

MINUTES  
DENTON COUNTY FRESH WATER SUPPLY DISTRICT NO. 1-D  
BOARD OF DIRECTORS MEETING

March 20, 2014

**SPECIAL SESSION BOARD MEETING**

1. Call to Order.

The Board of Directors of Denton County Fresh Water Supply District No. 1-D convened, with attorney Ross Martin presiding, at 2540 King Arthur Blvd., Suite 220, Lewisville, Texas 75056. Evidence was presented that public notice of such meeting had been given, as required by law, and the attendance of the Board of Directors was taken. A quorum was present for the meeting.

Board Members in Attendance:

Mark Channels, Vice President  
Ulf Andersson, Secretary

Bruce Johnson, Treasurer  
Kim Ortiz, Assistant Secretary

Board Members Absent:

John A. Ehinger, Jr., President

Staff & Advisors in Attendance:

Phil Brosseau, General Manager  
Ross Martin, Attorney, Kelly Hart & Hallman LLP

Kristina Clark, Admin.  
Heather Standerfer, Admin.

Others in Attendance:

Brian Toldan, CPA, McCall Gibson Swedlund Barfoot PLLC (“McCall”)  
Lisa Bloomfield, District 1-B Bookkeeper

2. Public Communications and Comments.

Mr. Martin opened the meeting for public communication and comment. Lisa Bloomfield discussed the utility billing accounts for 19 houses that District No. 1-B feels are being billed under the incorrect District account. Mr. Brosseau asked Ms. Bloomfield to supply a list of the addresses she thought were being billed incorrectly and stated that he would look into the matter after receipt of the list. Director Johnson made a motion to close the public comments section of the meeting. Such motion was seconded by Director Channels. The votes were 4 Yes, with 0 No. Motion carried.

3. Opening Remarks:

A. General Manager Remarks:  
None.

B. Presentations:  
None.

**CONSENT AGENDA**

Mr. Martin moved on to the Consent Agenda. After complete discussion and review, Director Johnson made a motion to approve the Consent Agenda. Such motion was seconded by Director Andersson. The votes were 4 Yes, with 0 No. Motion carried. Draft copies of which are collectively included in the Board packet and attached here to as **EXHIBIT “A”**. The items considered were:

4. Approval of the Minutes of the November 19, 2013 and February 18, 2014 Board meetings.
5. Approval of the entire General Manager's report including, but not limited to, the Monthly Construction Activity Reports, Monthly Water and Sewer Reports, Monthly DCAD Tax Collection Report, Monthly Unaudited Financial Reports, review of the agenda topic list; and if applicable, the Quarterly Investment Report.
6. Approval of Construction Award Recommendations, Construction Pay Applications, Project Payment Requisitions, and Change Orders, if applicable.

**ITEMS FOR INDIVIDUAL CONSIDERATION**

7. Hear presentation from McCall Gibson Swedlund and Barfoot, PLLC ("McCall Gibson"), the District's auditor, and after such presentation, review and approve the District's audited financial statements for fiscal year 2012/13 and authorize all necessary filings.

Mr. Brian Toldan, auditor with McCall Gibson, presented the Board with the audited financial statements for the fiscal year ending September 30, 2013. Mr. Toldan reviewed the highlights of the audit with the Board and provided answers to questions on the audit. After complete review and discussion, Director Andersson motioned to approve the District's audited financial statements for fiscal year 2012/13 and authorize all necessary filings. Such motion was seconded by Director Johnson. The votes were 4 Yes, with 0 No. Motion carried.

8. Consider and approve an Order Declaring Unopposed Candidates Elected and Canceling Election.

Mr. Martin explained that the May 2014 election could be cancelled since no other candidates had filed an application to be placed on the ballot. Director Andersson motioned to approve an Order Declaring Unopposed Candidates Elected and Canceling Election. Such motion was seconded by Director Ortiz. The votes were 4 Yes, with 0 No. Motion carried.

9. Review qualifications and consider candidates for appointment to the Board of Directors.

Tabled.

10. Consider and approve Order Appointing Director and execution of Statement of Officer Forms by recently appointed Director and administer Oaths of Office, if applicable.

Tabled.

11. Elect slate of District officers.

Tabled.

12. Consider and approve a Resolution Establishing District's Regular Meeting Location, Date, and Time.

After review and discussion, Director Johnson motioned to approve changing the Resolution Establishing District's Regular Meeting Location, Date, and Time to reflect that, in the future, regular Board meetings will be held on the third Tuesday of the month, at 4:00 p.m., at 2540 King Arthur Blvd., Suite 220, Lewisville, Texas 75056. Such motion was seconded by Director Ortiz. The votes were 4 Yes, with 0 No. Motion carried.

13. Review and consider findings regarding a limited traffic risk assessment.

After review of the traffic patterns within Castle Hills, Mr. Brosseau stated that the limited traffic assessment recommendation was to add 2 or 3 speed cushions in various locations around the community and added that the City of Lewisville would be required to approve those devices prior to installation. No action was needed from the Board.

14. Review additional street light locations and take any action necessary regarding same, including consideration of funding additional street lights within the District.

Mr. Brosseau informed the Board that the street light requested for Lady of the Lake and Morgan LeFay had been ordered and would be installed in about 2 weeks. After continued discussion, no further action was taken.

15. Receive an update from Director Ehinger with regard to a Financial Management Policy and consider approval of such.

Tabled.

16. Consider and review franchise revenue sources and agreements and update Board on CoServ franchise agreement and revenues received under such agreement.

Director Johnson stated that he was being charged a District "tax" by CoServ on both his gas and electric bills and asked 1) if that was a franchise fee; 2) what other entities are paying franchise fees; and 3) what District receives the money from the CoServ charge. Mr. Martin stated that CoServ is currently paying franchise fees to the District on a prorata basis pursuant to an agreement between CoServ and the Districts. He requested that Director Johnson email a copy of the bills to him for review. Director Johnson agreed to do so. No Board action was required at this time.

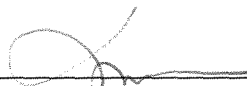
17. Review and consider items to add to the next Board agenda.

- 1) Public Safety - SPA Agreement, traffic patrol, hub/sub-station, etc.; and
- 2) Drought Contingency Plan

18. Adjournment.

Director Johnson motioned to adjourn the meeting. Such motion was seconded by Director Ortiz. The votes were 4 Yes, with 0 No. Motion Carried. The meeting was adjourned.

Approved and adopted this 20th day of May, 2014.

  
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Kim Ortiz, Assistant Secretary, Board of Directors  
Denton County Fresh Water Supply District No. 1-D

(DISTRICT SEAL)