

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

**April 21, 2016**

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 21, 2016, 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
Amy Foster	Director

All members of the Board were present, with the exception of Director Tague, who entered the meeting later, as noted below. Also attending the meeting were the following: Mr. Barry Jameson of Huffines Communities; Mr. Jim Koehler, P.E. and Mr. Jim Wagon, P.E. of Graham Associates, Inc. (“GAI”); Mr. Jason Cork and Ms. Devon Kaemmerling of Arcadia Water Management, LLC; Ms. Kathi Dye and Ms. Lisa Bloomfield of Dye & Bloomfield, LLC; Chief Greg Wilkerson and Mrs. Donna Wilkerson of Advantage Leadership Resources; Mr. Will Walton of Corona Artesia; Mr. Doug Sims and Mr. Rick Losa of Waste Management; Mr. Rick Bernas of Republic Services; Mr. Robert Medigovich and Mr. Greg Roemer of CWD; Ms. Elizabeth Combs of Progressive Waste; 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 6:01 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 Foster 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 17, 2016, and April 6, 2016, 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 TenBroeck moved that the Board

- approve all items listed on the Consent Agenda. Director Foster seconded said motion, which carried unanimously.
4. The Board deferred consideration of default status of contract with Waste Management, including update on pick up service and communication issues; and authorizing actions under service contract, including issuance of a notice of termination if necessary.
  5. Consideration was next given to action on approval of provider of solid waste and recycling services, and award of contract for such services if necessary. The Board discussed the proposals received, as well as service issues. After discussion, Director Adams moved that the Board retain Waste Management, subject to approval by Board of contract terms. Director Foster seconded said motion, which carried unanimously.
  6. Consideration was next given to adoption of Board Resolution Governing the Issuance of Approvals or Permits for the Construction of Certain Curb Cut, Driveway, or Other Roadway Improvements on District Streets and Roads Located within the District Boundaries. Mr. Finke presented and reviewed with the Board such Resolution, a copy of which is attached hereto as **Exhibit "D"**. Upon motion by Director Foster, seconded by Director TenBroeck, and unanimously carried, the Board adopted the Resolution as presented.
  7. Consideration was next given to report from Advantage Leadership Resources, LLC regarding general management affairs of the District and law enforcement coordination; consider customer utility and trash service billing complaints/requests and appeals; 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 March 2016, a copy of which is attached hereto as **Exhibit "E"**. He discussed drought contingency violations and street signs. Chief Wilkerson discussed the appeal received for 701 Lighthouse Lane. After discussion on the matter, Director Adams moved that the Board deny the appeal for 701 Lighthouse Lane. Director TenBroeck seconded said motion, which carried unanimously. Chief Wilkerson then discussed with the Board an appeal to waive certain fees at 1420 Palestine. After discussion on the matter, Director TenBroeck moved that the Board waive only the disconnect fee at 1420 Palestine. Director Adams seconded said motion, which carried unanimously. Chief Wilkerson then discussed an attempted theft at the Elevated Storage Tank and potential security precautions that could be taken. After discussion, Director Adams moved that the Board authorize the expenditure of funds in an amount not to exceed \$15,000 to ensure security of the District's Elevated Storage Tank. Director TenBroeck seconded said motion, which carried unanimously. Chief Wilkerson then proposed the format of a letter to send to residents to address trees and other foliage blocking District signage. After discussion, Director Foster moved that the Board approve the letter to be sent to residents as drafted. Director Adams seconded said motion, which carried unanimously. After discussion on the report presented, Director TenBroeck moved that the Board approve the report provided by Advantage Leadership Resources, LLC. Director Russell seconded said motion, which carried unanimously.

Director Tague entered and participated in the remainder of the meeting.

8. 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 Phase 10C, Artesia Phase 5B, Artesia Pump Building, and Savannah Azalea Phase 11B.

The Board next considered approval of construction plans and specifications and advertising for bids for contract(s) for improvement projects, including Artesia North Phase 2. Mr. Koehler reported that the plans have been received for Artesia North Phase 2; however they have not been reviewed as of this date. He noted that the developer has requested authorization to advertise and receive bids for this project, for the plans as initially designed, with any changes to the plans due to engineering review, to be reflected in a change order. After discussion on the matter, Director TenBroeck moved that the Board approve the construction plans and specifications for Artesia North Phase 2, subject to receipt of recommendation letter from GAI approving such plans and specifications, and further moved that the developer be authorized to advertise and receive bids for the project, with any changes to the plans due to engineering review to be incorporated in a change order. Director Adams 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: Mela Contracting, Inc. (Artesia Pump Building Est. #2) in the amount of \$47,500.00; Mela Contracting, Inc. (Artesia Pump Building Est. #3) in the amount of \$66,262.50; RPMx Construction (Artesia North Phase 1) in the amount of \$14,992.00; and RPMx Construction (Artesia North Phase 4) in the amount of \$19,810.62. After discussion, Director Foster moved that the Board approve the invoices to be paid by Corona Artesia as listed above. Director Russell 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: C.W. Young Construction (Artesia Phase 5B) in the amount of \$44,445.42. After discussion, Director TenBroeck moved that the Board approve the pay applications as presented. Director Tague seconded said motion, which carried unanimously. Mr. Koehler then reviewed pay applications to be approved by the Board for District projects as follows: WOPAC Construction, Inc. (Savannah-Artesia Crack Sealing) in the amount of \$21,484.00 and Stantec Consulting (Traffic Analysis) in the amount of \$4,800.00. After discussion, Director TenBroeck moved that the Board approve the pay applications as presented. Director Tague seconded said motion, which carried unanimously.

The Board next considered acceptance of certificate of completion and authorizing final acceptance of projects, including Teel Parkway, Savannah Isabella Village Phase 10C, Artesia North Phase 4 and Artesia North Phase 1B. Mr. Koehler reviewed recommendations letters from GAI, each dated April 11, 2016, recommending acceptance of Teel Parkway, Savannah Isabella Village Phase 10C, Artesia North

Phase 4, and Artesia North Phase 1B. After discussion, Director Foster moved that the Board accept the certificate of completion and authorize final acceptance of projects for Teel Parkway, Savannah Isabella Village Phase 10C, Artesia North Phase 4, and Artesia North Phase 1B, subject to receipt of 2-year maintenance bond, affidavit of bills paid and unconditioned release of lien, as-built plans, and final change order. Director Adams seconded said motion, which carried unanimously.

The Board next considered approval/status of engineering Task Order(s), including street name sign replacement for Brown Thrasher Blvd. at Cherokee Rose Trail. Mr. Koehler reported that replacement of the street name sign would cost the District \$349.00. After discussion, Director Adams moved that the Board approve replacement of street name sign for Brown Thrasher Blvd. at Cherokee Rose Trail. Director Tague seconded said motion, which carried unanimously.

The Board next considered necessary non-routine maintenance and repair of District facilities, including pavement crack sealing for Savannah Phase 1, Westeria and Artesia Phase 1 and signs at Jasmine Trail and Fish Trap Road. Mr. Koehler noted that the pavement crack sealing has been completed. He discussed the motorize vehicle signs at Jasmine Trail and Fishtrap Road.

Mr. Wagnon then addressed the Board regarding the Artesia Water System improvements, including status of plan approval and tap connection. He noted that the pump station should be complete by the middle of June. A discussion followed regarding level of permits and the amount of capacity the system can handle. After discussion, Director Adams moved that the Board raise the permit level from 900 to 1000, which additional connections should be distributed according to pro rata share. Director Russell seconded said motion, which carried unanimously.

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

9. Consideration was next given to the operator's report regarding the Artesia Utility System, including status of maintenance of water facilities; authorizing expenditure of funds for operation and maintenance of water facilities. A copy of such report, prepared by Arcadia Water Management LLC is attached hereto as **Exhibit "G"**. The President recognized Mr. Cork, who reported on capacity and flow, as well as issues with inspections of meter boxes. He requested authorization to make certain that the meter boxes are being inspected after the sod has been placed. After discussion, Director Adams moved that the Board authorize Arcadia to confirm that the meter boxes are being inspected after sod has been placed. Director Foster seconded said motion, which carried unanimously. Mr. Cork also requested that the District include a link to Arcadia's website from the District's website, along with the contact information, including emergency contact information, for Arcadia. Mr. Cork discussed the possibility of ebilling at a cost of \$400, which cost could be split with Denton County Fresh Water Supply District No. 8-C. After discussion, Director Tague moved that the Board approve the report and expenditure of funds as presented, contingent upon 8-C's

- willingness to participate in ebilling. Director TenBroeck seconded said motion, which carried unanimously.
10. Consideration was next given to adopting program for fire hydrant, valve, and sanitary sewer maintenance throughout the District, including setting a maintenance schedule. The President recognized Mr. Koehler, who reported on a possible plan. There was a discussion on what maintenance the fire department performs so that there will not be any duplication of efforts. Mr. Koehler reported that he will work to develop further plan of action for both Savannah and Artesia. After discussion, Director Adams moved that the Board table the matter until a future meeting. Director Foster seconded said motion, which carried unanimously.
  11. Consideration was next given to status of acquisition of offsite water easement to serve Azalea Village in Savannah, including status of final offer, and the taking of any further action in connection therewith. Mr. Finke reported to the Board regarding the status of such matter, and that no action was necessary.
  12. Consideration was next given to discussion of District website, including possible changes to and goals for website; and the taking of action necessary and appropriate in connection therewith; including review and approval of quote from CivicPlus. Chief Wilkerson discussion quotes received. After a brief discussion, Director Tague moved that the Board table the matter pending receipt of additional quotes and add Director Foster to Website Committee. Director Adams seconded said motion, which carried unanimously.
  13. Consideration was next given to adoption of Resolution adopting the 2016 Parks and Recreation Master Plan and authorizing submission on the 2016 Parks and Recreation Master Plan to the Texas Parks and Wildlife Commission, and any other necessary actions. Mr. Finke presented and reviewed with the Board such Resolution. After discussion, Director Adams moved that the Board adopt the Resolution as presented. Director Foster seconded said motion, which carried unanimously.
  14. Consideration was next given to authorizing initiation of preparation for sale of Unlimited Tax Refunding Bonds, Series 2016 and Unlimited Tax Road Refunding Bonds, Series 2016, including selection of underwriter and preparation of Preliminary Official Statement. Mr. Crawford reported on such matter to the Board and advised that the District's financial advisor has recommended SAMCO to serve as underwriter for the proposed bond issues. After discussion, Director Tague moved that the Board authorize initiation of preparation for sale, including selection of SAMCO to serve as underwriter, and authorize preparation of the Preliminary Official Statement for the Unlimited Tax Refunding Bonds, Series 2016 and Unlimited Tax Road Refunding Bonds, Series 2016. Director TenBroeck seconded said motion, which carried unanimously.
  15. 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 "H". After discussion on the matter, Director Russell moved that the Board adopt the Resolution

- authorizing additional 20% penalty on delinquent District taxes. Director Foster seconded said motion, which carried unanimously.
16. Consideration was next given to authorizing preparation of draft Consumer Confidence Report for review by the Board of Directors. Mr. Finke discussed with the Board the necessity to provide a Consumer Confidence Report for Savannah and a Consumer Confidence Report for Artesia. After discussion on the matter, Director Adams moved that the Board authorize preparation of draft Consumer Confidence Reports for review by the Board of Directors. Director Russell seconded said motion, which carried unanimously.
  17. Consideration was next given to transfer of contract with Ford Nassen & Baldwin, a Professional Corporation to Peckar & Abramson, P.C., and authorizing execution of transfer letter in connection therewith. Mr. Crawford reviewed the proposed transfer of contract with the Board. After discussion, Director Tague moved that the Board authorize transfer of contract and authorize execution of letter of transfer of contract with Ford Nassen & Baldwin, A Professional Corporation to Peckar & Abramson, P.C. Director TenBroeck seconded said motion, which carried unanimously.
  18. Consideration was next given to report on status of 2016 Directors Election, and authorizing action as necessary. Mr. Finke reported that early voting starts next week, and the District's next regular meeting would be scheduled one day after the end of the canvassing period. After discussion, Director Adams moved that the Board's regular May meeting be moved the Tuesday, May 17, 2016. Director Foster seconded said motion, which carried unanimously.
  19. 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.
  20. After noting that no further business was to come before the Board, upon motion duly made by Director Russell, seconded by Director Tague, and unanimously carried, the meeting was adjourned.

  
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Robert Tague  
Secretary