

**Minutes of Meeting
Board of Directors
Denton County Fresh Water Supply District No. 10**

April 23, 2015

The Board of Directors (“Board”) of Denton County Fresh Water Supply District No. 10 (“District”), met in regular session, open to the public, on Thursday, April 23, 2015, at 6:00 p.m., at the Savannah Clubhouse, 701 Savannah Boulevard, Savannah, Texas, inside the District, 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:

Rob Adams	President
Jon TenBroeck	Vice President
Robert Tague	Secretary
Kris Russell	Asst. Secretary
Kurt W. Moore	Director

All members of the Board were present, with the exception of Director Moore. Also attending the meeting were the following: Mr. Barry Jameson of Huffines Communities; Mr. Todd Madison of Texas Water Company; Mr. Chris Boyd of Mustang Special Utility District (“Mustang”); Mr. Jim Koehler, P.E. of Graham Associates, Inc.; Ms. Kathi Dye of Dye & Bloomfield, LLC; Mr. Greg Wilkerson on behalf of Blue Line Services; Mr. Clay Crawford of Crawford & Jordan LLP; and various other members of the public, including District residents.

1. The President called the meeting to order, after determining that a quorum was present at 6:07 p.m.
2. Consideration was first given to public comments. The President opened the meeting to public comment. After noting that there were no members of the public present and desiring to speak before the Board, upon motion duly made by Director Russell, seconded by Director Tague and unanimously carried, the President closed the public comment session of the meeting.
3. Consideration was next given to the (a) review and approval of the Minutes of the March 19, 2015, Board of Directors Meeting, as presented; (b) review and approval of the Tax Assessor/Collector’s report, a copy of such report is attached hereto as **Exhibit “A”**; (c) review and acceptance of the Developer’s Report, a copy of such Report is attached hereto as **Exhibit “B”**; and (d) review and approval of the Bookkeeper’s Report, a copy of which is attached hereto as **Exhibit “C”**. After discussion on the matter, Director TenBroeck moved that the Board approve items (a) through (c) appearing under the Consent Agenda as presented and approve item (d) with an additional check, check no. 7721 payable to US Treasury in the amount of \$933.30. Director Russell seconded said motion, which carried unanimously.

4. Consideration was next given to adoption of Resolution authorizing additional penalty on delinquent District taxes. Mr. Crawford presented and reviewed with the Board a proposed Resolution, a copy of which is attached hereto as **Exhibit "D"**. After discussion on the matter, Director Tague moved that the Board adopt the Resolution authorizing additional 20% penalty on delinquent District taxes. Director Russell seconded said motion, which carried unanimously.
5. Consideration was next given to a report from Texas Water Company ("TWC") on the Artesia Utility System operations, and authorizing expenditure of funds for operation and maintenance of water facilities, a copy of which is attached hereto as **Exhibit "E"**. The President recognized Mr. Madison, who reported relative to Artesia utility operations. He noted that there were no significant operations and maintenance issues, and 9 meters were set during the last month. Mr. Madison reported that the operations and maintenance and billing and collecting transition to Mustang Special Utility District ("Mustang") was going well. The President recognized Mr. Boyd, who reported that all billing information has been loaded into Mustang's system and will be ready for the next billing cycle. He noted that a test run was successful. After discussion on the report presented, Director Russell moved that the Board approve the report and expenditure of funds as presented. Director Tague seconded said motion, which carried unanimously.
6. Consideration was next given to adoption of interim utility payment, collection, and service termination policy for Artesia during period of operator transition. After discussion on the matter, Director Adams moved that the Board approve an interim policy that no late fees will be charged and no termination of service will be effected for Artesia customers during the May and June billing period, in order to provide for any issues that may arise during the transition of service. Director Tague seconded said motion, which carried unanimously.
7. Consideration was next given to customer utility service and billing complaints/requests. Mr. Crawford presented a request from Barry Jewell for waiver of late fee charged on his account. After discussion on the matter and review of the account history, Director Adams moved that the Board waive the \$30.50 late fees as requested. Director Russell seconded said motion, which carried unanimously.
8. Consideration was next given to approval and execution of Supplemental Agreement Related to Water and Sanitary Sewer Services for Artesia with Mustang Special Utility District. Mr. Crawford reviewed a proposed Supplemental Agreement Related to Water and Sanitary Sewer Services for Artesia as revised by Mustang. As indicated in paragraph no. 15 below, the Board convened into executive session to consult with its attorney, and subsequently reconvened into regular session.

After reconvening into regular session, upon motion made by Director Adams, seconded by Director Tague and unanimously carried, the Board deferred approval and

execution of the proposed Agreement and authorized the Mr. Crawford to contact the attorney for Mustang regarding the revisions to proposed Agreement.

9. Consideration was next given to authorizing preparation of draft Consumer Confidence report for review by Board of Directors. Mr. Crawford noted the requirement to prepare and distribute a Consumer Confidence Report prior to July 1 of each year. After discussion on the matter, Director Russell moved that the Board authorize the preparation of the Consumer Confidence Report. Director Tague seconded said motion, which carried unanimously.
10. Consideration was next given to Public Safety Committee Report; public safety and nuisance issues; approval and execution of independent contractor agreements for patrol services; and authorizing actions and expenditures as necessary in connection therewith. The President recognized Mr. Wilkerson, who presented an activity/incident report for March. He noted that 31 out of 31 days of March were covered by patrol services and that there were no major law enforcement issues during the month. Mr. Wilkerson reviewed street light - signage maintenance issues, as well as a patrol vehicle maintenance repair update noting the need for tire replacement on Tahoe. After discussion, Director Adams moved that the Board authorize tire replacement for the Tahoe in an amount not to exceed \$700. Director TenBroeck seconded said motion, which carried unanimously. After discussion, Director TenBroeck moved that the Board accept the activity/incident report as presented. Director Tague seconded said motion, which carried unanimously.

Mr. Wilkerson then presented and reviewed with the Board three independent contractor agreements for patrol services with Genaro Delatorre, Trung Pham, and Arthur Rider. He noted that two of the officers currently work for the Town of Little Elm, while Officer Rider works for the City of Corinth. After discussion on the matter, Director TenBroeck moved that the Board approve the independent contractor agreements for patrol services as set forth above and authorize execution of same. Director Adams seconded said motion, which carried unanimously.

11. Consideration was next given to review and acceptance of the Engineer's Report, as presented by Mr. Koehler, a copy of which is attached hereto as **Exhibit "F"**. The Board then considered the status of construction projects within the District. In that regard, Mr. Koehler discussed with the Board the following projects: Savannah Phase 9B, Savannah Phase 11A, Artesia Teel Boulevard, Artesia North Phase 1, Artesia Phase 2A, Artesia North Phase 4, Savannah Phases 8E, 8F, and 10C, Artesia Open Space Sanitary Sewer, Arrow Brooke Phase 1, and Artesia Phase 5A.

The Board next considered approval of construction plans and specifications and advertising for bids for contract(s) for improvement projects, including construction plans and specifications for Savannah Phase 8C. After discussion, Director Tague moved that the Board approve the construction plans and specifications and authorize advertising for bids for water, sewer, drainage facilities and paving for Savannah Phase 8C. Director TenBroeck seconded said motion, which carried unanimously.

The Board next considered award of contracts for construction of improvement projects and issuance of notices to proceed, including award of contract for paving for Artesia North Phase 4. Mr. Koehler presented correspondence dated April 21, 2015, reporting that six (6) bids were received, with the low bidder being RKM Utility Services in the amount of \$1,061,057.70. After discussion on the matter, Director Tague moved that the Board award the contract for paving for Artesia North Phase 4 to RKM Utility Services in the amount of \$1,061,057.70. Director TenBroeck seconded said motion, which carried unanimously.

The Board then considered approval of construction pay application(s) and change order(s) to construction contracts, including pay applications and change orders to current construction contracts. Mr. Koehler reviewed invoices to be approved by the Board and paid by Corona Artesia as follows: RKM Utility Services (Artesia North Phase 1 Utilities) \$92,249.22; RKM Utility Services (Artesia North Phase 1 Paving) \$58,480.20; RPMX Construction (Artesia North Phase 4) \$131,743.98. After discussion, Director Russell moved that the Board approve these pay applications as presented. Director TenBroeck seconded said motion, which carried unanimously. Mr. Koehler then reviewed invoices to be approved by the Board and paid by the developer for current construction contracts as follows: RKM Utility Services, Inc. (Savannah Phase 9B) \$59,037.29; RKM Utility Services, Inc. (Savannah Phases 8E, 8F and 10C) \$293,909.31; RKM Utility Services, Inc. (Savannah Phase 11A) \$0; RPMx Construction, LLC (Artesia Phase 5A) \$269,582.87; Smith Contracting (Artesia Phase 2A) \$356,065.92; RPMx Construction, LLC (Artesia Phase 2A) \$3,780.00; RKM Utility Services, Inc. (Artesia Phase 2A) \$11,709.00; RKM Utility Services, Inc. (Artesia Phase 2A) \$41,918.39; RKM Utility Services, Inc. (Est. #1 Arrow Brook Phase 1) \$147,384.90; RKM Utility Services, Inc. (Est. #2 Arrow Brook Phase 1) \$452,036.78; and RKM Utility Services, Inc. (Est. #3 Arrow Brook Phase 1) \$674,060.36. After discussion, Director Russell moved that the Board approve these pay applications as presented. Director Tague seconded said motion, which carried unanimously. Mr. Koehler then reviewed a change order from RKM Utility Services, Inc. (Arrow Brook Phase 1) to reduce the contract price by \$47,801. After discussion, Director Russell moved that the Board approve the change order as presented. Director Adams seconded said motion, which carried unanimously.

The Board next considered acceptance of certificate of completion and authorizing final acceptance of projects, including acceptance of Artesia Phase 2A Utilities and Paving. After discussion, Director TenBroeck moved that the Board accept the certificate of completion and authorize final acceptance of project. Director Russell seconded said motion, which carried unanimously.

The Board next considered approval/status of engineering Task Order(s), including Arrow Brook soccer complex, engineering contract. Mr. Koehler reviewed the proposed engineering contract and noted that the design for grading would cost approximately \$28,000. After discussion on the matter, Director Adams moved that

the Board table the matter until a future meeting. Director Russell seconded said motion, which carried unanimously.

The Board next considered necessary non-routine maintenance and repair of District facilities, including striping at Artesia Boulevard and Candler Drive; repair of Toledo Bend; and Artesia Ground Storage Tank repair cost update. Mr. Koehler presented a proposal for striping of Artesia Boulevard to help traffic transition at intersection of Candler Dr. and new stop sign stop bars in the amount of \$2,466.00. After discussion, Director Russell moved that the Board approve striping of Artesia Boulevard at a cost to the District of \$2,466.00. Director TenBroeck seconded said motion, which carried unanimously. Mr. Koehler then discussed the Toledo Bend Pavement Repairs and presented a topographic survey of the intersection of Texoma and Toledo Bend. He discussed a possible solution to install a grated inlet at an estimated cost of \$2,000 to \$3,000, and noted that other options are being investigated as well. Mr. Koehler then reported that the estimated costs for repairing the Artesia Ground Storage Tank are currently \$88,213.40. After discussion, Director Adams moved that the Board authorize soliciting proposals for the Artesia Ground Storage Tank repairs. Director Russell seconded said motion, which carried unanimously.

The Board next considered the final plats and amendments to plats, including final plat for Savannah Phases 8E, 8F, and 10C. Mr. Koehler reviewed the final plats for Savannah Phases 8E, 8F, and 10C. After discussion on the matter, Director Adams moved that the Board approve the final plats for Savannah Phases 8E, 8F, and 10C. Director Tague seconded said motion, which carried unanimously.

12. Consideration was next given to establishing requirement for independent District construction inspector with cost to be funded by developer. After discussion on the matter, upon motion by Director Tague, seconded by Director Adams and unanimously carried, the Board tabled the matter until a future meeting.
13. Consideration was next given to proposed settlement and release agreement with Glenn Thurman, Inc. regarding paving improvements for Artesia Phases 4A and 4B. The Board reviewed a settlement proposal. After discussion, Director Adams moved that the Board defer taking any action on the matter at this time. Director Russell seconded said motion, which carried unanimously.
14. Consideration was next given to authorizing filing of grant application to Texas Department of Parks and Wildlife for development of District ball fields/recreational area. Director Adams discussed the Texas Department of Parks and Wildlife grant program alternatives and matching funds. After discussion, Director Adams moved that the Board proceed with grant application and solicit professional services agreement from Graham Associates, Inc. in connection with such application. Director Tague seconded said motion, which carried unanimously.
15. Consideration was next given to Executive Session pursuant to Sections 551.071, 551.072, and 551.076, Texas Government Code, as amended, to consult with District

Counsel, consider litigation, real estate matters, and deliberate regarding security. Upon motion by Director Adams, seconded by Director TenBroeck, the Board voted unanimously to convene into Executive Session at 6:34 p.m. pursuant to Section 551.071 and 551.072, Texas Government Code, to consult with District Counsel.

Upon motion by Director TenBroeck, seconded by Director Adams, the Board voted unanimously to reconvene the meeting in open session at 6:48 p.m.

16. After noting that no further business was to come before the Board, upon motion duly made by Director Tague, seconded by Director Russell and unanimously carried, the meeting was adjourned at 8:10 p.m.



Robert Tague
Secretary