

**Minutes of Meeting
Board of Directors
Denton County Fresh Water Supply District No. 7
May 19, 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, May 19, 2020, at 4:00 p.m., via video/audio 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 the exception of Director Kloser, with Directors Spence and Beggs 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; Mr. Brian Lopera of McCall Gibson Swedlund Barfoot PLLC; Ms. Lynne Thompson, Ms. Diane Wetherbee, Mr. Max Miller, a Director of Denton County Fresh Water Supply District No. 6; Ms. Amanda Beasley of Triton Consulting Group; and Mr. Jonathan H. Finke of Crawford & Jordan LLP.

1. The President called the meeting to Order at 4:30 p.m.
2. 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 Spence, and unanimously carried, the Board declared emergency and proceeded with holding meeting by participation in video and/or telephonic conference call.
3. Consideration was next given to public comments. In that regard, Ms. Wetherbee, a District resident, inquired as to the joint effort for drainage mitigation for Poindexter Creek. After noting that there were no other members of the public participating in the meeting desiring to speak, and upon motion made by Director Spence, seconded by Director Ware and carried unanimously, the President closed the public comment session of the meeting.
4. Consideration was next given to the cancellation of Directors Election of November 3, 2020, and related adoption of an Order Declaring Candidates Elected. Mr. Finke advised that on January 21, 2020, a general election was called for the election of three (3) Directors for the District, with such election to be held on May 2, 2020, and reported that the District had received four (4) applications from candidates seeking election at the May 2, 2020 election. Following the District calling the election, the Governor of the State of Texas, Greg Abbott issued a proclamation (the "Proclamation") suspending Sections 41.0052(a) and (b), Texas

Election Code, and Section 49.103, Texas Water Code, to the extent necessary to allow political subdivisions that would otherwise hold elections on May 2, 2020, to move their general and special elections for 2020 only to the next uniform election date, occurring on November 3, 2020, without otherwise adjusting the term of office. At a public meeting of the District's Board of Directors (the "Board") held March 20, 2020, the Board exercised the authority provided by the Proclamation and postponed the date of the election to November 3, 2020. Mr. Finke reported that the District had received a timely filed Certificate of Withdrawal from one of the candidates, in which the candidate withdrew their candidacy for election to the District's Board, leaving only three (3) remaining candidates running in the election for three (3) Director positions; no applications to have a name placed on the ballot for the 2020 District Directors Election had been received in addition to those submitted by Directors Fogle, Spence, and Wetherbee. He then presented the Order for the Board's execution, a copy of which is attached hereto as Exhibit "A". After discussion, Director Ware moved that the Board adopt the Order Declaring Candidates Elected. Director Spence seconded said motion, which carried unanimously by the Board.

5. Consideration was next given to the acceptance of letter of resignation of Director Kloser. The President recognized Mr. Finke, who presented a copy of a letter of resignation of Andrew Kloser, a copy of which is attached hereto as Exhibit "B". The President thanked Dr. Kloser for his years of service to the District. Upon motion duly made by Director Fogle, seconded by Director Spence and unanimously carried, the Board accepted the resignation of Dr. Kloser.
6. Consideration was next given to the appointment of new Director to fill vacancy on Board of Directors and related acceptance of Statement of Appointed Officer, Oath of Office and Director Affidavit. The President recognized Ms. Lynne Thompson, who indicated that she was a resident voter of the District and expressed a desire to serve as a director for the District. Mr. Finke presented to and reviewed with the Board the director qualification documents completed by Ms. Thompson. After discussion on the matter, Director Fogle moved that the Board appoint Ms. Lynne Thompson to the Board of Directors and to accept the Statement of Appointed Officer, Oath of Office and Director Affidavit. Director Spence welcomed Ms. Thompson to the Board. Director Ware seconded said motion, which carried unanimously. Director Thompson participated in the remainder of the meeting.
7. Consideration was next given to reorganization of the Board of Directors and election of officers in connection therewith. Upon motion by Director Ware, seconded by Director Fogle, and unanimously carried, the following directors were appointed to the offices appearing next to their names, respectively:

Randy Fogle – President
David Ware – Vice President
Stephen D. Spence – Secretary
Todd Beggs – Treasurer
Lynne Thompson – Assistant Secretary

8. Consideration was next given to authorizing preparation and filing with the Texas Commission on Environmental Quality of an updated District Registration Form to reflect the changes on the Board of Directors, as required. Mr. Finke discussed the regulatory requirements with respect to said filing. Following discussion, Director Spence moved that the Board authorize the District's attorneys to prepare and file the updated District Registration Form. Director Ware seconded said motion, which carried unanimously by the Board.

9. Consideration was next given to discussion regarding open government training requirements. Mr. Finke discussed the open government training requirements with Director Thompson. No formal action was taken by the Board.
10. 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 after reviewing ten (10) weeks of data, most residents were happy with the results with a few exceptions. Directors Thompson and Fogle advised that they wanted the monitoring of data to be continued. After discussion, the President noted that no formal Board action was necessary at this time.
11. Consideration was next given to the approval of the minutes of the Meeting of April 21, 2020, Board of Directors Meeting. After discussion on the matter, Director Ware moved that the minutes of the Board of Directors Meeting of April 21, 2020, be approved as written. Director Beggs seconded the motion, which carried unanimously.
12. 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, Messrs. Finke, Harned and Lopera reported to the Board as to the need for such reimbursement. Mr. Lopera presented and reviewed with the Board a developer reimbursement audit report prepared by McCall Gibson Swedlund and Barfoot PLLC, a copy of which is attached hereto as Exhibit "C". After thorough review of the materials presented, Director Beggs moved that the Board approve the developer reimbursement audit report as presented and authorize disbursement of Bond proceeds accordingly. Director Ware seconded said motion, which carried with Directors Fogle, Ware, Spence and Beggs voting "Aye", no one voting "No" and Director Thompson abstaining from the vote.
13. 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 "D". In that regard, Mr. Mercer reported to the Board concerning the status of the District's pending projects and answered various questions. There was also a discussion regarding a joint meeting to be held in person at the LCA Community Center and procedures for same. After discussion on the matter, Director Spence moved that the General Manager's Report be approved, as presented. Director Beggs seconded said motion, which carried unanimously.
14. The Board next deferred consideration of the review and acceptance of Lantana Community Association ("LCA") Report, as no one from LCA was participating in the meeting.
15. The Board next considered review and acceptance of Engineering Report. In that regard, Mr. Mercer presented and reviewed with the Board the Engineering Report, a copy of which is attached hereto as Exhibit "E". After discussion on the matter, the President noted that no action was needed at this time.

16. 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 he had provided the as-builts for consideration, but had not yet received anything back. Mr. Mercer noted that he would get a third party to take a look at the drawings to get another opinion. After discussion on the matter, the President noted that no formal Board action was required at this time.
17. 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 Spence moved that the Board approve said Controller's Report, as presented, and authorize payment of checks, as specified in said Report. Director Thompson seconded said motion, which carried unanimously.
18. 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 April 30, 2020, the collection rate of the District's 2019 tax levy was at 99.16%. 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.
19. Consideration was next given to review and approval of draft 2020 Consumer Confidence Report. In that regard, Mr. Mercer presented and reviewed a draft of such report with the Board, noting that this would be the District's final report. After discussion on the matter, Director Beggs moved that the Board approve said Consumer Confidence Report, as presented and authorize distribution of same. Director Ware seconded said motion, which carried unanimously.
20. Consideration was next given to certain recent state legislation, including training requirements and website posting by District and Central Appraisal District, including approval of professional services agreement for compliance with Texas Tax Code Section 26.17 and 26.18. Mr. Finke reviewed with the Board a Services Agreement provided by Infinity Services, LLC, relative to this matter. After discussion, Director Spence moved that the Services Agreement be approved by the Board, and that the Board President or Vice President be authorized to execute same on behalf of the District. Director Thompson seconded the motion, which carried unanimously.
21. 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 ("No. 6") for improvements along the Hike and Bike Trail, and the taking of any action necessary or appropriate in connection therewith. Mr. Mercer reported that No. 4 had approved the grant application, and that he would work with Director Beggs and Mr. Ross Ferguson of No. 6 to implement a plan for the purchase and installation of the equipment. After discussion on the matter, the President noted that no formal Board action was necessary at this time.
22. 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, Director Fogle reported to the Board that Commissioner Edmonson was open to a conference call with Mr. Sheldon Gilbert of No. 6 and

himself. After discussion, the President noted that no formal Board action was necessary at this time.

23. 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.
24. Consideration was next given to of establishing future agenda items. In that regard, Director Spence suggested that the Board present a plaque to Director Kloser to thank him for his years of service, and include same as an item on the next agenda. Director Ware requested that a Madison drainage issue update be included in the General Manager's Report.
25. There being no further business to come before the Board, upon motion duly made by Director Ware and seconded by Director Beggs, the meeting was adjourned at 5:56 p.m.

Secretary/Assistant Secretary