

**MINUTES OF ORGANIZATIONAL MEETING
OF
KAUFMAN COUNTY FRESH WATER SUPPLY DISTRICT NO. 1-E**

THE STATE OF TEXAS §

COUNTY OF KAUFMAN §

KAUFMAN COUNTY FRESH WATER SUPPLY DISTRICT NO. 1-E §

The temporary Board of Directors (the "Board") of Kaufman County Fresh Water Supply District No. 1-E (the "District") met in organizational session by audio conference, open to the public, on Tuesday, August 11, 2020 at 3:00 p.m. (the "Meeting").

Mr. Ross Martin, attorney for the District, announced that the Meeting would be conducted by audio conference to mitigate the spread of COVID-19. Mr. Martin stated that the Governor of the State of Texas has declared a state of disaster for all counties in the State of Texas. In accordance with said declaration, Mr. Martin 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. Martin next stated that (i) Notice of the Meeting was given in accordance with Chapter 551, Government Code, and Chapter 49, Texas Water Code; (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 available for electronic distribution upon request.

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

Maria Fernandez
Nancy Street
McKenna Gannon
Emily Roberts
Grace Dewar

All temporary members of the Board were present by telephone at the commencement of the meeting with the exception of Director Roberts and Director Gannon, thus constituting a quorum. Director Gannon entered later as noted below. Also present by telephone were Ms. Karena Hauter of BGE Inc.; Mr. Andre Ayala of Hilltop Securities Inc.; Mr. Cameron Robinson of Inframark; Ms. Kerry Tovery of Dye & Tovery LLC; Mr. Ross Martin, attorney, and Ms. Genny Lutzel, paralegal, each with Winstead PC.

1. Call to Order. The meeting was called to order at 3:01 p.m., and evidence was presented that public notice of such meeting had been given as required by law.

2. Discussion Regarding Creation of District – Election to Divide Kaufman County Fresh Water Supply District No. 1-A into Three Districts on May 4, 2019. Mr. Martin stated that the temporary Board of Directors was conducting its first meeting since the Division Election created

the District known as Kaufman County Fresh Water Supply District No. 1-E. Mr. Martin noted that the above slate of temporary Directors have expressed an interest in serving on the Board. Next, Mr. Martin summarized the purpose of the District, including a brief overview of laws governing the District. No formal action was taken by the Board.

3. Review Conflict of Interest Questionnaire for Local Government Officials; Qualify Directors and Administer Oath of Office and Statement of Officer Forms. At this time, Director Gannon joined the meeting. Mr. Martin 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. Mr. Martin stated that instructions for completion of same would be distributed to all members of the Board. Next, Mr. Martin confirmed that the temporary Directors in attendance have executed their respective Statement of Officer and Oath of Office forms. No formal action was taken by the Board.

4. Election of Officers. Following a discussion and motion by Director Fernandez, seconded by Director Street and unanimously carried, the following slate of officers were elected:

President	Nancy Street
Vice President	Grace Dewar
Secretary	Maria Fernandez
Assistant Secretary	McKenna Gannon
Assistant Secretary	Emily Roberts

5. Insurance Proposal. Mr. Martin informed the Board that they had secured a proposal for the Bonds for the Directors and consultants of the District as well as 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 Street moved that the Board approve and accept the insurance proposals as presented. Director Fernandez seconded said motion, which carried unanimously.

6. Engagement of Winstead PC as General Counsel and Bond Counsel. Mr. Martin presented to and reviewed with the Board copies of an engagement letter with Winstead PC for the provision of general and bond counsel services, a copy of which is attached hereto as Exhibit "B". Mr. Martin summarized the scope of services and fees for same. Following a discussion, Director Street moved that the Board approve the engagement of Winstead PC to serve as the District's general and bond counsel. Director Fernandez seconded said motion, which carried unanimously.

7. Engagement of BGE Inc. as Engineer. The Board recognized Ms. Hauter who presented to and reviewed with the Board copies of an engagement letter with BGE Inc. for the provision of engineering services, a copy of which is attached hereto as Exhibit "C". Ms. Hauter summarized the scope of services and fees for same. Following a discussion, Director Fernandez moved that the Board approve the engagement letter with BGE, Inc. Director Street seconded said motion, which carried unanimously.

8. Engagement of Hilltop Securities, Inc. as Financial Advisor. The Board recognized Mr. Ayala who presented to and reviewed with the Board copies of an engagement letter with Hilltop Securities for the provision of financial advisory services, a copy of which is attached hereto as Exhibit “D”. Mr. Ayala summarized the scope of services and fees for same. Following a discussion, Director Street moved that the Board approve the engagement letter with Hilltop Securities, Inc. Director Fernandez seconded said motion, which carried unanimously.

9. Engagement of Dye & Tovery, LLC as Bookkeeper. The Board recognized Ms. Tovery who presented to and reviewed with the Board copies of an engagement letter with Dye & Tovery LLC for the provision of bookkeeper services, a copy of which is attached hereto as Exhibit “E”. Ms. Tovery summarized the scope of services and fees for same. Following a discussion, Director Fernandez moved that the Board approve the engagement letter with Dye & Tovery, LLC. Director Street seconded said motion, which carried unanimously.

10. Engagement of Inframark as Operator. The Board recognized Mr. Robinson who presented to and reviewed with the Board copies of an engagement letter with Inframark, a copy of which is attached hereto as Exhibit “F”. Mr. Robinson summarized the scope of services and fees for same. Following a discussion, Director Fernandez moved that the Board approve the engagement letter with Inframark. Director Street seconded said motion, which carried unanimously.

11. Designation of Bank, Operating Account, and Authorize Execution of Signature Cards and Resolutions. Ms. Tovery discussed the matter with the Board. Following a discussion, Director Street moved that the Board (i) authorize Dye & Tovery, LLC to designate a depository bank for the District’s operating account; and (ii) secure all required signature cards and related banking institution regulations as may be required. Director Fernandez seconded said motion, which carried unanimously.

12. Approval of Bookkeeper’s Report, and payment of invoices. Ms. Tovery presented to and reviewed with the Board copies of a bookkeeper’s report, a copy of which is attached hereto as Exhibit “G”. Next, Mr. Martin discussed with the Board that pursuant to Section 49.151(a) Texas Water Code, the Board of Directors typically disburses funds by checks, draft, order, or other instruments signed by a majority of the Directors. Next, Mr. Martin stated that due to the current suspension of in-person meetings of political subdivisions such as the District, the Board may elect to authorize the bookkeeper to sign disbursements. Following a discussion, Director Street moved that the Board (i) approve the bookkeeper’s report; (ii) pay invoices listed thereon; and (iii) authorize the bookkeeper to sign disbursements on behalf of the Board of Directors of the District, noting that said authorization would terminate upon motion of the Board when the declared State of Disaster ceases. Director Fernandez seconded said motion, which carried unanimously.

13. Agreement for the Construction and Purchase of Facilities and Reimbursement of Costs. Mr. Martin discussed the Agreement with the Board, a copy of which is attached hereto as Exhibit “H”. Following a discussion, Director Fernandez moved that the Board approve said Agreement. Director Street seconded said motion, which carried unanimously.

14. District Seal. Mr. Martin 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 Street moved that the Board (i) adopt the seal of the District, an impression of which is reflected on Exhibit "I" attached hereto; and (ii) authorize the Board Secretary, Assistant Secretary or records manager to affix the Seal to a District instrument as required. Director Fernandez seconded said motion, which carried unanimously.

15. Order Designating Office Locations Outside the District and Authorize Publication of Notice of Same. Mr. Martin presented to and reviewed with the Board copies of said Order with the Board, a copy of which is attached hereto as Exhibit "J". Mr. Martin noted that the District is required to designate external office and meeting locations pursuant to Texas Water Code 49.062. Following a discussion, Director Fernandez moved that the Board authorize the office and meeting locations set forth in the Order; and authorized publication of said Notice as required. Director Street seconded said motion, which carried unanimously.

16. Resolution Designating Posting Location of Meeting Notices. Mr. Martin 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 "K". Following a discussion, Director Street moved that the Board adopt the Resolution as presented. Director Fernandez seconded said motion, which carried unanimously.

17. District Information Form. Mr. Martin 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 Texas Commission on Environmental Quality ("TCEQ"). Following a discussion, Director Fernandez moved that the Board (i) adopt the District Information Form, and (ii) authorize District counsel to file same with the property records of Kaufman County, Texas and the TCEQ. Director Street seconded said motion, which carried unanimously.

18. 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. Mr. Martin reviewed said Order and related policies with the Board, and recommended that the Board adopt a fiscal year end at this time. A copy of said Order is attached hereto as Exhibit "L". Following a discussion, Director Street 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 March 31 as the District's fiscal year end. Director Fernandez seconded said motion, which carried unanimously.

19. Order Establishing a Records Management Program and Appointing Records Management Officer. Mr. Martin 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 Genny Lutzel, Paralegal, to serve as the records management officer. A copy of said Order is attached hereto as Exhibit "M". Following a discussion, Director Fernandez moved that the Board (i) adopt the Order Establishing Records Management Program and

Appointing 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 Street seconded said motion, which carried unanimously.

20. Resolution Adopting Prevailing Wage Rate Scale for Construction Workers. Mr. Martin presented to and reviewed said Resolution with the Board, a copy of which is attached hereto as Exhibit "N". Following a discussion, Director Street moved that the Board adopt the Resolution, as presented. Director Fernandez seconded said motion, which carried unanimously.

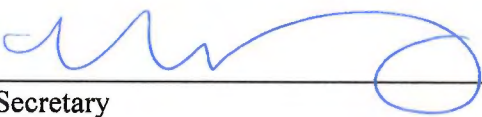
21. Adopt Order Approving Engineer's Report and Calling Confirmation and Directors Election, Utility Bond Election, Utility Refunding Bond Election, Road Bond Election, Road Refunding Bond Election and Maintenance Tax Election. Mr. Martin presented to and reviewed with the Board copies of said Order for an Election to be held on Tuesday, November 3, 2020, a copy of which is attached hereto as Exhibit "O". Following a discussion, Director Street moved that the Board (i) adopt said Order; and (ii) authorize District counsel to provide notice of said Election to be held within the District, as may be required. Director Fernandez seconded said motion, which carried unanimously.

Next, Mr. Martin presented to and reviewed with the Board a copy of a Contract for Election Services to conduct the November 3, 2020, Election by and between the District and Brenda Samples, Tax Assessor-Collector of Kaufman County, Texas, a copy of which is attached hereto as Exhibit "P". Following a discussion, Director Fernandez moved to approve the Agreement with Kaufman County, Texas. Director Street seconded said motion, which carried unanimously.

There being no further business to conduct, Director Street moved that the meeting be adjourned at 3:40 p.m. Director Fernandez seconded said motion, which carried unanimously. The Board adjourned until further call.

APPROVED AND ADOPTED this 13th day of November, 2020.




Secretary