

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

May 6, 2014

The Board of Directors ("Board") of Denton County Fresh Water Supply District No. 10 ("District"), met in regular session, open to the public, on Tuesday, May 6, 2014, 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, with the exception of Director Moore, who entered the 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.; Mr. Clay Taylor; several members of the public; and Mr. Clay Crawford of Crawford & Jordan LLP.

1. The President called the meeting to order, after determining that a quorum was present at 6:12 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 come before the Board, upon motion made by Director Russell, seconded by Director TenBroeck and unanimously carried, the President closed the public comment session of the meeting.

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

3. Consideration was next given to request for consent to encroachment upon District 20-foot utility easement located on Fishtrap Road; approval of the relocation of District 20-foot utility easement and waterline along Fishtrap Road and Windsong Parkway, and cost participation relating thereto; and authorizing approval, execution, and delivery of agreements regarding same. The President recognized Mr. Koehler, who made a presentation regarding engineering issues associated with the request from the Terra Verde Group, including the review of all existing and proposed encroachments. The President then recognized Mr. Crawford, who discussed the various legal issues. As indicated in paragraph No. 8 below, the Board convened into executive session. Upon reconvening into regular session, Director Russell moved that the Board approve

the request for consent to the existing encroachment; authorize relocation of the utility easement and water line; authorize District participation in the cost of such relocation at 10 percent, not to exceed a total of \$9,500, payable not later than December 31, 2014; and authorize the preparation of documents to effect such agreements. Director Moore seconded said motion, which carried unanimously.

4. Consideration was next given to amendment of District moratorium on approval of plans and award of contracts for construction of infrastructure to serve developer projects during period of preparation of wastewater treatment capacity availability study to permit grading. Mr. Crawford discussed such matter with the Board. After discussion, Director Tague moved that the Board amend the District's moratorium on approval of plans and award of contracts for construction of infrastructure to serve developer projects during the period of preparation of wastewater treatment availability study to permit grading. Director TenBroeck seconded said motion, which carried unanimously.
5. Consideration was next given to award of contract for construction of improvements for Savannah Phase 9B and establishing terms and conditions limiting and regulating such construction. Mr. Jameson presented and reviewed with the Board a proposed letter agreement with regard to proceeding with award of contract for construction improvements for Savannah Phase 9B, a copy of such agreement is attached hereto as **Exhibit "A"**. After discussion, Director Adams moved that the Board approve the proposed letter agreement, allowing grading only of Savannah Phase 9B to proceed. Director Tague seconded said motion, which carried unanimously.
6. Consideration was next given to employment of District General Manager. After a brief discussion, Director Tague moved that the Board table the matter until a future meeting. Director Adams seconded said motion, which carried unanimously.
7. Consideration was next given to review of responsibilities of Mustang Special Utility District, Severn Trent Services, and Texas Water Company, including approval of Professional Services Agreement for operational and billing and collecting services for Artesia. Mr. Crawford noted that Texas Water Company and Severn Trent had submitted proposals; and Mustang Special Utility District will consider submitting a proposal at its May Board meeting. After discussion on the matter, Director Adams moved that the Board authorize Directors Russell and Moore to review the proposals and make a recommendation at the regular May Board meeting. Director TenBroeck seconded said motion, which carried unanimously.
8. Consideration was next given to 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. Upon motion by Director Russell, seconded by Director Moore, the Board voted unanimously to convene into Executive Session at 6:54 p.m. pursuant to Sections 551.071 and 551.072, Texas Government Code, to consult with District Counsel regarding litigation and real estate matters.

Upon motion by Director Tague, seconded by Director Moore, the Board voted unanimously to reconvene the meeting in open session at 8:03 p.m.

9. After noting that no further business was to come before the Board, upon motion duly made, seconded and unanimously carried, the meeting was adjourned at 8:04 p.m.

Jon TenBroeck
Secretary