

**Minutes of Meeting  
Board of Directors  
Denton County Fresh Water Supply District No. 7  
October 15, 2019**

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 October 15, 2019, 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, except for Director Kloser, thus constituting a quorum. Also attending the meeting were the following: Mr. Richard Harned, District Controller; Mr. Kevin Mercer, General Manager; Mr. Kevin Carlson, P.E. of Huitt-Zollars, Inc.; Mr. Adam LanCarte of Hilltop Securities, Inc.; Mr. Marc Druck of Winstead PC; 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. After noting that there were no members of the public in attendance at the meeting desiring to speak, and upon motion made by Director Ware, seconded by Director Spence and carried unanimously, the President closed the public comment session of the meeting.
18. 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 the taking of any action necessary or appropriate in connection therewith. In that regard, Mr. Mercer reported to the Board that he contacted the Denton County Sheriff’s Office and requested an increased presence, especially at the times that school is beginning and ending. He further reported that he had re-mobilized the speed radar.

Mr. Carlson then presented and reviewed with the Board Task Order No. 113 in the amount of \$16,500.00 for performance of a traffic study within Barrington along the street in question, a copy of which is attached hereto as Exhibit “A”. After a lengthy discussion regarding other potential options, Director Beggs moved that the Board approve Task Order No. 113, as presented. Director Ware seconded said motion, which carried unanimously. Director Beggs

next moved that the Board approve preparation of a traffic study in an amount not to exceed \$16,500.00. Director Ware seconded said motion, which carried unanimously. Mr. Fogle emphasized the time sensitive nature of the issue due to safety concerns and requested that the traffic study be completed at the earliest possible date.

4. Consideration was next given to review and adoption of Order Amending and Restating An Order Authorizing the Issuance of “Denton County Fresh Water Supply District No. 7 Unlimited Tax Utility System Bonds, Series 2011”; Approving and Authorizing Instruments and Procedures Related Thereto; and Authorizing Other Matters Related Thereto. In that regard, Messrs. Finke and Druck presented and reviewed with the Board said Order and explained to the Board the need for same. After discussion on the matter, Director Beggs moved that the Board approve adoption of an Order Amending and Restating An Order Authorizing the Issuance of “Denton County Fresh Water Supply District No. 7 Unlimited Tax Utility System Bonds, Series 2011”; Approving and Authorizing Instruments and Procedures Related Thereto; and Authorizing Other Matters Related Thereto, as presented. Director Ware seconded said motion, which carried unanimously.
5. The Board next considered review, discussion and acknowledgement of disclosures required to be provided by the Financial Advisor under Municipal Securities Rulemaking Board Rule G-42 regarding the \$8,205,000 Unlimited Tax Utility Refunding Bonds, Series 2019 (the “Refunding Bonds”), and the taking of related action. Mr. LanCarte presented to and discussed with the Board correspondence from Hilltop Securities, Inc. entitled "Regulatory Disclosure Regarding Municipal Advisory Agreement", attached hereto as Exhibit "B". After discussion on the matter, the Board determined that no action was necessary.
6. Consideration was next given to general discussion regarding the sale of the District’s Refunding Bonds, and the taking of any action appropriate in connection therewith, including approval of: Financing Plan, Preliminary Official Statement and authorizing distribution of same and adoption of related Resolution, and Order Authorizing The Issuance Of “Denton County Fresh Water Supply District No. 7 Unlimited Tax Utility System Refunding Bonds, Series 2019”; Delegating The Authority To Certain District Officials To Execute Certain Documents Related To The Sale Of The Bonds; Entering Into An Escrow Agreement, A Purchase Contract, And A Paying Agent/Registrar Agreement; And Other Matters Related Thereto. Mr. LanCarte presented and reviewed the terms of the transaction and the Preliminary Official Statement with the Board, a copy of which is attached hereto as Exhibit “C”. Mr. Druck then presented to the Board the Bond Order and explained the terms and conditions of same, a copy of which is attached hereto as Exhibit “D”. After discussion on the matter, Director Fogle moved that the Board approve said Financing Plan, Preliminary Official Statement and adoption of related Resolution, and adoption of Order Authorizing The Issuance Of “Denton County Fresh Water Supply District No. 7 Unlimited Tax Utility System Refunding Bonds, Series 2019”; Delegating The Authority To Certain District Officials To Execute Certain Documents Related To The Sale Of The Bonds; Entering Into An Escrow Agreement, A Purchase Contract, And A Paying Agent/Registrar Agreement; And Other Matters Related Thereto. Director Spence seconded said motion, which carried unanimously.
7. Consideration was next given to the approval of the minutes of the September 17, 2019, Board

of Directors Meeting. After discussion on the matter, Director Ware moved that the minutes of the September 17, 2019, Board of Directors Meeting be approved as written. Director Beggs seconded the motion, which carried unanimously.

8. 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 "E". In that regard, Mr. Mercer reported to the Board concerning the status of the District's pending projects and answered various questions. He further reported that the final inspection for Barrington Addition Phases B and C Hardscape and Landscape was scheduled for October 17, 2019. After discussion, Director Beggs moved that the General Manager's Report be accepted as presented. Director Ware seconded said motion, which carried unanimously.
9. The Board next deferred consideration of the review and acceptance of Lantana Community Association ("LCA") Report, as no one from LCA was in attendance at the meeting.
10. Consideration was next given to review and acceptance of Engineering Report, as presented by Mr. Kevin Carlson of Huitt-Zollars, Inc. In that regard, Mr. Carlson reported to the Board that Barrington Addition Phases B and C Hardscape and Landscape projects were nearly completed pending miscellaneous engineering items, and requested that the Board accept the Certificates of Completion and authorize the final acceptance of the facilities pending resolution of the outstanding engineering items. After discussion on the matter, Director Ware moved that pending resolution of the outstanding engineering items, the Board accept Barrington Addition Phases B and C Hardscape and Landscape projects as complete and authorize final acceptance of the facilities, as recommended by the District engineer. Director Beggs seconded said motion, which carried unanimously.
11. Consideration was next given to update on DenCo Construction contract matter, and the taking of any action necessary or appropriate in connection therewith. In that regard, Mr. Finke provided the Board with an update on such contract matter, noting that the final retainage would be paid upon completion of the remaining final items and the application of liquidated damages. 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 "F". 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 Ware moved that the Board approve said Controller's Report, as presented, and authorize payment of checks, as specified in said Report. Director Beggs seconded said motion, which carried unanimously.
13. Consideration was next given to execution of new signature cards for JP Morgan Chase Bank. In that regard, Mr. Harned presented new signature cards to the Board for execution. After discussion on the matter, Director Beggs moved that the Board authorize execution of the new signature cards for JP Morgan Chase Bank. Director Ware seconded said motion, which carried unanimously.

14. The Board next deferred consideration of District Expenses, including petty cash and American Express, as it was noted that these items had been discussed under item no. 12 above.
15. Consideration was next given to the status of purchase of landscape irrigation upgrade, and the taking of any action necessary or appropriate in connection therewith. In that regard, Mr. Mercer reported to the Board that all equipment had been received and was currently being installed. After discussion on the matter, the President noted that no formal Board action was required at this time.
16. 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 "G". In that regard, Mr. Harned presented said report to the Board. He reported that as of September 30, 2019, the collection rate of the District's 2018 tax levy was at 99.92%. After discussion on the matter, Director Ware moved that the Board approve the tax assessor-collector's report as presented. Director Beggs seconded said motion, which carried unanimously.
17. 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 No. 7 for improvements along the Hike and Bike Trail, and the taking of any action necessary or appropriate in connection therewith. In that regard, Director Beggs reported to the Board that there were four or five stations for equipment and that he was still in the process of getting quotes and developing plans in connection with such grant application to be submitted for No. 4's review. After discussion on the matter, Director Beggs moved that the Board approve up to \$24,999 for the purchase of such equipment, and to work with District Staff to solicit quotes for the Board's consideration next year. Director Ware seconded said motion, which carried unanimously.
19. Consideration was next given to review and approval of resident request to add park bench and/or tree in Barrington Addition at the trail head on Haverford Lane, and allow the placement of a memorial plaque on the bench to recognize Lauren Slaughtery Jones, a Barrington resident who recently passed away. In that regard, Mr. Mercer reported to the Board that he met with the resident and that she has raised the \$300 and given Mr. Mercer the bench and trashcan for placement in front of the tree with a plaque on it. He further reported that the resident would provide Mr. Mercer with the remembrance language for approval before placement on the plaque. After discussion on the matter, the President noted that no formal Board action was required at this time.
20. Consideration was next given to review of District website. In that regard, Mr. Harned reported to the Board that the website was up and running and there was still some more updating of information required. After discussion on the matter, the President noted that no formal Board action was necessary at this time.
21. Consideration was next given to ratification of the Board prior action regarding amendment of District Information Form. In that regard, Mr. Finke reported to the Board that the District Information Form had been amended to reflect the reduction in tax rate in the Notice to Purchaser. After discussion, Director Beggs moved that the Board's prior action relative to

the amendment of the District Information Form be approved and ratified in all respects. Director Ware seconded said motion, which carried unanimously.

22. Consideration was next given to review and approval of Order Establishing Records Management Program, Designation of District Records Management Officer, and Declaration of Compliance with the Records Scheduling Requirements of the Local Government Records Act. Mr. Finke presented and reviewed with the Board such Order Establishing Records Management Program, Designation of District Records Management Officer, and Declaration of Compliance with the Records Scheduling Requirements of the Local Government Records Act, copies of which are attached hereto as Exhibits “H”, “I”, and “J”. After discussion, Director Beggs moved that the Board approve and authorize execution of such Order Establishing Records Management Program, Designation of District Records Management Officer, and Declaration of Compliance with the Records Scheduling Requirements of the Local Government Records Act. Director Ware seconded said motion, which carried unanimously.
23. Consideration was next given to discussion regarding public comment requirements of House Bill 2840. Mr. Finke provided an update on such matter. After discussion on the matter, the President determined no formal Board action was required at this time.
24. The Board next deferred consideration 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.
25. The Board next deferred establishing future agenda items, as there were none.
26. There being no further business to come before the Board, upon motion duly made by Director Beggs and seconded by Director Spence, the meeting was adjourned at 5:43 p.m.

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Secretary/Assistant Secretary