

**Minutes of Meeting
Board of Directors
Denton County Fresh Water Supply District No. 7
July 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, July 21, 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
David J. Ware	Vice President
Stephen D. Spence	Secretary
Todd Beggs	Treasurer
Lynne Thompson	Assistant Secretary

All members of the Board were present for the meeting either via video or audio conference, with the exception of Thompson, thus constituting a quorum. Director Thompson joined the meeting later as noted below. Also attending the meeting via either video or audio conference were the following: Mr. Richard Harned, District Controller; Mr. Kevin Mercer, General Manager; Mr. Kevin Carlson, P.E. of Huitt-Zollars, Inc.; Ms. Diane Wetherbee, Mr. Mark Norton of Lantana Community Association ("LCA"); Ms. Megan Bradley of Triton Consulting Group; Dr. Andrew Kloser, a former Director, and Mr. Jonathan H. Finke of Crawford & Jordan LLP.

1. The President called the meeting to Order at 4:03 p.m.
3. Consideration was next given to recognition of service of Dr. Andrew Kloser for his years of service on the Board of Directors of the District and in the community. In that regard, the President recognized Dr. Kloser for his ten years of service commending him for being a great steward of the Hike and Bike Trail and the financial well-being of the District and its residents. Directors Ware, Beggs, and Spence, each personally expressed their gratitude and admiration for Dr. Kloser's achievements while serving on the Board of Directors of the District. Mr. Mercer then, on behalf of himself and District Staff, thanked Dr. Kloser for his service and attention to detail. After discussion, the President noted that no formal Board action was necessary at this time.
2. Consideration was next given to public comments. In that regard, Director Thompson suggested that the LCA make it mandatory for District residents to have to shower off at the showers located at the pool prior to getting into the pool as a precautionary measure due to the COVID-19 pandemic. 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 Spence and carried unanimously, the President closed the public comment session of the meeting.
4. Consideration was next given to discussion regarding various traffic control matters, including, but not limited to, Trinidad Way traffic, 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 numbers appear to be holding steady. Director Ware then

suggested that this agenda item be placed on the agendas on a quarterly basis. Mr. Mercer reported that he would continue monitoring the data and only report back to the Board on a quarterly basis. After discussion, the President noted that no formal Board action was necessary at this time.

5. Consideration was next given to the approval of the minutes of the June 16, 2020, July 7, 2020, and July 8, 2020, Board of Directors Meetings. It was noted that several amendments had already been suggested regarding the Joint Meeting Minutes. After discussion on the Minutes of the June 16, 2020, July 7, 2020, and July 8, 2020, Board of Directors Meetings, Director Beggs moved that the June 16, 2020, and July 7, 2020, Minutes be approved as written, and the July 8, 2020, Minutes be approved as amended. Director Fogle seconded said 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 "A". In that regard, Mr. Mercer reported to the Board concerning an increase in water subscription from 3.5 mgd to 4.0 mgd and responded to various questions posed by the Board. Mr. Mercer reported that two (2) proposals had been received for the grade improvement project behind Haverford Lane. Director Beggs queried Mr. Mercer as to when the work will be complete. Director Ware queried Mr. Mercer regarding the District's responsibility for such issues. Mr. Mercer reported that he had requested participation in such project from Forestar, and reported to the Board that it was the recommendation of District Staff that this project be done. Director Spence queried Mr. Mercer as to the District's authority or liability for fires/abandoned homes. After discussion on the matter, Director Beggs moved that the General Manager's Report be approved, as presented. Director Ware seconded said motion, which carried unanimously.
7. Consideration was next given to the review and acceptance of Lantana Community Association ("LCA") Report. In that regard, Mr. Norton reported that he had requested a report and software packages from the Argyle Fire Department that would contain information regarding inclement weather and lightning strikes. The Board next queried Mr. Norton about a possible election location within the District. In that regard, Mr. Norton reported that the event center has been used in the past for primary elections. After discussion on the matter, the President noted that no formal Board action was required at this time.
8. The Board next considered review and acceptance of Engineer's Report, and the taking of any action necessary or appropriate in connection therewith. In that regard, Mr. Carlson presented and reviewed with the Board the Engineering Report, a copy of which is attached hereto as Exhibit "B". He then presented and reviewed with the Board Change Order No. 2 in the amount of \$73,006.08, and Change Order No. 3 in the amount of \$17,587.05, both from Alderink Enterprises, Inc. dba CI Pavement ("Alderink") for additional street and sidewalk repairs. Director Spence queried the reason for the substantial increase in price. Mr. Carlson reported that there were voids found underneath the roads that caused the unknown conditions. Director Spence queried if there would continue to be issues, in an effort to be better prepared. After discussion on the matter, Director Spence moved that the District approve said Change Orders, as presented, and authorize payment to Alderink. Director Ware seconded said motion, which carried unanimously.
9. 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 thought progress was being made but was still

awaiting the shop drawings for the tank for the Board to review and approve. After discussion on the matter, the President noted that no formal Board action was required at this time.

10. 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, the question was posed as to whether or not the Kroger was covered under the District's reimbursement agreement, as they were protesting the taxes for 2020. Mr. Harned then presented and reviewed his 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, with the check for Denton County Tax Assessor Collector to be held pending resolution of such tax issue. Director Ware seconded said motion, which carried unanimously.
11. 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. He noted that the Board had considered this Resolution in April but deferred taking any action. Mr. Finke advised that since the COVID-19 outbreak is still ongoing the Board might want to reconsider. After a brief discussion on the matter, the Board determined that it would still 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.
12. Consideration was next given to discussion regarding District auditor rotation, and the taking of any action necessary or appropriate in connection therewith. In that regard, Mr. Finke provided research to the Board regarding rotating auditors. After a lengthy discussion on the matter, with all directors providing careful consideration and input, Director Fogle moved that the Board keep the current auditor for a period of one (1) year and reconsider this matter after that. Director Thompson 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 "D". In that regard, Mr. Harned presented said report to the Board. He reported that as of June 30, 2020, the collection rate of the District's 2019 tax levy was at 99.51%. After discussion on the matter, Director Fogle 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 procurement of improvements along Hike and Bike Trail, including potential locations and determination of appropriate language for safety signage. In that regard, Mr. Mercer reported that delivery of the equipment would be in about three (3) weeks, noting that each piece of equipment had signs with instructions for use and suggested types of exercises, with a stipulation that it is not intended for small kids. He further suggested that perhaps a sign should be placed along the trail to warn bikers of the upcoming station. After discussion on the matter, the President noted that no formal Board action was necessary at this time.

15. 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, Messrs. Finke and Mercer provided the Board with an update. After discussion, the President noted that no formal Board action was necessary at this time.
16. Consideration was next given to discussion regarding establishment of policies and procedures relating to public relations. In that regard, the Board discussed the need to establish a Public Relations Policy to ensure accurate and timely communication with the public. Director Thompson noted that she was in favor of maintaining transparency. The Board requested Mr. Finke to prepare a draft policy for the next Board meeting. After discussion on the matter, the President noted that no formal Board action was required at this time.
17. Consideration was next given to a discussion regarding establishment of Public Safety Committee. In that regard, there was a discussion regarding the need for such committee. Director Thompson queried as to what the purpose of such a committee would be. After discussion on the matter, Director Thompson moved that the Board establish a Public Safety Committee. Director Fogle seconded said motion. The motion failed with Directors Thompson and Beggs voting "Aye" and Directors Spence, Ware and Fogle voting "No".
18. Consideration was next given to a discussion regarding maintenance of golf course tunnels, and the taking of any action necessary or appropriate in connection therewith. In that regard, Mr. Mercer reported to the Board that he had delivered a copy of the easement to the General Manager at the Lantana Golf Course, and explained to him that it was the responsibility of the Lantana Golf Course to maintain the golf course tunnels. Mr. Mercer noted that he had not yet received a response as to what plans they may have to remedy the situation. After discussion on the matter, the President noted that no formal Board action was necessary at this time.
19. Consideration was next given to a discussion regarding updates to the District's website, 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 in the process of determining which updates needed to be made and provided the requested information concerning the number of visits per page of the website. Director Thompson stated that she would like to contact the developer of the website to make sure the District was taking full advantage of all it was capable of. After discussion on the matter, the President noted that no formal Board action was necessary at this time.
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. Consideration was next given to of establishing future agenda items. Director Spence then queried Mr. Mercer as to the status of what was going to be done about the fire-damaged house.
22. There being no further business to come before the Board, upon motion duly made by Director Thompson and seconded by Director Ware, the meeting was adjourned at 5:59 p.m.

Secretary/Assistant Secretary