as Exhibit "M". Mr. Eidman discussed the matter with the Board, noting that pursuant to Texas Water Code Section 49.455, the District is required to prepare and submit same for filing with Kaufman County, Texas, and the TCEQ. Following a discussion, Supervisor Arington moved that the Board (i) adopt the District Information Form, subject to final review by District counsel; and (ii) authorize District counsel to file same with the property records of Kaufman County, Texas, and the TCEQ. Supervisor King seconded said motion, which carried unanimously.

20. Consideration was next given to an Order Adopting Code of Ethics, Travel Expense Policy, and Procedures for Selection and Review of Consultants, Policies Concerning the Use of Management Information Including the Formation of an Audit Committee, Selection of a Fiscal Year-End and Certain Other Matters, a copy of which is attached hereto as Exhibit "N". Mr. Eidman reviewed said Order and related policies with the Board, and recommended that the Board adopt a fiscal year end at this time. Following a discussion, Supervisor Heathcote moved that the Board (i) adopt the Order as presented; (ii) authorize the Board President to execute said Order and the Board Secretary to attest to same; and (iii) adopt July 31 as the District's fiscal year end. Supervisor King seconded said motion, which carried unanimously.

21. Consideration was next given to an Order Adopting an Investment Policy and Designating an Investment Officer, a copy of which is attached hereto as Exhibit "O". Mr. Eidman discussed the matter with the Board and proposed that the Board appoint Ms. Kathi Dye, bookkeeper, to serve as the investment officer. Following a discussion, Supervisor Arington moved that the Board (i) adopt the Order Adopting an Investment Policy and Designating Ms. Kathi Dye and Ms. Kerry Toverly as Investment Officer; and (ii) authorize the Board President to execute said Order and the Board Secretary to attest to same. Supervisor King seconded said motion, which carried unanimously.

22. Consideration was next given to an Order Establishing a Records Management Program and Appointing Records Management Officer, a copy of which is attached hereto as Exhibit "P". Mr. Eidman discussed the matter with the Board, noting that Winstead PC will be responsible for the storage and maintenance of all District records, and further proposed that the Board appoint Ms. Amy Bieber, Paralegal, to serve as the records management officer. Following a discussion, Supervisor Heathcote moved that the Board (i) adopt the Order Establishing a Records Management Program and Appointing Ms. Amy Bieber as Records Management Officer; (ii) authorize the Board President to execute said Order and the Board Secretary to attest to same;

and (iii) authorize the filing of said Order with the Texas State Library and Archives Commission. Supervisor King seconded said motion, which carried unanimously.

23. The Board next considered an Order Adopting Section 49.2731 Electronic Bidding Rules, a copy of which is attached hereto as Exhibit "Q". Mr. Eidman explained that the adoption of electronic bidding rules as allowed by the Texas Water Code would allow the District's engineers to accept electronic bids for construction projects. Following a discussion, Supervisor King moved that the board adopt the Order as presented. Supervisor Arington seconded said motion, which carried unanimously.

24. The Board next considered a Resolution Requesting Approval of District Name Change, a copy of which is attached hereto as Exhibit "R". Mr. Eidman explained that the requested name change would reflect the District's relationship to the other developments to be served by the master district facilities. Following a discussion, Supervisor Heathcote moved that the District (i) request that the name of the District be changed to Kaufman County Fresh Water Supply District No. 4-C pursuant to developer approval of submission of the application for same; and (ii) approve the Resolution as presented. Supervisor King seconded said motion, which carried unanimously.

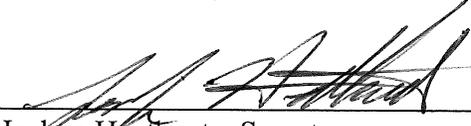
25. Consideration was next given to the supplemental agenda. Mr. Eidman presented to and reviewed with the Board copies of an Order Calling Confirmation Election, Supervisors Election, Road Powers Election, Sanitary Sewer Power Election, Maintenance Tax Election, and Election for Approval of Joint Utility Contract, Joint Road Contract, and Ad Valorem Tax in Support Thereof ("Order Calling Elections") to be held on Tuesday, November 2, 2021, a copy of which is attached hereto as Exhibit "S". Following a discussion, Supervisor Arington moved that the Board (i) approve and adopt said Order Calling Elections; and (ii) authorize District counsel to provide notice of said Election to be held within the District, as may be required. Supervisor Heathcote seconded said motion, which carried unanimously.

Next, Mr. Eidman noted for the Board that the District is required to conduct a joint election with Collin County for November general elections and requested that the Board authorize contracting with Kaufman County, Texas, for election services. Following a discussion, Supervisor Arington moved that the Board contract with Kaufman County, Texas, for election services for the District's November 2, 2021, election. Supervisor King seconded said motion, which carried unanimously.

There being no further business to conduct, Supervisor Arington moved that the meeting be adjourned at 2:34 p.m. Supervisor King seconded said motion, which carried unanimously. The Board adjourned until further call.

*[Signature Page Follows]*

APPROVED AND ADOPTED this 8<sup>th</sup> day of February, 2022.

  
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Joshua Heathcote, Secretary  
Board of Supervisors  
Kaufman County Fresh Water Supply District No. 7-B



THE STATE OF TEXAS §

COUNTY OF KAUFMAN §

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

I, the undersigned Assistant Secretary of the temporary Board of Supervisors of Kaufman County Fresh Water Supply District No. 7-B, certify that the attached and foregoing is a true and correct copy of the MINUTES OF THE ORGANIZATIONAL MEETING OF THE BOARD OF SUPERVISORS of the District; the original of which is on file in the District's office.

WITNESS MY HAND AND THE OFFICIAL SEAL OF THE DISTRICT this 10<sup>th</sup> day of November, 2021.

  
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Joshua Heathcote, Secretary  
Board of Supervisors  
Kaufman County Fresh Water Supply District No. 7-B

