

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

THE STATE OF TEXAS §

COUNTY OF GRAYSON §

HOWE MUNICIPAL UTILITY DISTRICT NO. 1 §

The temporary Board of Directors (the “Board”) of Howe Municipal Utility District No. 1 (the “District”) met in organizational session, open to the public, at 927 Blythe Road, Howe, Texas 75459, within the boundaries of the District, on August 11, 2025, and the roll was called of the members of the Board to-wit:

Nancy E. Phillips
Katherine A. Winniford
Carol Eidman
Scott Norris
Frank Picone

All members of the Board were present at the commencement of the meeting with the exception of Director Norris and Director Picone, thus constituting a quorum. Also present were: Ms. Darsey Norton, attorney, and Ms. Genny Lutzel, paralegal, each of Winstead PC; Ms. Sarah Tinsley, P.E. and Mr. Casey Ross, P.E. of Kimley Horn; Mr. John Vick of Qualico, Ms. Kerry Tovery of Dye & Tovery LLC.

1. The meeting was called to order at 1:30 p.m.

2. Consideration was first given to review and acknowledgment of legislation creating the District, and appointment of Directors by the Texas Commission on Environmental Quality. The Board recognized Ms. Norton who stated that the Board of Directors was conducting its first meeting since the creation of the District known as Howe Municipal Utility District No. 1. She then 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.

3. Consideration was next given to qualify Directors, administer statement of officer forms and oaths of office, review Conflict-of-Interest Questionnaire for local governmental officials and discuss government training pursuant to Chapter 551 of the Texas Government Code. Ms. Norton acknowledged receipt of all required statutory forms from the temporary Directors in attendance and briefly reviewed the training requirements to be completed by all members of the Board pursuant to Chapter 551 of the Texas Government Code. Consideration was next given to the review of a Conflict-of-Interest Questionnaire form for Local Government Officials. Ms. Norton discussed the purpose of said questionnaire, noting instructions for completion of same, if applicable, to comply with Chapter 176 of the Texas Government Code. No formal action was taken by the Board.

4. Consideration was given to the election of officers. Following a discussion and motion by Director Phillips, seconded by Director Eidman and unanimously carried, the Board elected the following slate of officers:

Nancy Phillips	President
Katherine A. Winniford	Vice President
Carol Eidman	Secretary
Scott Norris	Assistant Secretary
Frank Picone	Assistant Secretary

5. Consideration was next given to the developer's report. The Board recognized Mr. Vick who provided the Board with an update of the overall development, provision for wastewater treatment services and the status of planning and zoning matters. No formal action was taken by the Board.

6. Consideration was next given to an insurance proposal, approval of placement of Directors and Officers liability insurance, bonds, and other insurance. Ms. Norton informed the Board that they had secured a proposal for the bonds for the Directors and public employees (consultants of the District) and Directors and Officers liability insurance from McDonald & Wessendorff Insurance. A copy of the insurance proposal summary is attached hereto as Exhibit "A". Following a discussion, Director Phillips moved that the Board approve and accept the insurance proposals as discussed. Director Eidman seconded said motion, which carried unanimously.

7. 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, Ms. Norton presented to and reviewed with the Board copies of a proposed engagement letter with Winstead PC. Ms. Norton reviewed the scope of services and fees related to same. The Board next reviewed a Resolution Approving Contingent Fee Contract related to the engagement of Winstead PC, a copy of which is attached hereto as Exhibit "B". Following a discussion, Director Phillips moved that the Board (i) approve the engagement letter with Winstead PC to serve as the District's general and bond counsel; and (ii) adopt the Resolution as presented. Director Eidman seconded said motion, which carried unanimously.

8. Consideration was next given to the engagement of Kimley-Horn to serve as the District's engineer. The Board recognized Mr. Ross, who presented to and reviewed with the Board copies of a proposed Professional Services Contract, a copy of which is attached hereto as Exhibit "C". Following a discussion, Director Phillips moved that the Board (i) approve the engagement of Kimley-Horn for engineering services; and (ii) authorize the Board President to execute same. Director Eidman seconded said motion, which carried unanimously.

9. Consideration was next given to the engagement of Dye & Toverly, LLC to serve as the District's bookkeeper. Ms. Toverly reviewed with the Board a proposed engagement letter for bookkeeping services, a copy of which is attached hereto as Exhibit "D". Following a discussion, Director Phillips moved that the Board approve the engagement of Dye & Toverly LLC for bookkeeping services. Director Eidman seconded said motion, which carried unanimously.

10. 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, and the Board reviewed a Resolution Designating Depositories and Establishing District Investment Accounts for Deposit of District Funds, a copy of which is attached hereto as Exhibit "E". Following a discussion, Director Phillips moved that the Board (i) authorize the Bookkeeper to designate PlainsCapital Bank as a depository bank for the District's operating account; (ii) secure all required signature cards and related banking institution resolutions as may be required; and (iii) approve the Resolution Designating Depositories and Establishing District Investment Accounts for Deposit of District Funds as presented. Director Eidman seconded said motion, which carried unanimously.

11. Consideration was next given to the review and approval of a bookkeeper's report, a copy of which is attached hereto as Exhibit "F". Following a discussion, Director Phillips moved that the Board approve said report. Director Eidman seconded said motion, which carried unanimously.

12. Consideration was next given to the review and approval of an Agreement for the Construction of Improvements and Reimbursement of Advances. The Board deferred motion on the matter. Ms. Norton noted that the Agreement will be presented at the next meeting.

13. Consideration was next given to the adoption of a District Seal. Ms. Norton 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, Director Phillips moved that the Board (i) adopt the seal of the District, an impression of which is reflected on Exhibit "G" attached hereto; and (ii) authorize the Board Secretary, Assistant Secretary or records manager to affix said Seal to a District instrument as required. Director Eidman seconded said motion, which carried unanimously.

14. Consideration was next given to the review and approval of a District Information Form, a copy of which is attached hereto as Exhibit "H". Ms. Norton 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 Grayson County, Texas, and the "TCEQ". Following a discussion, Director Phillips moved that the Board (i) adopt the District Information Form as presented; and (ii) authorize District counsel to file same with the property records of Grayson County, Texas, and the TCEQ. Director Eidman seconded said motion, which carried unanimously.

15. The Board next considered an Order Adopting Section 49.2731 Electronic Bidding Rules, a copy of which is attached hereto as Exhibit "I". Ms. Norton 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, Director Phillips moved that the board adopt the Order as presented. Director Eidman seconded said motion, which carried unanimously.

16. 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 "J". Ms. Norton discussed the matter with the Board and proposed that the Board appoint the Bookkeeper for the District to serve as the investment officer. Following a discussion, Director Phillips moved that the Board (i) adopt the Order Adopting an Investment Policy and Designating an Investment

Officer; (ii) appoint the Bookkeeper as investment officer for the District; and (iii) authorize the Board President to execute said Order and the Board Secretary to attest to same. Director Eidman seconded said motion, which carried unanimously.

17. The Board next considered a Resolution Adopting Prevailing Wage Rate Scale for Construction Projects, a copy of which is attached hereto as Exhibit "K". Ms. Norton explained that the District is required to adopt minimum wage rates in compliance with the Department of Labor, and the proposed wage rates match those of Grayson County. Following a discussion, Director Phillips moved that the Board approve the Resolution as presented. Director Eidman seconded said motion, which carried unanimously.

18. The Board next considered an Order Designating Offices Outside the District, a copy of which is attached hereto as Exhibit "L". Ms. Norton noted that the District is required to designate office and meeting locations pursuant to Texas Water Code Section 49.062. Following a discussion, Director Phillips moved that the Board (i) authorize office locations on behalf of the District as described in the Order; (ii) adopt the Order as presented; and (iii) authorize publication of notice of said office locations as required by law. Director Eidman seconded said motion, which carried unanimously.

19. Consideration was next given to a Resolution Designating Posting Location of Meeting Notices, noting that the District is required to specify such location within the boundaries of the District pursuant to Texas Water Code Section 49.063. A copy of said Resolution is attached hereto as Exhibit "M". Following a discussion, Director Phillips moved that the Board adopt the Resolution as presented. Director Eidman 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". Ms. Norton 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, Director Phillips 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 October 31 as the District's fiscal year end. Director Eidman seconded said motion, which carried unanimously.

21. 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 "O". Ms. Norton 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. Genny Lutzel, paralegal, to serve as the records management officer. Following a discussion, Director Phillips moved that the Board (i) adopt the Order Establishing a Records Management Program and Appointing Ms. Genny Lutzel 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. Director Eidman seconded said motion, which carried unanimously.

22. Consideration was next given to the review and approval of an Order Calling Confirmation Election, Directors Election, Utility Bond Election, Utility Bond Refunding

Election, Road Bond Election, Road Bond Refunding Election, and Maintenance Tax Election for November 4, 2025. Following a discussion, Director Phillips moved that the Board approve said Order. Director Eidman seconded said motion, which carried unanimously.

23. Consideration was next given to authorizing Notice of Election and approval of a Contract for Election Services with Grayson County, Texas. Following a discussion, Director Phillips moved that the Board approve said Contract. Director Eidman seconded said motion, which carried unanimously.

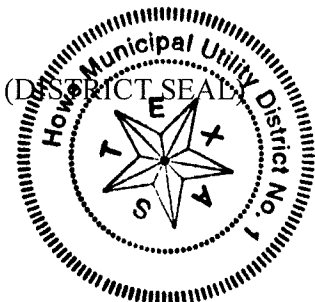
There being no further business to conduct, Director Phillips moved that the meeting be adjourned at 2:10 p.m. Director Eidman seconded said motion, which carried unanimously. The Board adjourned until further call.

[Signature page follows]

APPROVED AND ADOPTED this 18th day of September, 2025.

Carol Lidman

Secretary
Board of Directors
Howe Municipal Utility District No. 1



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I, the undersigned Secretary of the temporary Board of Directors of Howe Municipal Utility District No. 1, certify that the attached and foregoing is a true and correct copy of the MINUTES OF THE ORGANIZATIONAL MEETING OF THE BOARD OF DIRECTORS 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 18th day of September, 2025.

Carol Eidman

Secretary
Board of Directors
Howe Municipal Utility District No. 1

