

**Minutes of Meeting
Board of Directors
Denton County Fresh Water Supply
District No. 10, of Denton County, Texas
May 10, 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, May 10, 2011 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 Robert Tague and Michael Ryan. Director Ryan entered the meeting later as noted below. Also attending the meeting was Mr. Clay E. Crawford of Crawford & Jordan LLP.

1. The Vice President called the meeting to order at 6:01 p.m., after determining that a quorum was present.
2. Consideration was first given to public comments. 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 Fritz and unanimously carried, the Vice President closed the public comment session of the meeting.
3. Consideration was next given to termination of Professional Services Agreement with Petitt Barraza LLC. Director Adams reported that he and Director Ryan had met with Art Barraza regarding determination of the current contract between the District and Petitt Barraza LLC. He noted that Mr. Barraza agreed to provide records and assist in an orderly transition to a new District engineer. After discussion on the matter, Director Lehto moved that the Board approve termination of Professional Services Agreement with Petitt Barraza LLC. Director Fritz seconded said motion, which carried unanimously.
4. Consideration was next given to negotiation of contract for engineering services with Graham Associates, Inc. Director Adams reported that he and Director Ryan had met with three (3) engineering firms; and recommended engagement of Graham Associates, Inc. After discussion on the matter, Director Fritz moved that the Board authorize negotiation of contract for engineering services with Graham Associates, Inc. Director Lehto seconded said motion, which carried unanimously.

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

5. Consideration was next given to adoption of Order of Denton County Fresh Water Supply District No. 10, Recognizing the Threat that Water Injection of Building Pads may have on the Road Infrastructure of the District, as well as the Ability of the District to Gather, Conduct, Divert, and Control Local Storm Water or Other Local Harmful Excesses of Water; Recognizing that the District's Current Drainage and Flood Control Rules and Regulations Do Not Adequately Address These Serious Issues; Adopting Drainage and Flood Control Rules and Regulations Governing the Practice of Altering Soil Conditions Through Water Injection within the District; Providing for a Penalty for the Violation of this Order; Repealing all Conflicting Rules and Regulations; Providing a Severability Clause; Providing an Effective Date of this Order; and Providing for the Publication of a Copy Hereof. Mr. Crawford presented and reviewed with the Board such Order, a copy of which is attached hereto as **Exhibit "A"**. After discussion on the matter, Director Fritz moved that the Board adopt such Order and authorize publication of same. Director Ryan seconded said motion, which carried unanimously.
6. Consideration was next given to the adoption of amendments to District Rate Order. Mr. Crawford presented and reviewed with the Board the proposed amendments to the District's Rate Order, a copy of which is attached hereto as **Exhibit "B"**. After discussion on the matter, Director Ryan moved that the Board adopt the amendments to the Rate Order and revoke all prior rate orders. Director Fritz seconded said motion, which carried unanimously.
7. The Board next determined that there was no need to consider Executive Session pursuant to Section 551.071 (1)(A) and (B), Texas Government Code, as amended, to consult with attorney.
8. After noting that no further business was to come before the Board, upon motion duly made by Director Ryan, seconded by Director Fritz and unanimously carried, the meeting was adjourned at 6:22 p.m.

/s/ Tammy Fritz _____
Tammy Fritz
Secretary