

**Minutes of Meeting
Board of Directors
Denton County Fresh Water Supply District No. 7
July 17, 2012**

The Board of Directors (“Board”) of Denton County Fresh Water Supply District No. 7 (the “District”), met in special session, open to the public, on July 17, 2012, at 6:00 p.m. at 2650 FM 407E, Suite 125, Bartonville, Texas, 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:

David J. Ware	President
Andrew Kloser	Vice President
Jim Lieber	Secretary
Steven Martini	Assistant Secretary
Todd Beggs	Assistant Secretary

All members of the Board were present, thus constituting a quorum. Also attending the meeting were the following: Mr. Mark Wagner and Ms. Nicole Hale of Republic Property Group, Ltd.; Mr. Kevin Mercer, District General Manager; Mr. Richard Harned, District Controller; Mr. Cameron Cox of Elsey and Elsey; Mr. Jim VanVickle, Ms. Donna Robichaux, Mr. Bob Baird, Mr. Max Miller, and Mr. Kurt Sewell, Board members of Denton County Fresh Water Supply District No. 6 (“No. 6”); District residents; and Mr. Clay E. Crawford of Crawford & Jordan LLP.

1. The President called the meeting to Order at 6:00 p.m.
2. Consideration was next given to public comments. The President opened the meeting to public comments. In that regard, Mr. Cameron Cox of Elsey and Elsey introduced himself. After noting that there were no other members of the public in attendance at the meeting and desiring to speak, it was determined that no formal action would be needed at this time.
3. Consideration was next given to the review and approval of the General Manager’s Report, as presented by Mr. Mercer, a copy of which is attached hereto as Exhibit "A". Mr. Mercer reported to the Board regarding the status of the District’s pending projects and answered questions in connection with same. Mr. Mercer discussed with the Board that vandalism was increasing within the District, as was theft and threats to youngsters. He presented and reviewed with the Board a public disclosure form for directors who might request certain personal contact information to be withheld from the District website. He next discussed water consumption and answered questions in connection therewith. Mr. Mercer then reported that there had been more documented cases of West Nile Virus and noted that Denton County was no longer spraying for mosquitoes. After a brief discussion on the matter, the President noted that no formal action was required at this time.
4. Consideration was next given to acceptance of the developer's report on lot and homes sales and move-ins and Homeowners Association (“HOA”) activities, a copy of which is

attached hereto as Exhibit "B". In that regard, Ms. Hale presented such report and reviewed the status of home sales within the District. Mr. Bruce Crawford then reviewed with the Board the various upcoming HOA activities. He next reported that the remodeling of the South Amenity Center was now complete. After a brief question and answer session, Director Beggs moved that the Board approve such report. Director Lieber seconded such motion, which carried unanimously.

5. Consideration was next given to the status of enforcement of traffic rules to District roads. In that regard, Mr. Mercer reported that traffic tickets were being issued by the Denton County Sheriff's Office. The President requested that the Sheriff's Department provide the District with a monthly report regarding traffic stops. The President then requested that Andy Eads attend the next meeting about what services are being provided.

6. Consideration was next given to the enhancements to existing traffic control at Stacey Lane and Lantana Trail intersection, and the taking of any actions necessary or appropriate in connection therewith. In that regard, the President indicated that he wanted to control traffic speed on Lantana Trail by installing stop signs, including a 3 way stop sign at Stacey Lane/Lantana intersection. The remaining directors indicated that they would like to see an analysis and recommendation regarding expenses. The President recognized Ms. Sharon Gilke a parent who manages parent crossing guards. She would like to see 3 way stop signs installed. After a discussion on the matter, it was moved by Director Lieber, seconded by Director Kloser and unanimously carried that Staff should prepare a project scope for a study of traffic control along Lantana Trail and at its intersection at Stacey Lane, Rayzor Road, Bonham Parkway, and Branch Crossing Drive, along with the two (2) adjacent schools and a quote for same and present it to the Board at the next meeting.

7. Consideration was next given to a discussion regarding the widening of entrances/exits within Lantana, and the taking of any action necessary or appropriate in connection therewith. In that regard, Mr. Mercer reported that he had received a response from Huitt-Zollars, Inc. for the restriping to add left turn lanes for an approximate total of \$2,200 for both intersections in question. After discussion on the matter, Director Ware moved that the Board approve such restriping and land additions for an approximate amount of \$2,200. Director Kloser seconded said motion, which carried unanimously.

8. Consideration was next given to an extension of the hike and bike trails, and the taking of any action necessary or appropriate in connection therewith. Mr. Mercer presented and reviewed with the Board the plans as prepared by Huitt-Zollars, Inc., noting that such cost for same was approximately \$150,000. He further reported that the Developer was seeking funding from its partners and asked for District participation from the District's Park Reserve Fund. After discussion on the matter, Director Beggs moved that the Board authorize funds for the preparation of plans for this project. Director Kloser seconded said motion, which carried unanimously.

9. Consideration was next given to a plan for additional irrigation of road right-of-way landscaping at entries to Lantana, and the taking of any action necessary or appropriate in connection therewith. Director Lieber moved that the Board approve proceeding with the

concept of providing additional irrigation of road right-of-way at the median at the entry to Lantana. Director Kloser seconded said motion, which carried unanimously.

10. Consideration was next given to establishing committees, including committee assignments and recommendations in connection therewith. In that regard, upon motion by Director Kloser, seconded by Director Lieber, and unanimously carrying, it was determined that the Finance Committee would consist of Directors Ware and Beggs.

11. Consideration was next given to the review and adoption of a Resolution Reforming Safety Committee to assure the health, safety, and welfare of Lantana residents and public. In that regard, Messrs. Mercer and Crawford reported regarding the Crime Watch Program. After discussion on the matter, Director Lieber moved that the Board approve adoption of the Resolution Reforming Safety Committee, a copy of which is attached hereto as Exhibit "C", to assure the health, safety, and welfare of Lantana residents and public as presented. Director Kloser seconded said motion, which carried unanimously.

12. Consideration was next given to a discussion regarding recreational fields under the high voltage lines, and the taking of any action necessary or appropriate in connection therewith. After discussion upon motion duly made and seconded, the Board tabled the matter, and requested that Mr. Mercer review the situation and provide Staff's recommendation at the Board's next meeting.

13. Consideration was next given to a discussion regarding the condition of trees within Lantana, and the taking of any action necessary or appropriate in connection therewith. In that regard, there was a discussion about the trees struggling due to several factors. After discussion upon motion duly made and seconded, the Board tabled the matter, and requested that Mr. Mercer review the situation, and provide Staff's recommendation at the Board's next meeting.

14. Consideration was next given to a discussion regarding conducting joint meetings on a regular basis, and the taking of any action necessary or appropriate in connection therewith. After discussion on the matter, Director Kloser moved that the Board approve Joint Meetings for the months of August, September and October, 2012. Director Lieber seconded said motion, which carried unanimously.

15. The Board next deferred consideration of Executive Session pursuant to Chapter 551, Subchapter D, Texas Government Code, after noting that no further Executive Session was required.

16. The Board next deferred consideration of future agenda items, as there were none.

17. There being no further business to come before the Board, the meeting was adjourned.

Jim Lieber, Secretary