

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

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 Spence, thus constituting a quorum. Also attending the meeting were the following: Mr. Richard Harned, District Controller; Mr. Kevin Mercer, General Manager; Mr. Adam LanCarte of Hilltop Securities, Inc.; Mr. Mark Norton of Lantana Community Association (“LCA”); Mr. Brian Rarick, and Ms. Ashley Burns, District residents; 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. Brian Rarick, a District resident, who expressed concerns about traffic on Trinidad Way. The President next recognized Ms. Burns, a District resident, who also expressed concerns about traffic on Trinidad Way. 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 Beggs and carried unanimously, the President closed the public comment session of the meeting.
17. 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 there was a percentage of vehicles speeding on Trinidad Way, and discussed with the Board the various options available in an effort to control such speeding. He advised that an option would be to hire a Denton County Sheriff or Denton County Constable to patrol the area. Another option discussed was the installation of a stop sign at the green space. After discussion on the mater, Director Beggs moved that the Board proceed with the performance of a traffic study along the street in question, and further

recommended that Staff reach out to the Denton County Sheriff's Department and Denton County Constable's Department to request assistance with traffic control in this area. Director Kloser seconded said motion, which carried unanimously.

4. Consideration was next given to conducting a public hearing on proposed levy of the District's 2019 debt service, maintenance, and contract tax rates. Upon motion by Director Fogle, seconded by Director Beggs, the Board opened the public hearing. It was noted that no one from the public was present at the public hearing and no written public comment had been received regarding the District's proposed 2019 tax rate. After discussion on the matter, Director Beggs moved that the Board close the hearing. Director Kloser seconded said motion, which carried unanimously.
5. Consideration was next given to the adoption of a 2019 Order Levying Taxes, a copy of which is attached hereto as Exhibit "A". In that regard, Mr. Finke reviewed the proposed Order with the Board, and advised that the proposed rates were as follows: a maintenance tax of \$0.1495 per \$100 of assessed valuation; utility debt service tax of \$0.2900 per \$100 of assessed valuation; and road debt service tax of \$0.4605 per \$100 of assessed valuation for a total tax rate for 2019 of \$0.90 per \$100 assessed valuation. Mr. Finke next presented to the Board a Memorandum from the District's financial advisor recommending that the Board adopt such proposed rates as referenced above. A copy of such Memorandum is attached hereto as Exhibit "B". After discussion on the matter, Director Kloser moved that the Board adopt the 2019 Order Levying Taxes as presented. Director Beggs seconded said motion, which carried unanimously.
6. Consideration was next given to review of financing plan for refunding and authorization of preparation for Series 2019 Utility Refunding Bonds, including preparation of Notice of Sale and Preliminary Official Statement, and authorizing preparation of agreed upon procedures report. In that regard, Messrs. Finke and LanCarte presented and reviewed with the Board a Plan of Finance outlining the refunding of the District's Series 2011 Utility Bonds and 2012 Utility Bonds, as well as a calendar of events related thereto. Mr. LanCarte reported to the Board that it would be a negotiated bid rather than a competitive one. Mr. Finke next requested that the Board also authorize McCall Gibson Swedlund Barfoot PLLC to prepare the report confirming payments due to the developer out of the proceeds of the bonds. After discussion on the matter, Director Kloser moved that the Board approve said Plan of Finance and authorize preparations for the sale of the Series 2019 Utility System Refunding Bonds, pursuant to the Mr. LanCarte's recommendation, including preparation of Notice of Sale and Preliminary Official Statement, and further authorize McCall Gibson Swedlund Barfoot PLLC to prepare the report confirming payments due to the developer out of the proceeds of the bonds. Director Beggs seconded said motion, which carried unanimously.
7. Consideration was next given to the approval of the minutes of the August 20, 2019, and September 4, 2019, Board of Directors Meetings. After discussion on the matter, Director Fogle moved that the minutes of the August 20, 2019, and September 4, 2019, Board of Directors Meetings 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 "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, Director Kloser moved that the General Manager's Report be accepted as presented. Director Ware seconded said motion, which carried unanimously.
9. Consideration was next given to an amendment to District Rate Order, and the taking of any action necessary or appropriate in connection therewith. In that regard, Mr. Mercer presented and reviewed with the Board such amendment, a copy of which is attached hereto as Exhibit "D". Mr. Mercer reported that a \$1.00 increase in the base water rate and a \$1.00 increase in the base sewer rate was necessary due to increasing costs to the District. After discussion on the matter, Director Kloser moved that the Board approve such amendment to District Rate Order, as presented. Director Beggs seconded said motion, which carried unanimously.
10. Consideration was next given to review and acceptance of Lantana Community Association ("LCA") Report. In that regard, Mr. Norton reported to the Board that the Run Lantana 10K/5K would be held this Saturday on August 24, 2019; that the community garage sale had been held last week; the Fall Festival will be held in November; and the Monster Mile is scheduled for later in the fall. Mr. Norton also reported that the Community Center construction was still ongoing. After discussion on the matter, the President noted that no formal Board action was required at this time.
11. The Board next deferred consideration of the review and acceptance of Engineering Report, as no one from Huitt-Zollars, Inc. was in attendance at the meeting.
12. 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 Kloser seconded said motion, which carried unanimously.
13. 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. Harned reported to the Board that the equipment has been ordered, but has not yet been received. After discussion on the matter, the President noted that no formal Board action was required at this time.
14. Consideration was net given to status of purchase security cameras, alarm system, and other equipment for the maintenance building, and the taking of any action necessary or appropriate in connection therewith. In that regard, Mr. Harned reported to the Board that he was still waiting on the security system bid. After discussion on the matter, the President noted that no formal Board action was required at this time.

15. 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 "F". In that regard, Mr. Harned presented said report to the Board. He reported that as of August 31, 2019, the collection rate of the District's 2018 tax levy was at 99.92%. 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.
16. 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, Director Beggs reported to the Board 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, the President noted that no formal Board action was necessary at this time.
18. Consideration was next given to review and approval of resident request to add park bench 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 discussed with the Board the area where the bench would be located, and further advised that it was his recommendation that the District would be responsible for payment of the cost of the bench, and the resident would be responsible for payment of the plaque. The Board requested that the resident submit the language for the plaque to the District for approval prior to installation. A suggestion was then made that the District could install a new tree with the plaque being placed at the base of such tree. After discussion on the matter, Director Kloser moved that the Board approve allowing a plaque containing language approved by the Board to be installed at the base of a tree, with the resident paying for said plaque and tree, and the District paying for installation of the tree. Director Beggs seconded said motion, which carried unanimously.
19. 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.
20. Consideration was next given to establishing future agenda items. In that regard, it was noted that traffic study and review of District expenses be placed on the next agenda.
21. There being no further business to come before the Board, upon motion duly made by Director Kloser and seconded by Director Beggs, the meeting was adjourned at 5:20 p.m.

Secretary/Assistant Secretary