

**Minutes of Meeting
Board of Directors
Denton County Fresh Water Supply District No. 10
March 21, 2013**

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, March 21, 2013, 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
Robert Tague	Vice President
Jon TenBroeck	Secretary
Kurt W. Moore	Asst. Secretary
Kris Russell	Director

All members of the Board were present. Also attending the meeting were the following: Mr. Barry Jameson of Huffines Communities; Mr. Jim Koehler, P.E. of Graham Associates, Inc. (“GAI”); Mr. Todd Madison of Texas Water Company; Mr. Greg Wilkerson of Blue Line Services; Ms. Lisa Bloomfield of Dye & Bloomfield, LLC; Mr. Will Walton representing Corona Artesia, L.L.C.; and Mr. Clay E. Crawford of Crawford & Jordan LLP.

1. The President called the meeting to order, 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 by Director Moore, seconded by Director Tague, the Board voted unanimously to close the public comment session of the meeting.
3. (a) Consideration was next given to the review and approval of the Minutes of the February 21, 2013, Board of Directors Meeting. After discussion on the matter, Director Russell moved that the Board approve the Minutes of the February 21, 2013, Board of Directors meeting as presented, and that the Secretary be authorized to execute the minutes on behalf of the Board and District. Director TenBroeck seconded said motion, which carried unanimously.

Consideration was next given to the review and approval of the Minutes of the February 27, 2013, Board of Directors Meeting. After discussion on the matter, Director Russell moved that the Board approve the Minutes of the February 27, 2013, Board of Directors meeting as presented, and that the Secretary be

authorized to execute the minutes on behalf of the Board and District. Director TenBroeck seconded said motion, which carried unanimously.

- (b) Consideration was next given to the review and approval of the Tax Assessor/Collector's report, and the taking of any action necessary or appropriate in connection therewith. A copy of such report is attached hereto as **Exhibit "A"**. It was noted that as of February 28, 2013, the District's 2012 tax levy was approximately 97.44% collected. After discussion on the matter, Director Russell moved that the Board approve the Tax Assessor/Collector's report. Director TenBroeck seconded said motion, which carried unanimously.
 - (c) Consideration was next given to review and acceptance of the Developer's Report, as prepared by Mr. Jameson. A copy of such Report is attached hereto as **Exhibit "B"**. It was noted that, as of February 28, 2013, in Savannah 1,536 lots have been developed; 1,493 lots have been conveyed to builders; 1,441 construction permits have been issued; and 1,327 homes were occupied. It was reported that, as of February 28, 2013, in Artesia 542 lots have been developed; 199 lots have been conveyed to builders; 199 construction permits have been issued; and 139 homes were occupied. After discussion on the matter, Director Russell moved that the Board accept the Developer's Report as presented. Director TenBroeck seconded said motion, which carried unanimously.
 - (d) Consideration was next given to the review and approval of the Bookkeeper's Report, a copy of which is attached hereto as **Exhibit "C"**. Ms. Bloomfield presented and reviewed with the Board the Bookkeeper's Report. After discussion on the matter, and thorough review of the checks presented, Director Russell moved that the Board approve the Bookkeeper's Report and payment of the checks as listed in such Bookkeeper's Report. Director TenBroeck seconded said motion, which carried unanimously.
4. Consideration was next given to a report from Texas Water Company ("TWC") on the Artesia system operations, and authorizing expenditure of funds for operation and maintenance of water facilities. The President recognized Mr. Madison, who presented a report, a copy of which is attached hereto as **Exhibit "D"**. He reported good water quality in Artesia, and that only one (1) system wide water flush was required. He noted that there were no other unusual operating issues or maintenance and repair items. Mr. Madison noted that 7 meters were set and 9 applications for taps are waiting to be installed. After discussion, Director Russell moved that the Board approve the report and expenditure of funds as presented. Director Moore seconded said motion, which carried unanimously.
5. Consideration was next given to Public Safety Committee Report; public safety and nuisance issues; and authorizing actions and expenditures as necessary in connection therewith. The President recognized Mr. Wilkerson, who presented an activity/incident report relative to February. He noted that patrol services were provided for all 28 days in February with no major offenses; and reported relative to

contracting with a new officer. Mr. Wilkerson reported relative to assistance from Denton County Sheriff's Office for drunk driver situation; car break-in; and several instances of noise complaints. He noted an increase in criminal mischief by minors. Mr. Wilkerson reported that the safety vest, phones, and traffic cones were ordered as previously approved and have been delivered. He discussed with the Board purchase of three (3) new tires for the safety vehicle. Mr. Wilkerson reported that he will be meeting with the Principal of Savannah Elementary School. After discussion, Director Tague moved that the Board accept the activity/incident report as presented. Director TenBroeck seconded said motion, which carried unanimously.

6. Consideration was next given to Homeowners Association Committees Report, and the taking of any action necessary or appropriate in connection therewith. The President recognized Director Russell, who noted that the Artesia HOA had nothing to report at this time. The President then recognized Director Tague, who noted that the Savannah HOA is having an April Town Hall meeting and Director Adams will attend to represent the District. After discussion on the matter, Director Moore moved that the Board accept the report as presented. Director Russell seconded said motion, which carried unanimously.
7. 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 considered the status of construction projects within the District.

The Board then considered approval of award of construction contract(s) for improvement projects, including water, sewer, drainage, and paving: Oglethorpe Phase 8D, Marietta Phase 9A and Isabella, Phase 10B. Mr. Koehler presented and reviewed with the Board correspondence dated March 20, 2013, from GAI noting that two (2) bids were received in connection with Savannah Phase 8D, 9A, and 10B paving, drainage and utility improvements, with the low bidder being L.H. Lacy Company, Ltd. in the bid amount of \$1,950,998.46. After discussion on the matter, Director Tague moved that the Board award the construction contract for paving, drainage and utility improvements for Savannah Phase 8D, 9A, and 10B to L.H. Lacy Company, Ltd. in the bid amount of \$1,950,998.46. Director Moore seconded said motion, which carried unanimously. Mr. Koehler then presented and reviewed with the Board correspondence dated March 18, 2013, from GAI noting that two (2) bids were received in connection with Pavement Repairs Tier 2 at Savannah and that bids ranged in price from \$125,930.00 to \$127,953.26, with the low bidder being 2L Construction of Boyd, Texas. After discussion on the matter, Director Adams moved that the Board reject all bids received for Savannah Tier 2 Pavement Repairs. Director TenBroeck seconded said motion, which carried unanimously.

The Board then considered approval of construction pay application(s) and change order(s) to construction contracts. Mr. Koehler presented pay application no. 5 from 2L Construction LLC in the amount of \$10,948.70 for Savannah Pavement work. He noted that GAI recommends payment of such application. After discussion, Director Russell moved that the Board approve pay application no. 5 from 2L Construction

LLC in the amount of \$10,948.70 as presented. Director Moore seconded said motion, which carried unanimously.

The Board then considered acceptance of certificate(s) of completion and authorizing final acceptance of project(s). Mr. Koehler noted that no certificates of substantial completion were being presented for any project this month.

The Board next considered approval/status of engineering Task Order(s). Mr. Koehler reported on the status of District map with boundaries and town boundaries. The President determined that no action was required at this time.

The Board next considered necessary non-routine maintenance and repair of District facilities. The President determined that no action was necessary at this time.

The Board then considered approval of final plats and amendments to plats. Mr. Koehler reported relative Artesia Phase 4C Subdivision Plat and Dollar General Plat. After a brief discussion, the President determined that no action was required at this time.

8. Consideration was next given to customer utility service and billing complaints/requests. Mr. Crawford noted that Stephanie Novick made a complaint regarding the additional \$2.50 increase to water bill for additional peace officer/law enforcement. The President determined that no action was required at this time.
9. Consideration was next given to review and approval of Second Amendment to Settlement and Release Agreement with Corona Artesia, LLC. Mr. Crawford presented and reviewed with the Board the provisions of the Second Amendment. After discussion, Director Russell moved that the Board approve the Second Amendment to Settlement and Release Agreement with Corona Artesia, LLC and authorize execution of same. Director Tague seconded said motion, which carried unanimously.
10. Consideration was next given to review and approval of revised plan for District recreational facilities project (disc golf course) and acceptance of bids/proposals for project development. It was noted that the project was reduced from an 18-hole to a 9-hole project at the north end of greenbelt at a cost to the District of \$3,584.00. After discussion on the matter, Director Adams moved that the Board approve check no. 6586 to Dynamic Disc in the amount of \$3,584.00 for the 9-hole disc golf course. Director Tague seconded said motion, which carried unanimously.
11. Consideration was next given to review and approval of site lease proposal from Verizon Wireless. Mr. Crawford noted that no proposal has been received from Verizon and Corona Artesia is not in a position to provide a site. He noted that Verizon was going to advise of any other alternate sites owned by District would work. The President determined that no action was required at this time.

12. Consideration was next given to proposed Dollar General development, including confirmation of project location and availability of water, sanitary sewer, and drainage facilities and services. The Board discussed the jurisdiction of the Town of Little Elm, as well as jurisdiction of Savannah Architectural Control Committee. Mr. Koehler noted that GAI has not received a full set of revised engineering plans. The Board requested that Mr. Jameson contact the Town of Little Elm to provide a copy of the deed restrictions. Upon motion by Director Adams, seconded by Director TenBroeck, the Board determined not to consider such matter until a copy of the deed restrictions has been received and reviewed.
13. Consideration was next given to review and revision of District Water Conservation and Drought Contingency Plans and Policies, and discussion regarding same. Director Russell reported that Upper Trinity Regional Water District has provided its proposed plan revisions, which she will review and make recommendations to the Board. She further recommended that a presentation be made to the HOAs regarding any changes and other ideas for water conservation. After discussion, Director Russell moved that the Board table the matter until a future meeting. Director Tague seconded said motion, which carried unanimously.
14. The Board next deferred consideration of 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 litigation, real estate matters, and deliberate regarding security personnel and devices.
15. After noting that no further business was to come before the Board, upon motion duly made by Director TenBroeck, seconded by Director Moore and unanimously carried, the meeting was adjourned at 8:04 p.m.

Jon TenBroeck
Secretary