

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

December 17, 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, December 17, 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. Also attending the meeting were the following: Mr. Barry Jameson of Huffines Communities; Mr. Jim Koehler, P.E. of Graham Associates, Inc. (“GAP”); Mr. Jason Cork and Ms. Devon Kaemmerling of Arcadia Water Management, LLC (“Arcadia”); Mr. Todd Madison of Texas Water Company; Ms. Kathi Dye of Dye & Bloomfield, LLC; Chief Greg Wilkerson and Mrs. Donna Wilkerson of Advantage Leadership Resources; Mr. Jon Gillum and Ms. Kristin Guilford, District residents.; Mr. Clay Crawford and Mr. Jonathan Finke of Crawford & Jordan LLP; and other members of the public, including District residents.

1. After determining that a quorum was present, the President called the meeting to order at 6:15 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 Moore 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 November 19, 2015, and December 3, 2015, Board of Directors Meetings, 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 all items appearing under the Consent Agenda as presented. Director Russell seconded said motion, which carried unanimously.

4. Consideration was next given to status of District traffic study in connection with request from Field Street Development I, Ltd. for a proposed curb cut located along Magnolia Boulevard and request of Justin Case LLC for curb cut on Gardenia Boulevard. Mr. Koehler reported that the Stantec report regarding Gardenia Village will be completed by December 23, 2015, and the Stantec report for the Savannah Town Center will be completed by the first week in January 2016. After a brief discussion, the President determined that no action was required at this time.
5. Consideration was next given to request from Evolving Texas for use of District wastewater collection facilities to serve area outside of District. Mr. Koehler reported that the owner has requested that this item be removed from the agenda, as they will pursue an alternative to use of the District's wastewater collection facilities. The President determined that no action was required at this time.
6. Consideration was next given to report from Advantage Leadership Resources, LLC regarding general management affairs of the District and law enforcement coordination; consider approval of execution of independent contractor agreements for patrol services; and authorize actions and expenditures as necessary. Chief Wilkerson presented a General Manager's report for November 2015, a copy of which is attached hereto as **Exhibit "D"**. He discussed with the Board various maintenance recommendations; and reported that Advantage Leadership has assumed utility service and trash collection service issues and complaints. He presented an appeal from Lennar Homes for water fines. After discussion, Director Adams moved that the Board deny the appeal from Lennar on water fines. Director TenBroeck seconded said motion, which carried unanimously. Chief Wilkerson then addressed the law enforcement report, which reflected all 30 days were covered by patrol services with no major incidents. He reported on the condition of the vehicles. After discussion on the report presented, Director TenBroeck moved that the Board approve the reports provided by Advantage Leadership Resources, LLC. Director Adams seconded said motion, which carried unanimously.

The Board then discussed proposed membership of the website subcommittee. After discussion, Director Tague moved that the website subcommittee consist of Directors Tague and Russell. Director Adams seconded said motion, which carried unanimously.

7. Consideration was next given to the operator's report regarding the Artesia Utility System, including customer utility service billing complaints/requests and appeals, maintenance of water facilities; authorizing expenditure of funds for operation and maintenance of water facilities. A copy of such report is attached hereto as **Exhibit "E"**. The President recognized Mr. Cork, who reported relative to Artesia utility billing and service operations, and maintenance and operations issues. He noted that the Artesia Water System water availability levels are good, and there were no operational problems. Mr. Cork next presented a request from RKM to use water from District fire hydrants for mass grading, as opposed to use of water well. After a brief

discussion, no action was taken with regard to granting a waiver of water source for construction projects. Mr. Cork then discussed a proposed inspection of the sanitary sewer system by Upper Trinity Regional Water District for inflow and infiltration issues. After discussion on the report presented, Director Tague moved that the Board approve the report and expenditure of funds as presented. Director Moore seconded said motion, which carried unanimously.

8. Consideration was next given to termination of Operator, Management, and Maintenance Contract with Texas Water Company; and the taking of any action necessary or appropriate in connection therewith. The President thanked Mr. Madison for all his past efforts, including assistance in transition of services. The President noted that Mr. Madison always answered the call and was greatly appreciated. After discussion, upon motion made by Director Adams, seconded by Director TenBroeck, the Board voted unanimously to terminate the Operator, Management, and Maintenance Contract with Texas Water Company.
9. Consideration was next given to customer utility service and billing complaints/ requests for Savannah residents. The Board noted that such matter was previously addressed under agenda item no. 6.
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 "F"**. The Board then considered the status of construction projects within the District. In that regard, Mr. Koehler discussed with the Board the status of the following projects: Artesia Teel Boulevard, Artesia North Phase 4, Savannah Phases 8E, 8F, and 10C, Artesia Phase 5A, and Savannah – Artesia Pavement Repairs.

The Board next considered authorizing preparation of construction plans and specifications for improvement projects. In that regard, Mr. Koehler presented a memorandum from Graham Associates, Inc. dated December 10, 2015, regarding proposed connection of a future road within the Town Center tract to existing Magnolia Boulevard roundabout and drainage issues.

The Board next considered approval of construction plans and specifications and advertising for bids for contract(s) for improvement projects, including Azalea Village at Savannah Phase 11B. In that regard, Mr. Koehler presented correspondence from Graham Associates, Inc. dated December 8, 2015, noting that in light of the absence of a second source of water for this phase, Graham Associates, Inc. does not recommend approval of the constructions plans and specifications at this time.

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 an invoice to be approved by the Board and paid by Corona Artesia as follows: Mario Sinacola & Sons (Teel Parkway) in the amount of \$184,068.44. Mr. Koehler then reviewed invoices to be approved by the Board and paid by the developer for current construction contracts as follows:

RPMx Construction, LLC (Savannah Phase 11A) in the amount of \$10,188.00 and RPMx Construction, LLC (Artesia Phase 5A, Grading) in the amount of \$4,500.00. Mr. Koehler then reviewed invoices to be approved by the Board for District projects as follows: WOPAC Construction, Inc. (Savannah-Artesia Pavement Repairs) in the amount of \$133,801.17. Mr. Koehler then received a change order to be approved by the Board of District projects as follows: WOPAC Construction, Inc. (Savannah-Artesia Pavement Repairs) in the amount of \$27,564.62. After discussion, Director Russell moved that the Board approve all pay applications and change orders as presented. Director Moore seconded said motion, which carried unanimously.

The Board then considered necessary non-routine maintenance and repair of District facilities, including improvements to ground water storage site to allow contractors to use well water for construction purposes. Mr. Koehler advised that he will obtain a proposal for a change order for repair of erosion at a drainage pipe near Harper Road.

The Board then considered approval of final plats and amendments to plats, including Artesia North Phase 4. Mr. Koehler presented correspondence from Graham Associates, Inc. dated December 10, 2015, recommending approval of Artesia North Phase 4 Final Plat and Exhibit "A" (2) for off-site Sanitary Sewer and temporary Drainage Easements. Director TenBroeck moved that the Final Plat for Artesia North Phase 4 be approved. Director Tague 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 Russell seconded said motion, which carried unanimously.

11. Consideration was next given to authorization to acquire an offsite water easement to serve Azalea Village in Savannah, including retaining special counsel, to assist in efforts to obtain offsite water easement. Mr. Jameson addressed the Board regarding such matter. Mr. Koehler confirmed that an offsite water easement would be the most efficient way to obtain service for Azalea Village in Savannah. After discussion on the matter, Director Tague moved that the Board authorize proceeding with acquisition of offsite water easement to serve Azalea Village in Savannah, including retaining special counsel to assist in efforts. Director Moore seconded said motion, which carried unanimously.
12. Consideration was next given to approval of continuing disclosure report regarding the District's outstanding bonds; approval and execution of resolution regarding same; authorizing filing of report and resolution. Mr. Crawford presented a continuing disclosure report regarding the District's outstanding bonds prepared by the District's disclosure counsel, Ms. Jana Cogburn of Norton Rose Fulbright USLLP, along with a resolution approving such report. A copy of such resolution is attached hereto as **Exhibit "G"**. He explained the purpose and content of the report. After discussion on the matter, Director TenBroeck moved that the Board approve the continuing disclosure report as presented, approve and authorize execution of the resolution, and

authorize the filing of report and resolution as required. Director Tague seconded said motion, which carried unanimously.

13. Consideration was next given to status of preparation of Master Parks Plan and Grant Application; and authorizing actions and expenditures of funds in connection therewith, including filing of Plan and Application. Director Adams briefed the Board on recent activities and corrected inventory. After a brief discussion on the matter, the President noted that no action was required at this time.
14. The Board next deferred consideration of 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 deployment of security devices and personnel.
15. Upon motion by Director Russell, seconded by Director TenBroeck and unanimously carried, the President reopened the meeting to public comment, and recognized Ms. Guilford, who addressed the Board regarding speeding on Artesia Boulevard from Cross Lake to Canyon Ridge. 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 Russell, seconded by Director TenBroeck and unanimously carried, the President closed the public comment session of the meeting.
16. After noting that no further business was to come before the Board, upon motion duly made by Director Moore, seconded by Director Russell, and unanimously carried, the meeting was adjourned at 7:46 p.m.



Robert Tague
Secretary