

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

September 16, 2014

REGULAR 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:

John A. Ehinger, Jr., President
Bruce Johnson, Treasurer

Dave Hessie, Secretary
Kim Ortiz, Assistant Secretary

Board Members Absent:

Open, Vice President

Staff & Advisors in Attendance:

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

Kristina Clark, Assistant to G.M.

Others in Attendance:

William Lux, Director Candidate
Lt. Scott W. Haynes, Lewisville PD
Darryl Humphrey, Iron Guard & Assoc. LLC
Eugene Humphrey, IronGuard & Assoc. LLC

Francis Schmaeling, CH Resident
David Margulies, CH Resident
Guy Harris, Director, District 1-B

2. Conduct Public Hearing on Tax Rates.

Mr. Martin opened the Public Hearing on Tax Rates and after discussion and review Director Ehinger motioned to close the Public Hearing on Tax Rates. Such motion was seconded by Director Johnson. The votes were 4 Yes, with 0 No. Motion carried.

3. Public communications and comments.

Martin then opened the meeting for public communication and comment. Mr. Harris stated that he was at the meeting to invite the Board to participate in a joint meeting to discuss the issue of security within Castle Hills. Others in attendance were there to participate in a specific agenda item or for observation purposes only. After no further comments, Director Ehinger motioned to close the Public communications and comments section of the meeting. Such motion was seconded by Director Ortiz. The votes were 4 Yes, with 0 No. Motion carried.

4. Agenda item #15, Consider and approve an Order Accepting Resignation and Appointing Director and execution of Statement of Officer Forms by recently appointed Director and administer Oaths of Office, if applicable.

After complete discussion and review, Director Ehinger made a motion to accept the resignation of Mark Channels and approve the Order Accepting Resignation and Appointing Director and execution of Statement of

Officer Forms and administration of the Oaths of Office to William Lux, keeping the slate of officers as-is. Such motion was seconded by Director Johnson. The votes were 4 Yes, with 0 No. Motion carried.

Ms. Clark witnessed the execution of the Statement of Officer Forms and administered the Oath of Office. Newly appointed Director Lux, Vice President, was welcomed to the Board.

5. 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, excluding the August 19, 2014 Minutes. Such motion was seconded by Director Ehinger. The votes were 5 Yes, with 0 No. Motion carried. Draft copies of which are collectively included in the Board packet and attached hereto as **EXHIBIT "A"**. The items considered were:

6. Approval of the Minutes of the August 19, 2014 Board meeting. Excluded.

7. 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; agenda topic list; and if applicable, the Quarterly Investment Report.

8. Approval of construction pay applications, payment requisitions, change orders, and if applicable, award recommendations, bid solicitations, and/or proposals of the District.

ITEMS FOR INDIVIDUAL CONSIDERATION

9. Discuss and approve Order Setting 2014/15 Tax Rate, including Resolution Adopting Contract Tax Budget, if applicable, and take any and all action necessary thereto.

After complete discussion and review, Director Ehinger made a motion to approve the tax rate of \$0.86, as published. Such motion was seconded by Director Johnson. The votes were 5 Yes, with 0 No. Motion carried.

10. Agenda item #8. Discuss and approve an Amendment to the Order Establishing District Facility Charges, Water and Wastewater Service Rates, Tap Fees, Solid Waste and Recycling Fees and take any and all actions necessary relating to such.

This item was tabled.

11. Agenda item # 10. Consider and review hiring a third party bookkeeper for special District specific projects.

This item was tabled.

12. Agenda item # 11. Discuss and review options for additional police patrol.

Director Johnson introduced Lieutenant Scott W. Haynes, of the Lewisville Police Department. Lieutenant Haynes distributed a Release of Information and spoke of the evidence obtained with regard to a recent robbery, as well as rabbit hunting, in Castle Hills. He went on to offer to present information regarding other police issues upon further request. Mr. Brosseau thanked Lieutenant Haynes for the information presented and asked that he keep the District updated on the status of the cases.

Director Johnson then introduced Darryl Humphrey of IronGuard & Assoc. LLC. Mr. Humphrey spoke of a proposal for added security within the Districts. He went on to detail how the addition of patrol hours, as well as marked cars, would help to provide the community with a better sense of police presence. Director Johnson noted other ways to reduce crimes and stated that having reflective house numbers at the back of your home and on the curb would assist emergency vehicles locating an address at night.

Mr. Brosseau informed the Board of his intention to contract with the City of Lewisville for solutions using excess sales tax dollars, such as a dedicated beat. He went on to state that the developer agreed that the funds could be used for such additional patrols before being reimbursed. Mr. Brosseau further stated that the City was researching possible scenarios with regard to such and would present him with available options. Mr. Brosseau informed the Board that only a TCLEOSE certified peace officer could make arrests on behalf of a District, and any stop by an officer that is not a TCLEOSE certified peace officer, may be construed as an arrest and would open the District up to liability. He went on to add that although District 1-A was not opposed to additional IronGuard patrols, it would be up to the individual Districts or the HOA to implement any such additions.

Director Ehinger stated that he was in favor of using both the City and IronGuard for additional patrol. Director Johnson stated that he would talk to the HOA and bring information back to the Board. No further action was required. It was noted that Director Ehinger left the meeting at this time.

13. Agenda item # 12. Receive an update from Director Ehinger with regard to a Financial Management Policy and consider approval of such.

This item was tabled.

14. Agenda item # 13. Discuss and review street light replacement.

This item was tabled.

15. Agenda item # 14. Receive an update from Director Johnson with regard to qualifying for and possible submittal of grant applications to North Central Texas Council of Governments (“NCTCOG”) and consider approval of such.

This item was tabled.

16. Receive an update regarding Water Conservation efforts.

Mr. Brosseau updated the Board with regard to what was being done to conserve water. No action was needed.

17. Review and consider prior Developer Reimbursement Agreements and repayment options with regard to such.

This item was tabled.

18. Review and consider items to add to the next Board agenda:

- a. Lewisville PD – False Alarms / IronGuard Security;
- b. Outside bookkeeper;
- c. Financial Management Policy;
- d. NCTCOG grants;
- e. Street light replacement;
- f. Review Developer debt; and
- g. Rate Order.

19. Adjournment.

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

Approved and adopted this 16th day of December, 2014.



Dave Hesse, Secretary, Board of Directors
Denton County Fresh Water Supply District No. 1-D

(DISTRICT SEAL)