

**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, August 11, 2025, 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
VACANT	Assistant Secretary

All members of the Board were present at the commencement of the meeting with the exception of Director McCall, thus constituting a quorum. Director McCall joined the meeting by telephone conference as a non-voting member of the Board. Also present were Ms. Taylor Elliott, attorney, and Ms. Amy Bieber, paralegal, of Winstead PC; Mr. Zack Washburn or Washburn Construction Services (“Operator”); Mr. Jonathan Ireton of Westwood Professional Services (“Engineers”); and Ms. Kerry Tovery of Dye & Tovery, LLC (“Bookkeeper”).

The meeting was called to order at 6:02 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. Hearing none, Director Wilson moved that the Board close the public comment section of the meeting. Director Smith seconded said motion, which carried unanimously.

2. The Board next reviewed the Minutes from the February 5, 2025, Board of Directors meeting. Following a discussion, and upon motion by Director Wilson, seconded by Director Dannehl, and unanimously carried, the Board approved the minutes as presented.

3. The Board next considered the renewal of District insurance coverages, a copy of the summary of the proposal for which is attached hereto as Exhibit “A”. Following a discussion, Director Smith moved that the Board approve the renewal of District insurance coverages as presented. Director Wilson seconded said motion, which carried unanimously.

4. The Board next recognized Ms. Elliott who presented to and reviewed with the Board a 2025 Water District Voter-Approval Tax Rate Worksheet, a copy of which is attached

hereto as Exhibit "B", and a 2025 tax rate recommendation memorandum prepared by Hilltop Securities, Inc., the Financial Advisor, a copy of which is attached hereto as Exhibit "C". The total tax rate recommendation is \$0.374 per \$100 of net taxable value with \$0.20 designated for maintenance and operations and \$0.174 designated for utility bond debt service. Following a discussion, Director Wilson moved that the Board (i) approve the proposed tax rate; (ii) call a public hearing on the proposed tax rate for August 28, 2025, at 6:00 p.m. at the offices of Winstead PC at 300 Throckmorton Street, Suite 1700, Fort Worth, Texas 76102; and (iii) authorize publication of a notice of the same. Director Dannehl seconded said motion, which carried unanimously.

5. The Board next considered ratification and approval of the Contract for Assessment and Collection services by and between the District and Palo Pinto County, Texas, a copy of which is attached hereto as Exhibit "D". Following a discussion, Director Smith moved that the Board ratify and approve the contract as presented. Director Wilson seconded said motion, which carried unanimously.

6. 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 had only typical maintenance for the past 6 months, and the only major repair was replacement of a pressure valve. No formal action was taken by the Board.

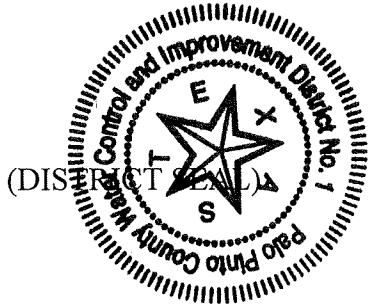
7. The Board next recognized Mr. Ireton, who updated the Board with regard to engineering within the District, noting that no projects are currently underway. No formal action was taken by the Board.

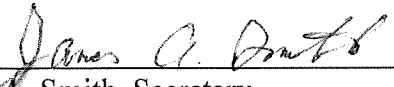
8. The Board next recognized Ms. Toverly, who presented to and reviewed with the Board a copy of the District's current bookkeeping report and sanitary sewer billing and collections report dated August 11, 2025, a copy of which is attached hereto as Exhibit "E". Following a discussion, Director Wilson moved that the Board (i) approve the Bookkeeping report; (ii) authorize payment of bills as listed thereon; (iii) approve the sanitary sewer billing and collections report as presented; and (iv) approve the investment of funds as recommended by the District's Bookkeeper. Director Dannehl seconded said motion, which carried unanimously.

There being no further business to conduct and upon motion by Director Smith, seconded by Director Dannehl and unanimously carried, the meeting was adjourned at 6:25 p.m. until further call.

[Signature page follows]

APPROVED AND ADOPTED this 28th day of August, 2025.





James A. Smith, Secretary
Palo Pinto County Water Control & Improvement
District No. 1