

**Minutes of Meeting
Board of Directors
Denton County Fresh Water Supply District No. 7
August 18, 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, August 18, 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, 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, a District resident; Mr. Adam LanCarte of Hilltop Securities, Inc.; Mr. Dan Martinez of Winstead PC; Ms. Megan Bradley of Triton Consulting Group; Mr. Mark Norton of Lantana Community Association ("LCA"); and Mr. Jonathan H. Finke of Crawford & Jordan LLP.

1. The President called the meeting to Order at 4:01 p.m.
2. Consideration was next given to public comments. After noting that there were no members of the public participating in the meeting desiring to speak, and upon motion made by Director Thompson, seconded by Director Ware and carried unanimously, the President closed the public comment session of the meeting.
3. Consideration was next given to acceptance of 2020 Tax Roll as certified by the Denton Central Appraisal District, and calculations regarding the District's 2020 Tax Rates. Mr. Finke presented and reviewed with the Board a summary of the 2020 certified estimated tax roll, prepared by the Denton County Tax Assessor/Collector, a copy of which is attached hereto as Exhibit "A", and reviewed tax rate calculations. After discussion on the matter, Director Beggs moved that the Board accept the District's 2020 certified estimated tax roll and tax rate calculations. Director Spence said motion, which carried unanimously.
4. Consideration was next given to setting public hearing date and authorizing notice of public hearing regarding adoption of the proposed tax rate, as necessary. The President recognized Mr. Finke and Mr. LanCarte, who reviewed with the Board a 2020 Tax Rate Recommendation, a copy of which is attached hereto as Exhibit "B". After a lengthy discussion on the matter, Director Fogle moved that the Board preliminarily approve the proposed 2020 tax rate of \$0.86 per \$100 valuation; set its public hearing regarding such proposed tax rate for September 15, 2020, at 4:00 p.m.; and authorize publication of notice regarding same. Director Ware seconded said motion, which carried unanimously.

5. Consideration was next given to review of financing plan for refunding and authorization of preparation for Series 2020 Road 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 2013 Road 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 Spence moved that the Board approve said Plan of Finance and authorize preparations for the sale of the Series 2020 Road Refunding Bonds, pursuant to the Mr. LanCarte's recommendation, including preparation of a 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.
2. The President next reopened the Public Comments. In that regard, Director Spence reported to the Board that he would be moving to North Carolina in the next few weeks, and would be resigning from the Board of Directors of the District. 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 Thompson and carried unanimously, the President closed the public comment session of the meeting.

Mr. LanCarte exited the meeting at this time.

6. Consideration was next given to the approval of the minutes of the July 21, 2020, Board of Directors Meeting. It was noted that a correction needed to be made to paragraph 2 in said Minutes. After discussion on the Minutes of the July 21, 2020, Board of Directors Meeting, Director Fogle moved that the July 21, 2020, Minutes be approved, as amended. Director Thompson seconded said 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 "C". In that regard, Mr. Mercer reported to the Board concerning the proposed Lantana RV Park's request for service and responded to various questions posed by the Board. After discussion on the matter, Director Thompson moved that the General Manager's Report be approved, as presented. Director Beggs seconded said motion, which carried unanimously.
8. Consideration was next given to the review and acceptance of Lantana Community Association ("LCA") Report. In that regard, Mr. Norton reported that residents would be able to vote in Lantana in the November 3, 2020 General Election. He further reported that there were plans to remodel the North gym earlier than anticipated due to the COVID -19 pandemic, and briefly discussed with the Board pool staffing. After discussion on the matter, Director Spence moved that the Board accept the LCA report as presented by Mr. Norton. Director Ware seconded said motion, which carried unanimously.
9. The Board next deferred consideration of review and acceptance of Engineer's Report, and the taking of any action necessary or appropriate in connection therewith.

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. The Board queried Mr. Mercer as to the length of the term of the lease and also as to the viability of such an endeavor for the District. After a lengthy discussion, Director Thompson moved that the Board reject the proposed cellular antenna lease for the elevated storage contract. Director Ware seconded said motion, which carried unanimously.
11. Consideration was next given to the Controller's Report presented by Mr. Harned, a copy of which is attached hereto as Exhibit "D". In that regard, Mr. Harned 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 Ware moved that the Board approve said Controller's Report, as presented. Director Beggs seconded said motion, which carried unanimously.
12. 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 "E". In that regard, Mr. Harned presented said report to the Board. He reported that as of July 31, 2020, the collection rate of the District's 2019 tax levy was at 99.67%. After discussion on the matter, Director Ware moved that the Board approve the tax assessor-collector's report as presented. Director Thompson seconded said motion, which carried unanimously.
13. 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 the exercise stations have been received and pads for six (6) sites have been graded and would have concrete soon. He noted that once the pads are ready, installation of the equipment would begin. After discussion on the matter, the President noted that no formal Board action was necessary at this time.
14. The Board next deferred consideration of the status of appointment of directors to the Board of Denton County Development District No. 4 ("DCDD No. 4").
15. Consideration was next given to review and approval of District policy relating to public relations. In that regard, Director Thompson reported that she wanted to review such policy with the Board of Denton County Fresh Water Supply District No. 6, and amend as needed. After discussion on the matter, the President noted that no formal Board action was required at this time.
16. 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 still had not received a response as to what plans they may have to remedy the situation, noting that he would contact the General Manager of the golf course to find out the status. He reported that they might approach DCDD No. 4 for grant terms. After discussion on the matter, the President noted that no formal Board action was necessary at this time.
17. 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 would send out the statistics on the requested information concerning the number of visits per page of the website later in the evening. After discussion on the matter, the President noted that no formal Board action was necessary at this time.

18. 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.
19. The Board deferred consideration of establishing future agenda items, as there were none.
20. There being no further business to come before the Board, upon motion duly made by Director Thompson and seconded by Director Beggs, the meeting was adjourned at 5:52 p.m.

Secretary/Assistant Secretary