

**Minutes of Meeting
Board of Directors
Kaufman County Fresh Water Supply District No. 1-A**

May 6, 2026

The Board of Directors ("the "Board") of Kaufman County Fresh Water Supply District No. 1-A (the "District") met in regular session open to the public, on Wednesday, May 6, 2026 at 12:00 noon, at 2728 N. Harwood Street, Suite 500, Dallas, Texas 75201, an official meeting place outside the boundaries of the District. The roll was called of the members of the Board, to wit:

Doug Bynum	President
Kellye Teal	Vice President
Alice D. Bittner	Secretary
Richard Humphrey	Assistant Secretary
Jenny Berry-Woods	Assistant Secretary

All Directors were present with the exception of Director Humphrey. The following individuals were also present: Mr. Steven Cook and Mr. John Kirk of Pillar Income Asset Management; Ms. Ariel Britt and Ms. Lisa Soward of Inframark; Ms. Kristen Taylor of Dye & Toverly, Mr. Edgar Saucedo and Ms. Yarit Tovar of LJA Engineering, Inc. ("LJA"); Mr. Jason Garrison of HAAG Engineering; Mr. Ross Martin, attorney, and Ms. Genny Lutz, paralegal each with Winstead PC. Mr. John Van Hoosier from LJA Engineering joined via audio conference.

1. The meeting was called to order at 12:10 p.m.
2. Consideration was next given to public comment and communications. The Board opened the meeting to public comments. Hearing none, Director Bynum moved that the Board close the public comment session of the meeting. Director Bittner seconded said motion, which carried unanimously.
3. Consideration was next given to the review and approval of Minutes of April 1, 2026, Board of Directors Meeting. Following a discussion, Director Bynum moved that the Board approve the meeting minutes as transcribed. Director Bittner seconded said motion, which carried unanimously.
4. Consideration was next given to the engineer's report. Mr. Saucedo reviewed the Engineer's Report prepared by LJA, a copy of which is attached hereto as Exhibit "A". He then updated the Board on the City of Forney's progress with the ground storage reservoir and pump station improvements. Next, he reported that the City Council will review the bids for said projects at the next council meeting. Finally, he noted that the City will be amending the wholesale agreement with the District to update water allocation amounts and memorialize construction costs. Next, the Board heard the following updates with respect to the wastewater treatment plant from Mr. Van Hoosier.
 - Water Treatment Condition Assessment – Mr. Van Hoosier presented a report titled, "Comprehensive Evaluation - Kaufman County Fresh Water Supply District

1A Water Treatment Plant” prepared by LJA. The report sets forth recommended maintenance items and costs for same prioritized by safety considerations and violations assessed following a site inspection by the Texas Commission on Environmental Quality (“TCEQ”). The report is currently under review by Kaufman County Fresh Water Supply District No. 1-B (“KC1B”) and Kaufman County Fresh Water Supply District No. 1-C (“KC1C”).

- The Board next received an update regarding the reported failure of three (3) digester tanks, remediation work and restoration of district facilities. The District’s operator has received a “no objection” notification from the insurance company to proceed with demolition of the digester tanks. Finally, LJA reported that Hanover Insurance Group rejected the District’s insurance claim due to the reported collapse of digester tanks and subsequent emergency restoration of facilities, citing exclusion provisions within the insurance policy. Next, LJA summarized a comprehensive list of estimates to complete repair emergency repair work and restoration of District facilities.
- The Board next recognized Mr. Van Hoosier of LJA Engineering by audio conference. Mr. Van Hoosier next reviewed with the Board the Comprehensive Evaluation dated April 24, 2026, a copy of which is included within the Engineer’s Report. The report sets forth the District’s water system’s current condition and proposed maintenance and improvements including a risk assessment matrix. Additionally, maintenance items are scored under a “consequence of failure” to include likelihood of failure summaries and estimated timelines related to same.

An electrical assessment of the Windmill Farms Pump Station is included within the evaluation following an inspection by Baird Gilroy & Dixon, electrical engineers. A separate report to address emergency digester repair work was reviewed by the Board and includes three proposals for the restoration of the wastewater treatment plant digesters. Services to be provided within the proposals include mobilization, demolition, and restoration of the digesters.

- Next, the Board reviewed a proposed construction contract with CC Lynch & Associates, Inc. for the installation of a permanent flow meter at the Windmill Farms Wastewater Treatment Plant. The contract price is \$13,541.00 and includes inspection requirements by LJA Engineering, Inc. and BGE, Inc.
- Finally, the Board reviewed a request from H&H Electrical for the provision of services to address the flow meter set up and buy out from CC Lynch for a total cost of \$24,600.00. Said recommendation is provided by McKenna Gaddis, PE of BGE, Inc.

Mr. Saucedo next presented a proposal from LJA for services to be provided in accordance with the Engineering Services Agreement between the District and LJA to include preparation of the wastewater treatment plant renewal discharge permit application and submission of same to the TCEQ.

Next, the Board recognized Mr. Jason Garrison, P.E., with Haag Engineering Co. to review a proposal to evaluate the cause of structural damage to the digester tanks at the wastewater treatment plant. Mr. Garrison reviewed the proposed scope of services and fees for same, noting the proposed date to begin the inspection and estimate to complete inspections.

Following a discussion, Director Bynum moved that the Board (i) approve the Engineer's Report; (ii) defer action on approval of the Wastewater Treatment plant condition assessment report and related authorizations for repair work pending review by KC1B and KC1C; (iii) approve the Construction Contract with H&H Electrical; (iv) approve Pay Application No. 1 from TTE, LLC in the amount of \$26,550.00; and (v) approve the proposal from LJA for preparation of the wastewater treatment plant renewal application. Director Bittner seconded said motion, which carried unanimously.

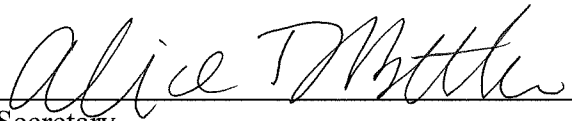
5. Consideration was next given to the developer's report. No formal report was heard from the developer.
6. Consideration was next given to the operator's report. Ms. Britt presented to and reviewed with the Board copies of an Operator's Report, a copy of which is attached hereto as Exhibit "B". Next, Ms. Britt summarized work performed by Inframark and LJA to address malfunctioning chlorine monitoring devices. Next, Ms. Britt provided an update regarding emergency clean-up work by Magna Flow following collapse of the digester tanks. Next, she summarized the status of work to address notices of violation assessed by the TCEQ. Finally, she presented a proposal for rental of Subsonic Dual Sensor for use in manhole covers following completion of an inflow and infiltration study. Ms. Britt suggested a three-month rental monitor flow rates. Following a discussion, Director Bynum, moved that the Board approve the Operator's report and authorize rental of sensors for use in manholes. Director Bittner seconded said motion, which carried unanimously.
7. Consideration was next given to the review and approval of an engagement letter for forensic engineering services. Mr. Martin stated that the proposed engagement letter from HAAG Engineering Co. has been reviewed by District counsel and is recommended by LJA. A copy of the engagement letter is included within the Engineer's Report. Following a discussion, Director Bynum moved that the Board approve the proposal from HAAG Engineering Co. to provide a forensic analysis of damage to the digester tanks. Director Bittner seconded said motion, which carried unanimously.
8. Consideration was next given to the status of an insurance claim for the loss of digesters located at the wastewater treatment plant. Mr. Martin stated that following the submission of a claim to the insurance provider, the claim has been denied. The district is currently determining the course of action to address next steps, including payment for clean-up and restoration of facilities. He recommended that the Board defer action on the Comprehensive Evaluation - Kaufman County Fresh Water Supply District 1A Water Treatment Plant pending review by KC1B and KC1C. No formal action was taken by the Board.
9. Consideration was next given to the Assignment of Water Line Easements by and between KC1C and the District. Mr. Martin presented to and reviewed the proposed assignment

with the Board, a copy of which is attached hereto as Exhibit "C". Following a discussion, Director Bynum moved that the Board approve said assignment. Director Bittner seconded said motion, which carried unanimously.

10. Consideration was next given to the bookkeeper's report and budget. Ms. Taylor reviewed with the Board copies of (i) an Operating Expense Cash Report; and (ii) Joint Utility Facilities and Operations Report, collectively attached hereto as Exhibit "D". Following a discussion, Director Bynum moved that the Board approve said bookkeeper reports; and (ii) authorize disbursement of funds as set forth within said reports. Director Bittner seconded said motion, which carried unanimously.

[SIGNATURE PAGE FOLLOWS]

After noting that there was no further business to come before the Board, the meeting adjourned at 1:00 p.m.


Secretary

(DISTRICT SEAL)

