

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

The Board of Directors ("Board") of Denton County Fresh Water Supply District No. 7 ("District") met in regular session, open to the public, on Tuesday, April 21, 2020, at 4:00 p.m., via telephonic conferencing, for which notice was given pursuant to Chapter 551, Texas Government Code, Chapters 49 and 51, Texas Water Code, and action taken by the Governor of the State of Texas under Section 418.016, Texas Government Code.

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 for the meeting, with Directors Spence, Beggs and Kloser participating by phone, and Directors Fogle and Ware participating via video conference, thus constituting a quorum. Also attending the meeting via video conference were the following: Mr. Richard Harned, District Controller; Mr. Kevin Mercer, General Manager; Ms. Lynne Thompson, Ms. Diane Wetherbee, and Mr. Jonathan H. Finke of Crawford & Jordan LLP.

1. The Board first considered declaration of emergency under Chapter 551, Texas Government Code (Texas Open Meetings Act) pursuant to the provisions of Section 551.125, Texas Government Code, and action by the Governor of the State of Texas taken in accordance with Section 418.016, Texas Government Code to allow meeting be held by video and telephonic conference call. After discussion, upon motion made by Director Fogle, seconded by Director Beggs, and unanimously carried, the Board declared emergency and proceeded with holding meeting by participation in video and/or telephonic conference call.
2. The President called the meeting to Order at 4:01 p.m.
3. Due to the nature of the meeting, the Pledge of Allegiance to the flags of the United States of America and State of Texas, respectively, were deferred.
4. Consideration was next given to public comments. In that regard, Ms. Thompson, a District resident, inquired as to the status of a COVID-19 update from The Honorable Andy Eads. Director Kloser next discussed with the Board the status of the Lantana neighborhood events moving forward. After noting that there were no other members of the public participating in 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.
5. 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 provided the Board with an update on the traffic statistics, noting that the lack of traffic due to COVID-19 somewhat skews the statistics, and advised that the District residents are very appreciative of the Board's assistance with the matter. After discussion, the President noted that no formal Board action was necessary at this time.

6. Consideration was next given to the approval of the minutes of the Meeting of March 17, 2020, and March 20, 2020, Board of Directors Meetings. After discussion on the matter, Director Beggs moved that the minutes of the Board of Directors Meetings of March 17, 2020, and March 20, 2020, be approved as written. Director Kloser 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 a question posed by Director Kloser regarding maintenance of the Hike and Bike Trail. Mr. Mercer next reported to the Board that there were currently 12 cases of COVID-19 within Lantana. Director Ware then discussed the need to monitor District Staff's use of masks during the heat of the summer. After discussion on the matter, Director Ware moved that the General Manager's Report be approved, as presented. Director Kloser seconded said motion, which carried unanimously.
8. Consideration was next given to acceptance of Skybeam's letter of termination of lease. In that regard, Messrs. Finke and Mercer discussed same with the Board. After discussion on the matter, Director Kloser moved that the Board accept such notice of termination of lease received from Skybeam. Director Beggs seconded said motion, which carried unanimously.
9. Consideration was next given to consideration of the review and acceptance of Lantana Community Association ("LCA") Report. In that regard, it was noted that Mr. Norton was not in attendance. In his absence Mr. Mercer reported that Mr. Norton was having some issues due to people continuously being at home, noting that there were problems with kids jumping fences and gathering. After discussion, the President noted that no formal Board action was required at this time.
10. The Board next considered review and acceptance of Engineering Report. In that regard, Mr. Carlson presented and reviewed with the Board the Engineering, a copy of which is attached hereto as Exhibit "B". Mr. Carlson presented and reviewed with the Board a bid tab for the award of contract for pavement repair within Lantana, advising that 13 bids had been received with the lowest bidder being CI Pavement with a bid in the amount of \$142,885.14. Mr. Carlson advised the Board that Huitt-Zollars, Inc. had not worked with CI Pavement before, so advised that it was his recommendation that the Board award the contract to CI Pavement, subject to further vetting of the company. Directors Kloser and Ware stated that they had concerns about moving forward with the repairs of sidewalks in the future. After discussion on the matter, Director Kloser moved that the Board table this matter until the next meeting. Director Ware seconded said motion, which carried unanimously.

Consideration was next given to approval/ratification of Engineering Task Orders. In that regard, Mr. Carlson presented and reviewed with the Board Task Order No. 114 in the amount of \$25,700 for continued consulting services. After discussion on the matter, Director Kloser

moved that the Board approve such Task Order No. 114 as presented. Director Beggs seconded said motion, which carried unanimously.

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 the District is awaiting engineering specifications from the company to insure the structural integrity of such antenna and to confirm that the lease amount is of market value. 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 "C". 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 review and adoption of a Resolution allowing Board Treasurer to sign District disbursements. In that regard, Mr. Finke reported to the Board that Section 49.151(b), Texas Water Code, provides that the Board of Directors (the "Board") of the District may by resolution allow, among others, the Treasurer of the District to sign disbursements of District moneys and that due to the COVID-19 outbreak, it was possible to allow the Treasurer of the District to sign District disbursements made by written check, subject to approval of any such disbursement by a majority of the Board. After a brief discussion on the matter, the Board determined that it would prefer to continue to have 3 signatures on all District disbursements. After discussion on the matter, the President noted that no formal Board action was required at this time.
14. 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 March 31, 2020, the collection rate of the District's 2019 tax levy was at 98.90%. After discussion on the matter, Director Kloser moved that the Board approve the tax assessor-collector's report as presented. Director Spence seconded said motion, which carried unanimously.
15. Consideration was next given to discussions regarding a dedicated sheriff's deputy for Lantana. In that regard, Director Fogle reported to the Board that due to the COVID-19 pandemic, he felt the District should hold off on taking any action with regard to a dedicated sheriff's deputy to allow for more information to come to light regarding what impact the COVID-19 pandemic may have on District operations. Director Kloser stated that the Board had been down this road before and he felt that there was a need for a dedicated sheriff's deputy to be on duty 24 hours a day seven days a week. 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 Agreed Upon Procedures reports for the distribution of escrowed utility bond funds to CL/RPG Land Company, L.P. as reimbursement for Barrington Phase C hardscape, offsite engineering, easement costs, and developer advances; and the taking of any action necessary or appropriate in connection therewith. In that regard Mr. Finke provided a status update and recommended that this matter

be deferred until the next meeting. After discussion on the matter, the President noted that no formal Board action was required at this time.

18. Consideration was next given to authorizing preparation of a draft 2020 Consumer Confidence Report. After discussion on the matter, Director Ware moved that the Board authorize Mr. Mercer to proceed with preparation of a draft 2020 Consumer Confidence Report. Director Spence seconded said motion, which carried unanimously.
19. The Board next deferred consideration of review and approval of Agreement For Services of Assessor Collector Concerning Texas Tax Code Section 26.17 and 26.18 between District and Utility Tax Service, LLC.
20. 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 that currently no meeting was scheduled for the No. 4 Board. After discussion on the matter, the President noted that no formal Board action was necessary at this time.
21. 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 reported to the Board that he had nothing new to report on this matter, as it was on hold due to the COVID-19 crisis. After discussion, the President noted that no formal Board action was necessary at this time.
22. 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.
23. Consideration was next given to of establishing future agenda items. In that regard, it was noted that approval of final Consumer Confidence Report and tower lease matter be on the next agenda.
16. Consideration was next given to proposals relative to the renewal of the District’s general liability, umbrella liability, property, boiler and machinery, director and officer liability and pollution liability insurance coverage, a copy of which is attached hereto as Exhibit “E”. Director Ware exited the meeting at this time. After discussion on the matter, Director Beggs moved that the Board approve such proposals as presented. Director Spence seconded said motion, which carried unanimously.
24. 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 5:30 p.m.

Secretary/Assistant Secretary