

**Minutes of Meeting  
Board of Directors  
Denton County Fresh Water Supply District No. 7  
December 11, 2013**

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 December 11, 2013, at 4:00 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
Todd Beggs	Assistant Secretary
Chris Romolo	Assistant Secretary

All members of the Board were present, thus constituting a quorum. Also attending the meeting were the following: Ms. Tara Carson, and Mr. Peter Wagner of Republic Property Group, Ltd.; Mr. Kevin Mercer, District General Manager; Mr. Richard Harned, District Controller; Mr. Kevin Carlson, P.E. of Huitt-Zollars, Inc.; Mr. Bruce Crawford and Mr. Mark Norton of the Lantana HOA; Mr. Jim VanVickle, Mr. Bob Baird, Mr. Max Miller, Ms. Donna Robichaux and Mr. Kurt Sewell, Directors of Denton County Fresh Water Supply District No. 6 ("No. 6"); Denton County Sheriff William B. Travis; several District residents, members of the public and families of the Board members and Staff; and Mr. Clay E. Crawford of Crawford & Jordan LLP.

1. The President called the meeting to Order at 4:02 p.m.
2. Consideration was next given to public comments. After noting that there were no members of the public in attendance at the meeting and desiring to speak, upon motion made by Director Beggs, and seconded by Director Lieber, the President closed the public comment session.
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". In that regard, Mr. Mercer reported to the Board regarding the status of the District's pending projects, thanked County Commissioner Eads for timely sanding of the District's roads, and then answered various questions. After discussion on the matter, Director Kloser moved that the Board approve the General Manager's Report, as presented. Director Beggs seconded said motion.
4. Consideration was next given to review and discussion pertaining to FM 407 construction and possible modifications to Lantana's connecting roadways and sidewalks. In that regard, Director Kloser presented and reviewed with the Board several issues regarding the inadequacy of certain turn lanes and absence of sidewalks and proposed that said issues be referred to the

Lantana Safety Committee for further review and recommendation. After discussion on the matter, Director Ware moved that the Board refer the items pertaining to FM 407 construction and possible modifications to Lantana's connecting roadways and sidewalks to the Lantana Safety Committee for further review and recommendation. Director Beggs seconded said motion, which carried unanimously.

5. Consideration was next given to the review and approval of proposals for the acquisition and installation of speed control and monitoring devices on Stacey Lane between the Loving Branch Bridge and the entrances to Madison and Juniper Additions. In that regard, Mr. Mercer presented and reviewed with the Board a proposal from Centerline Supply, Ltd. for purchase of radar signs for a cost of \$8,880 for two signs. He further proposed that such radar signs be moved every quarter per the Safety Committee's instructions. After discussion on the matter, Director Ware moved that the Board approve said proposal as presented. Director Lieber seconded said motion, which carried unanimously.

6. Consideration was next given to acceptance of the developer's report on lot and home sales and move-ins, and Homeowners Association ("HOA") activities, a copy of which is attached hereto as Exhibit "B". In that regard, Ms. Carson presented and reviewed said report with the Board. Ms. Carson reported that the last month had been another very good month for home sales, with 90% of the homebuyers being from out of state. She further advised that the developer was hosting a Santa Claus picture taking event at the Visitor's Center to generate traffic and that Cumberland Children's Charity was the HOA's designated charity for Christmas 2013. After discussion on the matter, Director Kloser moved that the Board approve such report. Director Romolo seconded such motion, which carried unanimously.

7. Consideration was next given to a report from the Finance Committee regarding development of recreational projects and venues, and parks and open space maintenance for Lantana, and special events for Lantana to promote tourism and visitors to Denton County. In that regard, Mr. Baird presented to the Board a memorandum identifying several general projects that could benefit Lantana and enhance tourism to Denton County to be funded, in part, by Denton County Development District No. 4, a copy of which is attached hereto as Exhibit "C". After discussion on the matter, Director Kloser moved that the Board present a request for participation in the funding of those projects described in paragraphs (a), (b), (c), and (d) of the memorandum to the Board of Directors of the Denton County Development District No. 4. Director Beggs seconded the motion, which carried unanimously.

8. Consideration was next given to the status of Interlocal Agreement with Denton County for crossing guard services, and the taking of any action in connection therewith. In that regard, Sheriff Travis reported that the Agreement had been approved by the Denton County Commissioners Court on November 26, 2013, and further reported that the patrol positions for same would be filled in January 2014. He next presented and reviewed with the Board an Event/Call Report for 11 months of 2013, noting the large number of false alarms and few major criminal events. Sheriff Travis reported that there had been one accidental shooting and one juvenile stabbing, and 68 traffic tickets written thus far in 2013. After discussion on the matter, the President reported that no formal action was necessary at this time.

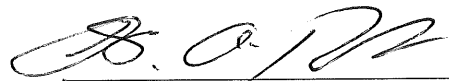
9. Consideration was next given to consolidating future routine agenda items onto a Consent Agenda. After discussion on the matter, Director Lieber moved that the Board authorize consolidation of future routine agenda items onto a Consent Agenda. Director Romolo seconded said motion, which failed with two directors voting "aye", two directors voting "no", and one director abstaining from the vote.

10. Consideration was next given to the renewal of health insurance for Staff for the year 2014, and the taking of any actions necessary or appropriate in connection therewith. In that regard, Mr. Harned presented and reviewed with the Board the proposal for same, a copy of which is attached hereto as Exhibit "D". Mr. Harned advised that it was the recommendation of Staff to elect Blue Cross Blue Shield for a one year period. After discussion on the matter, Director Kloser moved that the Board approve such renewal as presented. Director Romolo seconded said motion, which carried with Directors Kloser, Romolo, Beggs and Lieber voting "aye" and Director Ware abstaining from the vote.

11. The Board next deferred consideration of Executive Session pursuant to Sections 551.071, 551.072, 551.074, and 551.076, Texas Government Code, after the President noted that no Executive Session was required.

12. The Board next considered future agenda items. In that regard, it was noted that the Lantana Marketplace groundbreaking had been cancelled and would be rescheduled for January, 2014.

13. There being no further business to come before the Board, upon motion by Director Kloser, seconded by Director Beggs, and unanimously carried, the meeting was adjourned at 5:50 p.m.

  
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Jim Lieber, Secretary  
Assn Sec. Chris Ramok