

**Minutes of Meeting
Board of Directors
Denton County Fresh Water Supply District No. 7
December 12, 2013**

The Board of Directors (“Board”) of Denton County Fresh Water Supply District No. 7 (the “District”), met in regular session, open to the public, on December 12, 2013, at 4:00 p.m., at 2650 FM 407E, Suite 125, Bartonville, Texas 76226, 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 members of the Board, to wit:

David J. Ware	President
Andrew Kloser	Vice President
Jim Lieber	Secretary
Todd Beggs	Assistant Secretary
Christopher A. Romolo	Assistant Secretary

All members of the Board were present, except Director Kloser, thus constituting a quorum. Also attending the meeting were the following: Ms. Tara Carson, and Mr. Peter Wagner of Republic Property Group, Ltd.; Mr. Richard Harned, District Controller; Mr. Kevin Mercer, District General Manager; Mr. Kevin Carlson, P.E. of Huitt-Zollars, Inc.; Mr. Mark Norton of the Lantana Homeowners Association; Mr. Eric Williams; and Mr. Clay E. Crawford of Crawford & Jordan LLP.

1. The President called the meeting to Order at 4:00 p.m.
2. The President conducted the Pledges of Allegiance to the flags of the United States of America and State of Texas, respectively.
3. Consideration was next given to public comments. The President opened the meeting to public comments. After noting that there were no members of the public in attendance at the meeting and desiring to speak, and upon motion made by Director Lieber, seconded by Director Beggs and carried unanimously, the President closed the public comment session of the meeting.
4. Consideration was next given to the approval of the Minutes of the Board of Directors Meeting of November 14, 2013. After discussion on the matter, Director Lieber moved that the minutes of the November 14, 2013 meeting be approved as written. Director Romolo seconded said motion, which carried unanimously.
5. Consideration was next given to the Engineer’s Report, a copy of which is attached hereto as Exhibit “A”. In that regard, Mr. Carlson reported to the Board regarding the status of various pending District construction projects, as noted in his report.

Consideration was next given to authorizing preparation of plans and specifications for water, sewer, drainage and paving improvements for Phase A of the Garner Neighborhood (Parcel 5), as specified in Section B of the Engineering Report attached hereto. After discussion on the matter, Director Romolo moved that the Board approve authorizing the preparation of plans and specifications for water, sewer, drainage and paving improvements for Phase A of the Garner Neighborhood (Parcel 5). Director Lieber seconded said motion, which carried unanimously.

Consideration was next given to approval of plans and specifications for the grading, paving and utility improvements for the Garner Addition Phase A (Parcel 5/6), as specified in Section C of the Engineering Report attached hereto. After discussion on the matter, Director Beggs moved that the Board approve the plans and specifications for the grading, paving and utility improvements for the Garner Addition Phase A (Parcel 5/6) contingent upon staff review and comments being addressed. Director Romolo seconded said motion, which carried unanimously.

Consideration was next given to approval for advertisement for bids for the grading, paving and utility improvements for the Garner Addition Phase A (Parcel 5/6), as specified in Section D of the Engineering Report attached hereto. After discussion on the matter, Director Beggs moved that the Board approve the advertisement for bids for the grading, paving and utility improvements for the Garner Addition Phase A (Parcel 5/6) contingent upon staff review and comments being addressed. Director Romolo seconded said motion, which carried unanimously.

Consideration was next given to the approval/ratification of Revised Engineering Task Order No. 82. Mr. Carlson presented and reviewed with the Board the Revised Engineering Task Order No. 82 for a decrease in the amount of \$24,000 for the Kendall Addition (Parcel 15, Phase 3). After discussion on the task order presented, Director Beggs moved that the Board approve said Task Order as presented. Director Romolo seconded said motion, which carried unanimously.

Consideration was next given to the approval/ratification of Revised Engineering Task Order No. 83. Mr. Carlson presented and reviewed with the Board the Revised Engineering Task Order No. 83 for a decrease in the amount of \$23,500 for the Bandera Addition (Parcel 33, Phase 4). After discussion on the task order presented, Director Beggs moved that the Board approve said Task Order as presented. Director Romolo seconded said motion, which carried unanimously.

Consideration was next given to the approval/ratification of Revised Engineering Task Order No. 86. Mr. Carlson presented and reviewed with the Board the Revised Engineering Task Order No. 86 for civil engineering design services, construction plans and specifications, construction staking, final plat preparation, construction observation and administration and geotechnical services for the Garner Addition (Parcel 5 Phase A) and associated work in the amount of \$535,750. After discussion on the task order presented, Director Beggs moved that the Board approve said Task Order as presented. Director Romolo seconded said motion, which carried unanimously.

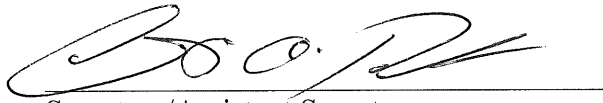
Consideration was next given to acceptance of the certificate of completion and authorize final facilities for Magnolia Phase F. In that regard, Mr. Carlson stated that such project was complete and requested that the Board accept same. After discussion on the matter, Director Beggs moved that the Board accept such plat as complete. Director Romolo seconded said motion, which carried unanimously.

Consideration was next given to miscellaneous issues related to engineering. In that regard, Mr. Carlson stated that he was continuing to perform work as requested by the District and developer.

6. Consideration was next given to a Petition from Landowner requesting the addition of approximately 2.927 acres located within the Town of Bartonville extraterritorial jurisdiction into the District. In that regard, Mr. Crawford presented and reviewed with the Board the signed petition, a copy of which is attached hereto as Exhibit "B". After discussion on the matter, Director Beggs moved that the Board accept such petition requesting the addition of 2.927 acres of land into the boundaries of the District. Director Romolo seconded said motion, which carried unanimously.
7. Consideration was next given to authorizing an engineering feasibility report regarding the proposed annexation of 2.927 acres of land into the District's boundaries. In that regard, it was noted that the feasibility report had not been completed as of the date of the meeting. Accordingly, Director Lieber moved that the Board defer taking any action on the matter until the next meeting. Director Romolo seconded said motion, which carried unanimously.
8. Consideration was next given to review, approval and execution of Petition to the Town of Bartonville for Consent to Include Additional Land in the District, and the taking of any action necessary or appropriate in connection therewith. In that regard, Mr. Crawford presented and reviewed with the Board such Petition, a copy of which is attached hereto as Exhibit "C". After discussion on the matter, Director Romolo moved that the Board approve such Petition as presented that further moved that the President and Secretary be authorized to execute same. Director Beggs seconded said motion, which carried unanimously.
9. Consideration was next given to a request for sanitary sewer service for areas outside of the District and within the Town of Bartonville, and authorize preparation of contracts in connection with same. In that regard, Mr. Mercer briefed the Board as to the status of such request. Mr. Carlson advised that he was in the process of determining the cost of same; confirming the availability of service; confirming the service area; and working with Mr. Crawford to determine the terms for such service. After discussion on the matter, Director Lieber moved that the Board defer taking any action on the matter until the next meeting. Director Beggs seconded said motion, which carried unanimously.
10. Consideration was next given to the Controller's Report presented by Mr. Harned, a copy of which is attached hereto as Exhibit "D". After discussion on the matter, and thorough review of the report and questions in connection therewith, Director Romolo moved that the Board

approve said Controller's Report, as presented by Mr. Harned, and authorize payment of checks and investment of District fund, as specified in said Report. Director Lieber seconded said motion, which carried unanimously.

11. Consideration was next given to developer advances. In that regard, Mr. Harned reported that no developer advances had been received for the month.
12. Consideration was next given to the review and acceptance of the tax assessor-collector's report, a copy of which is attached hereto as Exhibit "E". In that regard, Mr. Harned presented said report to the Board. He reported that as of November 30, 2013, the District's 2013 tax collection levy rate was at 5.61%. After discussion on the matter, Director Beggs moved that the Board approve the tax assessor-collector's report, as presented. Director Romolo seconded said motion, which carried unanimously.
13. The Board next deferred consideration of Executive Session pursuant to Chapter 551, Subchapter D, Texas Government Code, after the President noted that no Executive Session was required.
14. The Board next deferred consideration of future special agenda items, after the President noted that there were none.
15. There being no further business to come before the Board, the meeting was adjourned at 4:34 p.m.


Secretary/Assistant Secretary
Chris Romolo