

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

June 16, 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, June 16, 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
Amy Foster	Asst. Secretary
John Gillum	Director

All members of the Board were present, with the exception of Director Tague, who entered meeting later as noted below. Also attending the meeting were the following: Mr. Barry Jameson of Huffines Communities; Mr. Jim Koehler, P.E. of Graham Associates, Inc. (“GAI”); Mr. Jason Cork 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 of Waste Management; Mr. Jay Jones of Inwood Plaza; Mr. Stephen Davis of Taylor-Duncan Interests Inc.; 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 6:00 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 Foster, 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 17, 2016, 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 Adams moved that the Board approve all items listed on the Consent Agenda, plus additional check no. 8749 to the Fain Group in the amount of \$11,000. Director TenBroeck seconded said motion, which carried unanimously.

Director Tague entered during the report from Advantage Leadership Resources, LLC, and participated in the remainder of the meeting.

4. Consideration was next given to report from Advantage Leadership Resources, LLC (“ALR”) regarding general management affairs of the District and law enforcement coordination; customer utility and trash service billing complaints/requests and appeals, including customer request for reduction in sewer fee and attention to trash receptacle size options; approval of execution of independent contractor agreements for patrol services; and authorizing actions and expenditures as necessary. Chief Wilkerson presented a General Manager’s report for May 2016, a copy of which is attached hereto as **Exhibit “D”**. He discussed drought contingency violations by builders in Artesia, and then discussed neighborhood maintenance issues/updates. Chief Wilkerson noted that all streetlight outages have been reported to CoServ. He reported that 24 tree maintenance letters were mailed out on May 20, 2016, with a deadline of June 17, 2016, to trim such trees. As of June 8, 2016, eight (8) homeowners have not trimmed back their trees. Chief Wilkerson noted that 10 extensions were granted in Savannah during the month. He reported that ALR continues to work with Waste Management and has been receiving reports weekly. Chief Wilkerson noted that residents continue to have trouble when calling Waste Management for service, being told that their address is not serviced. He discussed with the Board a customer request for reduction in sewer fee, as well as a customer request regarding trash receptacle size options. After discussion on the matter, Director Adams moved that the Board approve the request for a smaller trash can for resident and authorized correspondence to resident regarding criteria. Director TenBroeck seconded said motion, which carried unanimously. Chief Wilkerson reviewed the law enforcement coverage and activity report for May. He then presented an independent contractor agreement for patrol services with Officer Candace Belt. After discussion, Director Adams moved that the Board approve the independent contract agreement for patrol services with Officer Candace Belt, and authorize execution of same. Director Foster 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 Foster seconded said motion, which carried unanimously.
5. Consideration was next given to status of sale of Unlimited Tax Refunding Bonds, Series 2016, and Unlimited Tax Road Refunding Bonds, Series 2016, and any actions necessary or appropriate in connection therewith, including: approval of payment of costs of issuance; review, approval and execution of closing documents; and approval of final Official Statement. Mr. Crawford reported on such matter to the Board. After discussion, the Board determined that no action as required at this time.
6. 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 status of the following projects: Artesia Teel Boulevard, Artesia Phase 5B, Artesia Pump Building, Savannah Azalea Phase 11B, and Artesia North Phase 2. He provided an additional update regarding the

meter station, noting difficulty in getting necessary information from Upper Trinity Regional Water District (“Upper Trinity”) and Town of Prosper. The Board requested that Mr. Crawford organize a meeting with Upper Trinity and the Town of Prosper.

The Board next consider authorizing preparation of construction plans and specifications for improvement projects, including plans and specifications for Arrowbrooke Phases 2 and 3. After discussion on the matter, Director Adams moved that the Board table the matter until a future meeting. Director Foster seconded said motion, which carried unanimously.

The Board next considered approval of construction plans and specifications and advertising for bids for contract(s) for improvement projects, including Savannah Plaza Office Building. Mr. Koehler reviewed correspondence dated May 9, 2016, regarding review and approval of revised plans for water, sanitary sewer, storm drainage and paving improvements for Savannah Plaza Office Building. After discussion on the matter, Director TenBroeck moved that the Board approve the construction plans and specifications for Savannah Plaza Office Building Water, Sanitary Sewer, Storm Drainage and Paving, and authorized advertising for bids for the project. Director Gillum seconded said motion, which carried unanimously.

The Board then considered award of contracts for construction of improvement projects and issuance of notices to proceed, including Artesia North Phase 2 Water, Sanitary Sewer and Drainage Improvements. Mr. Koehler presented correspondence dated June 3, 2016, with bid tabulation, attached to engineer’s report, relative to water, sanitary sewer, and drainage improvements for Artesia North Phase 2. He noted that three (3) bids were received, with the low bidder being Venus Construction, Inc. in the amount of \$1,668,834.93. After discussion on the matter, Director Tague moved that the Board award the contract for water, sanitary sewer, and drainage improvements for Artesia North Phase 2 to Venus Construction, Inc., as recommended by the District’s engineer. Director Gillum 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: RPMx Construction (Artesia North Phase 4) in the amount of \$70,890.64 and Mela Contracting, Inc. (Artesia Pump Building Est. #5) in the amount of \$60,800.00. After discussion, Director Gillum moved that the Board approve the invoices to be paid by Corona Artesia as listed above. Director TenBroeck seconded said motion, which carried unanimously. Mr. Koehler then reviewed an invoice 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 \$163,499.78. After discussion, Director Gillum moved that the Board approve the pay applications as presented. Director Tague seconded said motion, which carried unanimously. Mr. Koehler then reviewed an invoice to be approved by and paid by the Board for District projects as follows: Brandon Industries (Street Sign Replacement) in the amount of \$349.00. After discussion, Director TenBroeck moved that the Board approve the pay applications as presented. Director Adams seconded said motion, which carried unanimously.

The Board next considered necessary non-routine maintenance and repair of District facilities. Mr. Koehler discussed with the Board Teel Parkway mowing and the addition of two "No Parking" signs at the new models along Dogwood Trail. After discussion Director Adams moved that the Board approve installation of light pole and security at the Artesia pump station at a cost to the District of \$7,500. Director Foster seconded said motion, which carried unanimously.


The Board next considered adopting a program for fire hydrant, valve and sanitary sewer maintenance through the District, including setting a maintenance schedule. After a brief discussion and presentation from Mr. Koehler, the Board requested that Mr. Koehler provide an exhibit showing hydrants throughout the District. Upon motion duly made by Director Adams, seconded by Director Tague and unanimously carried, the Board determined to table the matter until a future meeting.

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

7. Consideration was next given to the operator's report regarding the Artesia Utility System, including status of maintenance of water facilities; update on inspection process; and 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 "F"**. The President recognized Mr. Cork, who reported on water capacity. He requested Board approval for repairs to the air conditioning unit at the well house. After discussion, Director Adams moved that the Board approve the request for repairs to the air conditioning unit at the well house. Director Gillum seconded said motion, which carried unanimously. After additional discussion, Director Foster moved that the Board approve the report and expenditure of funds as presented. Director Tague seconded said motion, which carried unanimously.
8. Consideration was next given to conveyance of the Teel Parkway project to the Town of Prosper and authorizing execution of documents. After a brief discussion on the matter, Director TenBroeck moved that the Board table the matter until a future meeting. Director Foster seconded said motion, which carried unanimously.
9. Consideration was next given to approval and filing of an Application to the Texas Commission on Environmental Quality for the Approval of an Engineering Project and the Issuance of Bonds in an amount not to exceed \$16,000,000. After a brief discussion on the matter, Director Adams moved that the Board defer consideration of the matter until a future meeting. Director TenBroeck seconded said motion, which carried unanimously.
10. Consideration was next given to authorizing attorney, operator and engineer to revise the District's drought contingency plan. After a brief discussion on the matter, the Board determined that no action was required at this time.

11. Consideration was next given to authorizing the Delinquent Tax Collections Attorney to pursue the collection of delinquent taxes for 2015 and prior years, including the filing of lawsuits regarding same, as necessary. After discussion on the matter, Director Adams moved that the Board authorize the Delinquent Tax Collections Attorney to prepare a report regarding the status of delinquent taxes for 2015 and prior years. Director Foster seconded said motion, which carried unanimously.
12. Consideration was next given to authorizing filing with the Secretary of State of Voting System Annual Filing Form relative to District elections. Mr. Crawford addressed the Board regarding such matter. After discussion, Director Foster moved that the Board authorize the filing with the Secretary of State of the Voting System Annual Filing Form. Director Tague seconded said motion, which carried unanimously.
13. Consideration was next given to approval of Unclaimed Property Report as of March 1, 2016, and authorizing filing of same with the State Comptroller prior to July 1, 2016. Ms. Dye reported to the Board on the status of Unclaimed Property. After discussion, Director TenBroeck moved that the Board approve the Unclaimed Property Report and authorize filing of same. Director Tague seconded said motion, which carried unanimously.
14. Consideration was next given to authorizing preparation of legal descriptions, maps, exhibits, and real estate appraisal for application to Texas Parks and Wildlife for parks grant, and expenditure of funds relating thereto. Mr. Finke addressed the Board regarding such matter. After discussion, Director Adams moved that the Board authorize the retention of an appraiser to appraise the District's open space for inclusion in the grant application. Director Foster seconded said motion, which carried unanimously.
15. 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. After discussion, the Board determined that no action was required at this time.
16. Consideration was next given to review of report from Website Committee concerning proposals for District's website rebuild and hosting: including choosing and approving vendor proposal, dependent on budget review. Directors Tague and Foster addressed the Board regarding such matter and reviewed proposals from EvoGov and Civic Plus. There was a discussion regarding ADA compliance on website. After considerable discussion, Director Foster moved that the Board accept the proposal from EvoGov, and if the general plan does not meet all of the needs of the District, then negotiate Office 365 add-on. Director Gillum seconded said motion, which carried unanimously.
17. 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.

18. After noting that no further business was to come before the Board, upon motion duly made by Director Foster, seconded by Director Tague, and unanimously carried, the meeting was adjourned.



Robert Tague
Secretary