

**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 Thursday, January 15, 2026, 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
Robert Bourland	Assistant Secretary

All members of the Board were present at the commencement of the meeting, thus constituting a quorum. Also present were Ms. Taylor Elliott, attorney, and Ms. Amy Bieber, paralegal, of Winstead PC; Mr. Zack Washburn of Washburn Construction Services (“Operator”); Mr. Jonathan Ireton of Westwood Professional Services (“Engineers”); Ms. Esther Lara of Dye & Toverly, LLC (“Bookkeeper”); and Mr. Brian Lopera of McCall Gibson Swedlund Barfoot Ellis PLLC (“Auditor”).

The meeting was called to order at 6:06 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 McCall moved that the Board close the public comment section of the meeting. Director Bourland seconded said motion, which carried unanimously.

2. The Board next reviewed the Minutes from the December 4, 2025, Board of Directors meeting. Following a discussion, and upon motion by Director McCall, seconded by Director Wilson, 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, 2025, 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 Bourland 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 a property owner roughly 4 miles from the District has requested wastewater service for 30-40 taps from the District. Mr. Washburn noted that the District's developer has indicated that the capacity can come from the reserved capacity on property still owned by the developer entity. The Board requested additional information on the arrangement and whether the property owner would be willing to be annexed into the District. No formal action was taken by the Board.

5. The Board next recognized Mr. Ireton, who updated the Board with regard to engineering within the District. Mr. Ireton discussed with the Board the need to construct an awning to cover stored equipment owned by the District and presented to the Board a bid for said project from Washburn & Martin Co. in the total amount of \$4,500.00. Following a discussion, Director Wilson moved that the Board approve the bid as presented. Director Smith seconded said motion, which carried unanimously.

Next, Mr. Ireton noted that a lid on the effluent lift mechanism at the District's wastewater treatment plant requires replacement and presented an estimate from the Operator to complete the work in the amount of \$7,500.00. Following a discussion, Director Dannehl moved that the Board approve the estimate as presented. Director Wilson seconded said motion, which carried unanimously.

6. The Board next recognized Ms. Lara, 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 15, 2026, a copy of which is attached hereto as Exhibit "B". Following a discussion, Director McCall 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 Bourland seconded said motion, which carried unanimously.

7. The Board next recognized Ms. Elliott, who reviewed the District's current Investment Policy, dated January 22, 2020, with the Board. Ms. Elliott 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. Elliott 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 Bourland 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 Bourland 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 Bourland seconded said motion, which carried unanimously.

10. The Board next considered the supplemental agenda. Ms. Elliott 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 Bourland seconded said motion, which carried unanimously.

There being no further business to conduct and upon motion by Director McCall, seconded by Director Bourland and unanimously carried, the meeting was adjourned at 7:16 p.m. until further call.

[Signature page follows]

APPROVED AND ADOPTED this 26th day of March, 2026.



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