

**Minutes of Meeting
Board of Directors
Denton County Fresh Water Supply
District No. 10, of Denton County, Texas
December 1, 2010**

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 Wednesday, December 1, 2010 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:

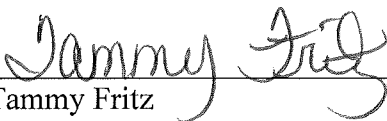
Robert Tague	President
Rob Adams	Vice President
Tammy Fritz	Secretary
Mary Lehto	Asst. Secretary
Michael Ryan	Director

All members of the Board were present. Also attending the meeting were the following: Mr. Jon TenBroeck, District resident; and Mr. Clay E. Crawford of Crawford & Jordan LLP.

1. The President called the meeting to order at 6:22 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 Fritz, seconded by Director Lehto and unanimously carried, the President closed the public comment session of the meeting.
3. Consideration was next given to review and approval of Contract with Greg Wilkerson, d/b/a Blue Line Services, to provide extra job coordinator services to the District in connection with scheduling contract off-duty peace officers. After discussion on the matter, Director Adams moved that the Board approve Contract with Greg Wilkerson, d/b/a Blue Line Services, subject to revisions discussed, including addition of a mutual 90 day termination clause; requirement for written monthly reports; and preapproval for services requiring more than 15 hours per week. Director Fritz seconded said motion, which carried with Directors Tague, Adams, Ryan and Fritz voting in favor of such motion, and Director Lehto voting against such motion.
4. Consideration was next given to review and approval of Policy and Procedure Manual and form of Independent Contractor Agreement for Contract Peace Officers. After discussion on the matter, Director Ryan moved that the Board convert the Policy and Procedure Manual to a Description of Requested Services and a form of Independent Contractor Agreement for Contract Peace Officers substantially in the form as presented. Director Fritz seconded said motion, which carried with Directors Tague,

Adams, Ryan and Fritz voting in favor of such motion, and Director Lehto voting against such motion.

5. Consideration was next given to amendment to District insurance policies to include off-duty contract peace officers and proposed District patrol vehicle. After discussion on the matter, Director Ryan moved that the Board amend the District insurance policies to include contract peace officers and District patrol vehicle, including authorizing Board members to drive patrol vehicle. Director Adams seconded said motion, which carried with Directors Tague, Adams, Ryan and Fritz voting in favor of such motion, and Director Lehto voting against such motion.
6. Consideration was next given to establishing economic development program for Savannah Town Center and other commercial properties, including implementation of limited purpose annexation/strategic partnership, special legislation, special district creation, development incentive contracts, and grants. After discussion on the matter, Director Adams moved that the Board table the matter until a future meeting. Director Ryan seconded said motion, which carried unanimously.
7. Consideration was next given to amendment of Fire Protection Services Agreement to address fire hydrant maintenance and repair, and the taking of any actions appropriate in connection therewith. After discussion on the matter, Director Ryan moved that the Board approve amendment of Fire Protection Services Agreement to approve use of surplus funds for fire hydrant maintenance and seek consent to such amendment from the other parties to the Agreement. Director Tague seconded said motion, which carried unanimously.
8. Consideration was next given to approval and execution of agreement with Arbitrage Compliance Specialists, Inc., and the taking of any actions appropriate in connection therewith. Mr. Crawford presented and reviewed with the Board engagement letters, and discussed the scope of services and fee. Mr. Crawford further discussed the purpose of the analysis and report. After discussion, Director Fritz moved that the Board approve and authorize execution of agreement with Arbitrage Compliance Specialists, Inc. Director Lehto seconded said motion, which carried, with Directors Tague, Adams, Lehto and Fritz voting in favor of such motion, and Director Ryan voting against such motion.
9. Consideration was next given to Executive Session pursuant to Section 551.071 (1)(A) and (B), Section 551.072, and Section 551.074, Texas Government Code, as amended, to consult with District Counsel and consider personnel matters. After a brief discussion, it was noted that Executive Session was not required.
10. After noting that no further business was to come before the Board, upon motion duly made by Director Fritz, seconded by Director Lehto and unanimously carried, the meeting was adjourned.



Tammy Fritz
Secretary