

**Minutes of Meeting
Board of Directors
Denton County Fresh Water Supply
District No. 10, of Denton County, Texas
July 12, 2011**

The Board of Directors ("Board") of Denton County Fresh Water Supply District No. 10, of Denton County, Texas ("District"), met in special session, open to the public, on Tuesday, July 12, 2011 at 6:00 p.m., at the Prairie House Restaurant, 10001 Highway 380E, Cross Roads, Texas 76227, outside the boundaries of 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:

Robert Tague	President
Rob Adams	Vice President
Tammy Fritz	Secretary
Mary Lehto	Asst. Secretary
Michael Ryan	Director

All members of the Board were present, with the exception of Director Ryan. Also attending the meeting were the following: Mr. Jeff Williams, P.E. of Graham Associates, Inc.; Ms. Lisa Bloomfield of Kathi Dye, CPA, P.C.; Ms. Michaela Savage; and other members of the general public.

1. The President called the meeting to order at 6:16 p.m., after determining that a quorum was present.
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 come before the Board, upon motion duly made by Director Adams, seconded by Director Tague and unanimously carried, the President closed the public comment session of the meeting.
3. Consideration was next given to the approval of final plat of Savannah, Phase 8A. Mr. Williams reported that he did not receive the plat information in time to review and present to the Board. After discussion on the matter, upon motion duly made, seconded and unanimously carried, the Board tabled the matter until the next meeting.
4. Consideration was next given to the review and discussion of proposed operating budget for the fiscal year ending July 31, 2012. Ms. Bloomfield presented and reviewed with the Board a draft operating budget, a copy of which is attached hereto as **Exhibit "A"**. Certain revisions and adjustments were requested by individual directors. After discussion on the matter, upon motion duly made, seconded and unanimously carried, the Board tabled the matter until the next meeting.
5. Consideration was next given to the review and discussion of proposed debt service budget for the fiscal year ending July 31, 2012. Ms. Bloomfield presented and

- reviewed with the Board a draft debt service budget, a copy of which is attached hereto as **Exhibit “B”**. Certain adjustments and revisions were requested by individual directors. After discussion on the matter, upon motion duly made, seconded and unanimously carried, the Board tabled the matter until the next meeting.
6. Consideration was next given to the review and discussion of proposed engineering budget for the fiscal year ending July 31, 2012. Mr. Williams presented and reviewed with the Board a draft engineering budget, a copy of which is attached hereto as **Exhibit “C”**. After discussion on the matter, upon motion duly made by Director Fritz, seconded by Director Adams and unanimously carried, the Board approved the engineering budget as presented, while noting that the individual items included in the budget will be addressed by the Board as needed.
 7. After noting that no further business was to come before the Board, upon motion duly made by Director Lehto, seconded by Director Fritz and unanimously carried, the meeting was adjourned at 8:25 p.m.

/s/ Tammy Fritz _____
Tammy Fritz
Secretary