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

July 8, 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, July 8, 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 Bynum. The following individuals were also present: Mr. Steven Cook of Pillar Income Asset Management; Ms. Ariel Britt and Ms. Lisa Soward of Inframark; Ms. Kristen Taylor of Dye & Tovery, Mr. Edgar Saucedo and Ms. Yarit Tovar of LJA Engineering, Inc. ("LJA"); Ms. Sarah Landiak, attorney, and Ms. Genny Lutzel, paralegal each with Winstead PC.

1. The meeting was called to order at 12:02 p.m.

2. Consideration was next given to public comment and communications. The Board opened the meeting to public comments. Hearing none, Director Humphrey moved that the Board close the public comment session of the meeting. Director Teal seconded said motion, which carried unanimously.

3. Consideration was next given to the review and approval of Minutes of June 10, 2026, Board of Directors Meeting. Following a discussion, Director Humphrey moved that the Board approve the meeting minutes as transcribed. Director Berry-Woods 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 provided an update of ground storage reservoir and pump station improvements at the City of Forney. Next, LJA provided an update on the digester failure event at the wastewater treatment plant, noting that insurance has denied the claim, citing maintenance issues. Next, the Board received an update regarding next steps to address demolition work and related expenses. The Board next heard a report from Ms. Britt of Inframark regarding repair work required for one clarifier. She estimated the cost to repair the clarifier to be between $25,000 and $35,000. Finally, the Board reviewed Pay Application No. 3 from TTE, LLC for Hydropneumatic tank improvements in the amount of $57,595.50.

LJA next reviewed with the Board a supplemental letter to the Comprehensive Evaluation of the District's water treatment plant. The update provides clarifications to the original evaluation and proposed improvements. An updated timeline and related budget were included in the supplement.

Following a discussion, Director Berry-Woods moved that the Board approve the Engineer's Report and authorized all requests therein. Director Teal seconded said motion, which carried unanimously.

5. Consideration was next given to the review and approval of the Encroachment Agreement by and between the District and CoServ Gas, Ltd. Ms. Landiak reviewed the provisions of said Agreement with the Board. Following a discussion, Director Berry-Woods moved that the Board ratify and approve same. Director Teal seconded said motion, which carried unanimously.

6. Consideration was next given to the developer's report. No formal report was heard from the developer.

7. 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". Items for Board approval include: (i) an estimate from Zone Industries to repair or replace motor and bearing in Blower #3 in the amount of $11,733.44 and $15,163.03 respectively; (ii) an estimate from Zone Industries to replace motor and bearings in Blower #1 in the amount of $17,431.97; (iii) roadway rehabilitation improvements to allow access to the wastewater treatment plant from Iron Pine in the amount of $7,700.00; and (iv) installation of a posting box for board meeting notices in the amount of $1,042.00. Following a discussion, Director Teal, moved that the Board approve the Operator's report and all requests listed therein. Director Berry-Woods 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. Ms. Landiak discussed the status of the claim following forensic analysis. No formal action was taken by the Board.

9. 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 "C". Following a discussion, Director Teal moved that the Board approve said bookkeeper reports; and (ii) authorize disbursement of funds as set forth within said reports. Director Humphrey seconded said motion, which carried unanimously.

After noting that there was no further business to come before the Board, the meeting adjourned at 12:27 p.m.

Jenny Berry-Woods

Secretary

(DISTRICT SEAL)