

**Minutes of Meeting
Board of Directors
Denton County Fresh Water Supply District No. 7
December 4, 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 December 4, 2019, at 6:00 p.m. at 2650 FM 407E, Suite 125, Bartonville, Texas, 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 duly appointed 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, thus constituting a quorum. Also attending the meeting were the following: Mr. Richard Harned, District Controller; Mr. Kevin Mercer, General Manager; Mr. Kurt Sewell Contract Services Manager; Mr. Kevin Carlson, P.E. of Huitt-Zollars, Inc.; Captain Pena and Lieutenant Wyman of the Denton County Sheriff’s Department; Fire Chief Mac Hohenberger of the Argyle Fire Department; Mr. Joe Donahue, Treasurer of Denton County ESD #1; Mr. Sheldon Gilbert, Mr. Max Miller, Ms. Donna Robichaux, Mr. Jim VanVickle, and Mr. Ross Ferguson, Directors of Denton County Fresh Water Supply District No. 6 (“No. 6”); and Mr. Jonathan H. Finke of Crawford & Jordan LLP.

1. The President called the meeting to Order at 6:00 p.m.
2. Consideration was next given to public comments. After noting that there were no members of the public in attendance at the meeting desiring to speak, and upon motion duly made by Director Beggs, and seconded by Director Kloser, the Board voted to close the public comment session.
3. Consideration was next given to presentation by Denton County Sheriff’s Department regarding update on activity within Lantana. In that regard, Captain Pena and Lieutenant Wyman reported to the Board regarding the overall number of traffic stops, traffic on Trinidad Way, and crime rate within Lantana. After discussion on the matter, the President thanked them for their attendance at the meeting, and noted that no formal Board action was necessary at this time.
4. Consideration was next given to presentation by Fire Chief Mac Hohenberger of the Argyle Fire Department and Mr. Donahue. In that regard, there was a discussion regarding the call rate for Lantana, as well as fire stations, personnel counts, and the total overall budget. After discussion on the matter, the President thanked them for their attendance at the meeting, and noted that no formal Board action was necessary at this time.

5. Consideration was next given to status of sidewalk repairs and maintenance of street lights, and the taking of any action necessary or appropriate in connection therewith. In that regard, Mr. Mercer reported that the light replacements were complete on Lantana Trail. He then discussed with the Board the status of the sidewalk repairs. After discussion on the matter, the President noted that no formal Board action was necessary at this time.
6. 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, Directors expressed concerns regarding the open Board of Director positions of No. 4, and suggested that the District and No. 6 send a letter to Denton County Commissioner, Precinct No. 4, Dianne Edmondson, requesting an opportunity to meet and discuss potential appointees for the open seats. After discussion on the matter, Director Beggs moved that the Board authorize preparation of such letter to County Commissioner Edmondson, as suggested. Director Ware seconded said motion, which carried unanimously.

There was next a discussion regarding request for authorization for Director Beggs and Mr. Ferguson to develop a plan for placement of equipment and determine which vendor would be best to use. After discussion, Director Beggs moved the Board authorize Director Beggs and Mr. Ferguson to develop a plan for placement of equipment and determine which vendor would be best to use. Director Kloser seconded said motion, which carried unanimously.

7. Consideration was next given to discussion regarding Hike and Bike Trail disposal containers, and the taking of any action necessary or appropriate in connection therewith. After discussion on the matter, Director Beggs moved that the Board authorize District Staff to prepare 4 proposed areas for installation of dog disposal receptacles, trash cans and benches, and to proceed with ordering 4 more of each. Director Spence seconded said motion, which carried unanimously.
8. Consideration was next given to discussion regarding signage repairs, and the taking of any action necessary or appropriate in connection therewith. In that regard, there was a discussion regarding the status of such signage repairs. It was noted that the Developer would proceed with performing upkeep on the existing signs once more, before turning such responsibility over to the LCA. There was next a discussion regarding installation and upkeep of flags. After discussion on the matter, Director Kloser moved that the Board request the LCA to reconsider installation and upkeep of the flags and consider their removal. Director Ware seconded said motion, which carried unanimously.
9. 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. Mercer reported to the Board that 26 of 61 controllers had been changed out with the new equipment. Mr. Mercer then requested approval to spend \$31,700 to purchase new GE irrigation radios for the new station to be split equally between the District and No. 6. After discussion on the matter, Director Beggs moved that the Board approve such request for

\$31,700 for new GE irrigation radios for the station. Director Spence seconded said motion, which carried unanimously.

10. Consideration was next given to preparations for Lantana Earth Day 2020, and the taking of any action necessary or appropriate in connection therewith. In that regard, Mr. Mercer reported that Earth Day would be held on April 18, 2020. He next reported that the following would be in attendance: shredder services secured; Upper Trinity Regional Water District would be sending a hazardous waste dumpster; Republic Services - 2 roll-offs for recycling had been requested; and CoServ was possibly bringing a catering wagon, and arcing booth requested. After discussion on the matter, the President noted that no formal Board action was necessary at this time.
11. Consideration was next given to status of installation of playground improvements to maximize public usage, and the taking of any action necessary or appropriate in connection therewith. In that regard, Mr. Mercer provided an update on the Mustang playground upgrades, tree planting and plan for playground replacement in the future. After discussion on the matter, the President noted that no formal Board action was necessary at this time.
12. Consideration was next given to discussion regarding upgrade of District data and computing hardware, and the taking of any action necessary or appropriate in connection therewith. In that regard, Mr. Harned presented and reviewed with the Board a proposal for an upgrade to the District's server in the amount of \$6,870.00, a copy of which is attached hereto as Exhibit "A". He noted that such expense would be shared equally with No. 6. After discussion on the matter, Director Beggs moved that the Board approve such upgrade in the amount of \$6,870.00 to be share equally between the District and No. 6. Director Kloser seconded said motion, which carried unanimously.
13. Consideration was next given to status of DenCo Construction contract matter, and the taking of any action necessary or appropriate in connection therewith. In that regard Mr. Finke recommended that the Board approve and execute such checks and release them once the contractors have provided the necessary receipt and releases for such funds. After discussion on the matter, Director Kloser moved that the Board approve and execute such checks, and release them once the pertinent documents had been received by the District. Director Beggs seconded said motion, which carried unanimously.
14. Consideration was next given to solicitation of bids for medical insurance for District Staff, and the taking of any action necessary or appropriate in connection therewith. In that regard, Mr. Harned presented and reviewed with the Board the renewal quote reflecting a 15.4% increase in premium over last year. He advised that further bids had been solicited and came back with an HMO plan that was 27.64% less than the premium last year. After discussion on the matter, Director Ware moved that the Board approve the renewal quote, as presented. Director Spence seconded said motion, which carried unanimously.

There was next a discussion regarding the District contributing \$4,400 to each employee's Health Savings Account to be used toward the high deductible. After discussion on the matter, Director Fogle moved that the Board table this matter until the next meeting. Director Kloser seconded said motion, which carried unanimously.

15. 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. The President advised that no Executive Session was necessary at this time.
16. The Board next deferred consideration of Announcements, as there were none.
17. The Board next considered future agenda items. It was noted that March 4, 2020 would be the District's next Joint Meeting.
18. There being no further business to come before the Board, upon motion duly made by Director Beggs and seconded by Director Kloser, the meeting was adjourned at 7:48 p.m.

Secretary/Assistant Secretary