

**Minutes of Meeting  
Board of Directors  
Denton County Fresh Water Supply  
District No. 10, of Denton County, Texas  
January 9, 2012**

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 Monday, January 9, 2012 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:

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 Fritz. Also attending the meeting were the following: Mr. Jeff Winkler, P.E. and Mr. Jeff Williams, P.E. of Graham Associates, Inc.; Ms. Lisa Bloomfield of Dye & Bloomfield, LLC; Mr. Ron Anderson, District resident; and additional District residents and other members of the general public.

1. The President called the meeting to order at 6:30 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 Lehto, seconded by Director Adams and unanimously carried, the President closed the public comment session of the meeting.
3. Consideration was next given to review and approval of Amended General Fund Operating Budget for the Fiscal Year Ending July 31, 2012. Ms. Bloomfield presented and reviewed with the Board the proposed Amended General Fund Operating Budget. After discussion on the matter, Director Adams moved that the Board approve the Amended General Fund Operating Budget for the Fiscal Year Ending July 31, 2012, as amended, a copy of which is attached hereto as **Exhibit “A”**. Director Tague seconded said motion, which carried unanimously.
4. Consideration was next given to review and approval of Amended Debt Service Fund Operating Budget for the Fiscal Year Ending July 31, 2012. Ms. Bloomfield presented and reviewed with the Board the proposed Amended Debt Service Fund Operating Budget. After discussion on the matter, Director Lehto moved that the Board approve the Amended Debt Service Fund Operating Budget for the Fiscal Year

Ending July 31, 2012, as presented, a copy of which is attached hereto as **Exhibit "B"**. Director Adams seconded said motion, which carried unanimously.

5. The Board next considered Executive Session pursuant to Sections 551.071(1)(A) and (B), 551.072, and 551.076, Texas Government Code, as amended, to consult with District Counsel, consider real estate matters, and deliberate regarding security. Upon motion by Director Ryan, seconded by Director Tague, the Board voted unanimously to convene into Executive Session at 7:50 p.m. pursuant to Sections 551.071 and 551.072, Texas Government Code, to consult with District Counsel regarding potential and pending litigation and real estate matters.

Upon motion by Director Ryan, seconded by Director Adams, the Board voted unanimously to reconvene the meeting in open session at 8:00 p.m.

6. After noting that no further business was to come before the Board, upon motion duly made by Director Adams, seconded by Director Tague and unanimously carried, the meeting was adjourned at 8:06 p.m.

/s/ Mary Lehto \*  
Asst. Secretary

\*Copy of signed original available upon request