

**Minutes of Meeting
Board of Directors
Denton County Fresh Water Supply District No. 7
January 21, 2020**

The Board of Directors (“Board”) of Denton County Fresh Water Supply District No. 7 (the “District”), met in regular session, open to the public, on January 21, 2020, at 4:00 p.m., at 2650 FM 407E, Suite 125, Bartonville, Texas 76226, for which notice was given as required by Chapter 551, Government Code, as amended, and Chapter 49, Texas Water Code, as amended.

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

William Randall Fogle	President
Andrew Kloser	Vice President
Stephen D. Spence	Secretary
Todd Beggs	Treasurer
David J. Ware	Assistant Secretary

All members of the Board were present, thus constituting a quorum. Director Kloser entered the meeting later as noted below. Also attending the meeting were the following: Mr. Richard Harned, District Controller; Mr. Kevin Mercer, General Manager; Mr. Kurt Sewell, Contract Services Manager; Mr. Kevin Carlson, P.E. of Huitt-Zollars, Inc.; Mr. Mark Norton of Lantana Community Association (“LCA”); Mr. Brian Toldan of McCall Gibson Swedlund Barfoot PLLC; various members of the public; and Mr. Jonathan H. Finke of Crawford & Jordan LLP.

1. The President called the meeting to Order at 4:00 p.m.
2. The President conducted the Pledge of Allegiance to the flags of the United States of America and State of Texas, respectively.
3. Consideration was next given to public comments. In that regard, the President recognized Mr. Garrett Parke, who advised that he was concerned with placement of a stop sign in front of his house on Trinidad Way. The President recognized Ms. Christine Choe, who advised that she did not want a stop sign in front of her house on Trinidad Way. The President recognized Mr. Greg Blair, who further discussed traffic on Trinidad Way. The President recognized Mr. Keith Richard, who advised that he was of the opinion that the solution would be to eliminate the volume of traffic on Trinidad Way. The President recognized Ms. Diane Wetherbee, who commented on the District’s new website and upcoming Directors Election. The President recognized Ms. Lynne Thompson, who reported to the Board that Frontier was going into bankruptcy and queried the effects of same on the franchise agreement. After noting that there were no other members of the public in attendance at the meeting desiring to speak, and upon motion made by Director Kloser, seconded by Director Spence and carried unanimously, the President closed the public comment session of the meeting.
4. Consideration was next given to discussion regarding various traffic control matters, including, but not limited to, Trinidad Way traffic and automated technology for school signs, and traffic

study, and the taking of any action necessary or appropriate in connection therewith. In that regard, Mr. Mercer presented and reviewed with the Board a summary of the report prepared in connection with such traffic issues. He advised that the stop signs had been ordered and would confirm the locations where they would be installed, noting that installation would be in February. Mr. Mercer and the Board then conducted a long discussion with resident contribution on various ideas in an effort to resolve the issue of heavy traffic on Trinidad Way. After discussion, the President noted that no formal Board action was necessary at this time.

5. The Board next deferred consideration of the review and approval of Agreed Upon Procedures report for the distribution of escrowed of utility bond funds to CL/RPG Land Company, L.P., as reimbursement for Barrington Phase C hardscape, offsite engineering, easement costs, and developer advances.
6. Consideration was next given to the approval of the minutes of the Meetings of December 4, 2019, and December 17, 2019. After discussion on the matter, Director Kloser moved that the minutes of the Board of Directors Meetings of December 4, 2019 and December 17, 2019, be approved as written. Director Spence seconded the motion, which carried unanimously.
7. Consideration was next given to the review and approval of the General Manager's Report, as presented by Mr. Mercer, a copy of which is attached hereto as Exhibit "A". In that regard, Mr. Mercer reported to the Board concerning the status of the District's pending projects and answered various questions, including that of costs of the District's upcoming election. After discussion on the matter, Director Kloser moved that the General Manager's Report be approved, as presented. Director Spence seconded said motion, which carried unanimously.
8. Consideration was next given to status of landscape irrigation installation. In that regard, Mr. Mercer reported that 41 of 61 controllers had been installed, with the installation continuing. After discussion, the President noted that no formal Board action was required at this time.
9. Consideration was next given to consideration of the review and acceptance of Lantana Community Association ("LCA") Report. In that regard, Mr. Norton reported to the Board that the Community Center would be opening mid to late February. After discussion, the President noted that no formal Board action was required at this time.
10. The Board next deferred review and acceptance of Engineering Report, as there were no additional engineering items to be discussed at this time.
11. Consideration was next given to status of a new cellular antenna lease for elevated storage tank, and the taking of any action necessary or appropriate in connection therewith. In that regard, Mr. Mercer reported to the Board that negotiations with AT&T were moving along, including the request for an on-site building. The Board then queried Mr. Mercer about various concerns regarding security. After discussion on the matter, the President noted that no formal Board action was required at this time.
12. Consideration was next given to the Controller's Report presented by Mr. Harned, a copy of which is attached hereto as Exhibit "B". In that regard, Mr. Harned reviewed said report with

the Board. After discussion on the matter, and thorough review of the report(s) and questions in connection therewith, Director Beggs moved that the Board approve said Controller's Report, as presented, and authorize payment of checks, as specified in said Report. Director Ware seconded said motion, which carried unanimously.

13. Consideration was next given to the review and approval of the District's audit report for fiscal year ending September 30, 2019. In that regard, Mr. Brian Toldan of McCall Gibson Swedlund Barfoot PLLC presented and reviewed with the Board such report and answered questions posed by the Directors. It was then suggested that a footnote be added to the audit regarding the District's refunding bond issue. Mr. Toldan advised that it was his recommendation that the Board approve said audit report, as presented, and authorize the filing of such report with the Texas Commission on Environmental Quality ("TCEQ"). Director Fogle moved that the Board approve such audit report for fiscal year ending September 30, 2019, as presented, subject to any non-material revisions by the Board and Consultants by January 31, 2020, and authorize filing of same with the TCEQ. Director Beggs seconded said motion, which carried unanimously.
14. Consideration was next given to annual review of Order Adopting District's Investment Policy, revisions to same, and adoption of a Resolution in connection therewith. Mr. Finke presented and reviewed with the Board a Resolution Regarding Review of Investment Policy, and advised that this year there were changes to the District's Investment Policy that he was recommending at this time. After discussion on the matter, Director Beggs moved that the Board approve adoption of such Order Adopting District's Investment Policy, and the adoption of a Resolution in connection with same. Director Spence seconded said motion, which carried unanimously.
15. Consideration was next given to the adoption of a Resolution Designating Depositories and Establishing Investment Accounts for Deposit of District Funds. Mr. Finke presented and reviewed with the Board a list of financial institutions authorized to engage in investment transactions with the District. The Resolution and list of financial institutions are attached hereto as Exhibit "C". After discussion on the matter, Director Kloser moved that the Board approve adoption of the Resolution Designating Depositories and Establishing Investment Accounts for Deposit of District Funds, as presented. Director Ware seconded said motion, which carried unanimously.
16. Consideration was next given to authorizing the preparation of an Unclaimed Property Report as of March 1, 2020. In that regard, Mr. Finke discussed the purpose of the report and advised that this would only be necessary if the District was holding any unclaimed monies on which to report. After a brief discussion on the matter, Director Kloser moved that the Board authorize the preparation of an Unclaimed Property Report as of March 1, 2020, as may be necessary. Director Ware seconded said motion, which carried unanimously.
17. Consideration was next given to the review and acceptance of the tax assessor-collector's report, a copy of which is attached hereto as Exhibit "D". In that regard, Mr. Harned presented said report to the Board. He reported that as of December 31, 2019, the collection rate of the District's 2019 tax levy was at 70.68%. After discussion on the matter, Director Kloser moved

that the Board approve the tax assessor-collector's report as presented. Director Ware seconded said motion, which carried unanimously.

18. Consideration was next given to status of correspondence submitted to Denton County Development District No. 4 ("No. 4") regarding proposed grant application from the District and Denton County Fresh Water Supply District No. 6 for improvements along the Hike and Bike Trail, and the taking of any action necessary or appropriate in connection therewith. In that regard, Mr. Finke reported to the Board that the next regularly scheduled meeting for the No. 4 Board would be January 27, 2020, at Noon. After discussion on the matter, the President noted that no formal Board action was necessary at this time.
19. Consideration was next given to status of correspondence submitted to County Commissioner Edmondson, Precinct No. 4 regarding status of appointment of directors the Board of Denton County Development District No. 4. In that regard, Mr. Finke noted that he would proceed with the sending of said correspondence. After discussion, the President noted that no formal Board action was necessary at this time.
20. Consideration was next given to status of memorial facilities installed in Barrington Addition at the trail head on Haverford Lane, to recognize Lauren Slaughtery Jones and David P. Spence. In that regard, Mr. Mercer reported to Board that the bench and trash can had been installed, the slab had been poured, and that he would order the trees. Director Spence then thanked the Board for approving the memorial for his son. After discussion on the matter, the President noted that no formal Board action was required at this time.
21. Consideration was next given to discussion regarding installation of Bartonville City Limit sign being placed at entrance to Lantana, and the taking of any other action necessary or appropriate in connection therewith. In that regard, Director Kloser inquired about the location and other possible options. After discussion on the matter, the President noted that no formal Board action was required at this time.

Supplemental Item:

22. Consideration was next given to calling Directors Election to be held on May 2, 2020, and the adoption of an Order in connection therewith. Mr. Finke presented and reviewed with the Board an Order Calling Directors Election, a copy of which is attached hereto as Exhibit "E". After discussion on the matter, Director Kloser moved that the Board adopt the Order Calling Directors Election, as presented, and authorize execution of same. Director Beggs seconded said motion, which carried unanimously.
23. The Board next considered of Executive Session pursuant to Sections 551.071, 551.072, 551.074, and 551.076, Texas Government Code, to consult with attorney; deliberate regarding real property; review personnel matters; and consider security devices. Upon motion made by Director Beggs, seconded by Director Ware and unanimously carried, the Board entered into Executive Session at 5:48 p.m. pursuant to Section 551.074, Texas Government Code, to discuss personnel matters.

Upon motion by Director Kloser, seconded by Director Beggs, the Board voted unanimously to reconvene the meeting in open session at 6:02 p.m.

No formal Board action was taken.

24. Consideration was next given to establishing future agenda items. In that regard, Director Kloser noted that he would like to consider sidewalks along FM 407 at the next meeting.
25. There being no further business to come before the Board, upon motion duly made by Director Ware and seconded by Director Kloser, the meeting was adjourned at 6:03 p.m.

Secretary/Assistant Secretary