

**Minutes of Meeting  
Board of Directors  
Denton County Fresh Water Supply District No. 7  
December 17, 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 December 17, 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:

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| 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 Director Kloser, 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. Kevin Carlson, P.E. of Huitt-Zollars, Inc.; Mr. Adam LanCarte of Hilltop Securities, Inc.; Mr. Mark Norton of Lantana Community Association (“LCA”); members of the public from Trinidad Way; 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 other 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.

Director Kloser entered the meeting.

15. 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 conducted a long discussion with the Board and residents, with resident contribution on various ideas in an effort to resolve the issue of heavy traffic on Trinidad Way. After discussion, Director Ware moved that the Board approve the purchase and installation of six (6) stop signs, and other warning signage in an amount not to exceed \$12,000. Director Beggs seconded said motion, which carried unanimously.

4. Consideration was next given to review and approval of a Resolution Authorizing The Redemption or Selected Maturities of The Denton County Fresh Water Supply District No. 7 Unlimited Tax Road Bonds, Series 2010; And Other Matters Related Thereto (“Resolution”). In that regard, Mr. LanCarte presented and reviewed with the Board an analysis in connection with the redemption of said bonds and the monetary savings to the District, a copy of which is attached hereto as Exhibit “A”. Mr. Finke presented to and discussed with the Board the Resolution authorizing such redemption, and answered questions from the Board. A copy of such Resolution is attached hereto as Exhibit "B". After discussion on the matter, Director Beggs moved that the Board approve adoption of the Resolution, as presented. Director Kloser seconded said motion, which carried unanimously.
5. Consideration was next given to the approval of the minutes of the Meeting of November 19, 2019, Board of Directors Meeting. After discussion on the matter, Director Kloser moved that the minutes of the Board of Directors Meeting of November 19, 2019, be approved as written. Director Ware seconded the motion, which carried unanimously.
6. 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 “C”. In that regard, Mr. Mercer reported to the Board concerning the status of the District’s pending projects and answered various questions. After discussion on the matter, Director Kloser moved that the General Manager’s Report be approved, as presented. Director Beggs seconded said motion, which carried unanimously.
7. Consideration was next given to review and approval of a proposal from Diamond Maps to provide GIS mapping services for Lantana. In that regard, Mr. Mercer presented and reviewed with the Board a proposal from Diamond Maps, a copy of which is attached hereto as Exhibit “D”. He advised that the proposal was for an unlimited use subscription for a cost of \$1,200.00 annually, to be shared equally with Denton County Fresh Water Supply District No. 6 (“No. 6”). There was then a discussion on integration, costs, and equipment. After discussion on the matter, Director Ware moved that the Board approve such proposal from Diamond Maps, as presented. Director Kloser seconded said motion, which carried unanimously.
8. 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 painting was currently underway at the Community Center with the finish-out continuing. He further reported that the LCA was abandoning the banners. After discussion, the President noted that no formal Board action was required at this time.

Director Ware exited the meeting.

9. The Board next deferred review and acceptance of Engineering Report, as there were no additional engineering items to be discussed at this time.
10. 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 the counter offer proposed to AT&T was for

\$3,000 per month. After discussion on the matter, the President noted that no formal Board action was required at this time.

11. Consideration was next given to the Controller's Report presented by Mr. Harned, a copy of which is attached hereto as Exhibit "E". 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 Spence seconded said motion, which carried unanimously.
12. Consideration was next given to review and approval of new lease for Copier/Scanner. In that regard, Mr. Harned presented and reviewed the bids with the Board, copies of which are attached hereto as Exhibit "F". Mr. Harned advised the Board that the bid from Datamax had the lowest expense costs and also had the lowest monthly lease cost of \$175.00. After discussion on the matter, Director Beggs moved that the Board approve a new lease for Copier and Scanner with Datamax for a monthly lease cost of \$175.00, and related monthly expenses. Director Kloser seconded said motion, which carried unanimously.
13. 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 November 30, 2019, the collection rate of the District's 2019 tax levy was at 5.72%. After discussion on the matter, Director Kloser moved that the Board approve the tax assessor-collector's report as presented. Director Beggs seconded said motion, which carried unanimously.
14. 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. 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 he had drafted a letter to Denton County Commissioner, Precinct No. 4, Dianne Edmondson, as requested by the Board. After discussion on the matter, the President noted that no formal Board action was necessary at this time.
16. Consideration was next given to status of tree, memorial plaque, and park bench in Barrington Addition at the trail head on Haverford Lane, to recognize Lauren Slaughtery Jones, a Barrington resident who recently passed away. In that regard, Mr. Mercer reported to Board that the slab had been poured, the tree had been planted, and the memorial plaque had come in. After discussion on the matter, the President noted that no formal Board action was required at this time.
17. Consideration was next given to review and approval of installation of memorial plaque in Barrington Addition at the trail head on Haverford Lane, to recognize David P. Spence, and the taking of any other action necessary or appropriate in connection therewith. In that regard, Director Spence recused himself from the meeting. After discussion on the matter, Director Beggs moved that the resident requesting the plaque be responsible for payment of the first \$300 for the tree and the cost of the plaque, with the District being responsible for installation

of the boulder, concrete and tree. Director Kloser seconded said motion, which carried with 4 voting aye, 0 voting no, and Director Spence abstaining from the vote.

Director Spence re-entered the meeting.

18. Consideration was next given to solicitation/approval of bids for medical insurance for District Staff, and the taking of any action necessary or appropriate in connection therewith. In that regard, there was a discussion regarding the history of Health Savings Account (“HSA”) benefits to District Staff. After discussion on the matter, Director Beggs moved that the Board approve health coverage through a PPO and continue with the HSA contribution of \$4,400 to offset the health insurance deductible. Director Kloser seconded said motion, which carried unanimously.
19. Consideration was next given to authorizing filing of correspondence with the State Comptroller prior to February 1, 2020, relative to status and exercise of eminent domain powers. Mr. Finke discussed with the Board regulatory requirements regarding online filing of information relating to District authority for and use of eminent domain powers. After discussion, Director Beggs moved that the Board hereby authorize filing of correspondence with the State Comptroller prior to February 1, 2020, relative to status and exercise of eminent domain powers and approve the action of electronically reporting the required eminent domain information on behalf of the District to the State Comptroller prior to February 1, 2020. Director Spence seconded said motion, which carried unanimously.
20. 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.
21. The Board next deferred consideration of establishing future agenda items, as there were none.
22. There being no further business to come before the Board, upon motion duly made by Director Beggs and seconded by Director Kloser, the meeting was adjourned at 5:30 p.m.

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Secretary/Assistant Secretary