

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

June 18, 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, June 18, 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 Russell. Also attending the meeting were the following: Mr. Barry Jameson of Huffines Communities; Mr. Todd Madison of Texas Water Company; Mr. Jim Koehler, P.E. of Graham Associates, Inc.; Ms. Lisa Bloomfield of Dye & Bloomfield, LLC; Officer Eric Olsen on behalf of Blue Line Services; Mr. Clay Crawford and Mr. Jonathan Finke 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 6:10 p.m.
2. Consideration was first given to public comments. The President opened the meeting to public comment. He recognized Mr. John Gillum, who advised that the greenbelt along Artesia Boulevard has not been mowed this year and queried the status of Blue Star working in the area of the District’s sewer line. The President then recognized Ms. Christine McClusky, who queried the Board regarding code enforcement during building of homes. It was noted that Burgess Construction Consultants Inc. performs code enforcement during building of homes. Ms. McClusky also requested installation of a sign at the entry to Artesia that says that the District is a political subdivision. The Board noted that it would discuss signage at a future meeting. After noting that there were no additional members of the public present and desiring to speak before the Board, upon motion duly made by Director Moore, seconded by Director TenBroeck 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 May 21, 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 Moore moved that the Board approve items (a) through (c) appearing under the Consent Agenda as presented. Director TenBroeck seconded said motion, which carried unanimously. After additional discussion on the matter, Director TenBroeck moved that the Board approve item (d) with two (2) additional checks, check no. 7846 to Director Tague in the amount of \$44.26 and check no. 7847 to Brandon Industries in the amount of \$1,710.00 for school sign. Director Moore seconded said motion, which carried unanimously.

4. 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 "D"**. The President recognized Mr. Madison, who reported relative to Artesia utility operations. He noted that there were no significant operations and maintenance issues. Mr. Madison reported that nine (9) meters were set during the month and the hydrant meter that was sent out for testing has come back and rebuilt. He noted that Harper Road washed out and could potentially affect the District's water line. After discussion on the report presented, Director Moore moved that the Board approve the report and expenditure of funds as presented. Director Tague seconded said motion, which carried unanimously.
5. Consideration was next given to customer utility service and billing complaints/requests. Ms. Bloomfield discussed a June 11 request from Beth Kazel at Mustang Special Utility District. After discussion on the matter, the President determined that no action was required at this time.
6. Consideration was next given to approval and execution of Agreement Related to Water and Sanitary Sewer Services for Artesia with Mustang Special Utility District. Upon motion by Director Moore, seconded by Director TenBroeck, the Board voted unanimously to convene into Executive Session at 6:31 p.m. pursuant to Section 551.071 and 551.072, Texas Government Code, to consult with District Counsel.

Upon motion by Director Moore, seconded by Director TenBroeck, the Board voted unanimously to reconvene the meeting in open session at 6:35 p.m.

After reconvening into regular session, Director Tague moved that the Board not approve the agreement with Mustang. Such motion was seconded by Director TenBroeck, and unanimously carried.

7. Consideration was next given to amendment and extension of Operator, Management, and Maintenance Contract with Texas Water Company. Mr. Crawford discussed such matter with the Board. After discussion on the matter, Director Moore moved that the Board approve a three (3) month extension of Operator, Management, and Maintenance

Contract with Texas Water Company. Director Adams seconded said motion, which carried unanimously.

8. Consideration was next given to approval and execution of Professional Services Agreement with Arcadia Water Management LLC for Artesia utility system. The President recognized Mr. Finke, who reviewed the terms and provisions of the proposed agreement. Upon motion by Director Moore, seconded by Director Tague, the Board voted unanimously to convene into Executive Session at 6:37 p.m. pursuant to Section 551.071 and 551.072, Texas Government Code, to consult with District Counsel.

Upon motion by Director Moore, seconded by Director Tague, the Board voted unanimously to reconvene the meeting in open session at 6:59 p.m.

After reconvening into regular session, Director Adams moved that the Board defer taking any action on the matter at this time. Such motion was seconded by Director TenBroeck, and unanimously carried.

9. 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 Officer Olson, who presented an activity/incident report for May. After discussion, Director TenBroeck moved that the Board accept the activity/incident report as presented. Director Tague seconded said motion, which carried unanimously
10. 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 "E"**. 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 11A, Artesia Teel Boulevard, Artesia North Phase 1, 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 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: RPMx Construction (Artesia North Phase 4 Grading) in the amount of \$37,501.20; Mario Sinacola & Sons (Teel Parkway) in the amount of \$375,773.31; and Landtec Engineers (Teel Parkway Geotechnical) in the amount of \$25,069.75. After discussion, Director Moore moved that the Board approve these pay applications as presented. Director Tague seconded said motion, which carried unanimously. Mr. Koehler then reviewed invoices to be approved by the Board and paid by the District as follows: Brandon Industries (Savannah School Signs) in the amount of \$1,710.00. After discussion, Director Tague moved that the Board approve this pay application 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 Phases 8E, 8F and 10C) in the amount of \$105,621.53; P.C. Contractors, LLC (Artesia Phase 5A) in the amount of \$97,932.63; P.C. Contractors, LLC (Artesia Phase 5A) in the amount of \$19,911.60; and RKM Utility Services, Inc. (Arrow Brook Phase 1) in the amount of \$218,744.69. After discussion, Director Tague moved that the Board approve these pay applications as presented. Director Moore seconded said motion, which carried unanimously.

The Board next considered approval/status of engineering Task Order(s). Mr. Koehler discussed the plan for mapping open space in Artesia and noting ownership and maintenance responsibility of various open space areas within the subdivision requested by the Artesia HOA. After discussion on the matter, Director Adams moved that the Board approve a 50/50 split of costs for maintenance of open space areas in a total maximum amount of \$3,000 or \$1,500 for District's share. Director Moore seconded said motion, which carried unanimously.

The Board next considered necessary non-routine maintenance and repair of District facilities, including Artesia Ground Storage Tank repair cost update. Mr. Koehler reported that three (3) bids were received, with the low bidder being Pittsburg Tank & Tower Maintenance Co. with a bid in the amount of \$48,720.00. After discussion, Director Adams moved that the Board award the bid to Pittsburg Tank & Tower Maintenance Co. in the amount of \$48,720.00 for Artesia Ground Storage Tank repairs. Director Moore seconded said motion, which carried unanimously.

The Board next considered the final plats and amendments to plats, including final plat for Artesia Phase 11A. Mr. Koehler reviewed the final plat for Artesia Phase 11A and recommended approval of same. After discussion on the matter, Director TenBroeck moved that the Board approve the final plat for Artesia Phase 11A. Director Moore seconded said motion, which carried unanimously.

After discussion on the matter, Director Tague moved that the Board accept the Engineer's Report as presented. Director TenBroeck seconded said motion, which carried unanimously.

11. Consideration was next given to status of economic feasibility analysis of possible transfer of District water and sewer certificates of convenience and necessity for portion of ArrowBrooke development. The President recognized Ms. Bloomfield, who reported on the economic feasibility analysis of possible transfer of District water and sewer certificates of convenience and necessity for portion of ArrowBrooke development. After discussion, Director Adams moved that the Board table the matter. Director TenBroeck seconded said motion, which carried unanimously.
12. Consideration was next given to approval of Interlocal Cooperation Agreement for Tax Collection between Denton County, Texas and District. Mr. Finke presented and reviewed the scope of services and fee structure set out in the Agreement. After

discussion, Director Tague moved that the Board approve the agreement and authorize execution of same. Director TenBroeck seconded said motion, which carried unanimously.

13. Consideration was next given to authorizing the Delinquent Tax Collections Attorney to pursue the collection of delinquent taxes for 2014 and prior years, including the filing of lawsuits regarding same, as necessary. After discussion, Director Tague moved that the Board authorize the Delinquent Tax Collections Attorney to pursue the collection of delinquent taxes for 2014 and prior years, including the filing of lawsuits regarding same, as necessary. Director Moore seconded said motion, which carried unanimously.
14. Consideration was next given to authorizing completion, execution and filing with the Secretary of State of Voting System Annual Filing Form relative to District elections. Mr. Crawford discussed the requirement to complete Voting System Annual Filing Form. After discussion, Director Adams moved that the Board authorize the completion, execution and filing with the Secretary of State of Voting System Annual Filing Form. Director TenBroeck 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. As indicated in paragraphs 6 and 8 above, the Board convened into Executive Session twice previously during the meeting, and that no additional Executive Session was required at this time.
16. After noting that no further business was to come before the Board, upon motion duly made by Director TenBroeck, seconded by Director Moore, and unanimously carried, the meeting was adjourned at 7:50 p.m.



~~Robert Tague~~ Kristin Russell
Asst. Secretary