

CROSS TIMBERS WATER SUPPLY CORPORATION
MINUTES of the BOARD OF DIRECTORS MEETING
MONDAY, JUNE 12, 2017

1. Call to Order

Mr. McDonald called the meeting of the Board of Directors of Cross Timbers Water Supply Corporation to order at 7:00 p.m. on Monday, June 12, 2017, at the Cross Timbers Water Supply Corporation offices, 2032 E Hickory Hill Rd, Argyle, TX 76226.

Directors in Attendance:

Patrick McDonald, President
Larry Kaufman, Vice President
Robert Stegmaier, Secretary-Treasurer
Susan Crawford
Michael Paulson
Garry Granger

Staff in Attendance:

Lloyd Hanson, General Manager

Consultants in Attendance:

None

Others in Attendance

None

Board Members Not in Attendance

David Cole

2. Mr. McDonald announced that the Board would go into Executive Session at 7:01 p.m. The Board came out of Executive Session at 7:34 p.m.

3. Public Forum for Non-Agenda Items – No one spoke

4. Discussion and Action to Approve the Minutes of the May 15, 2017 Board Minutes

Motion by Michael Paulson and second by Robert Stegmaier to approve the minutes of the May 12, 2017 Board Meeting minutes. Motion approved unanimously with Susan Crawford and Larry Kaufman abstaining.

5. Discussion and Action to Approve Financial Reports for May 2017

Motion by Susan Crawford and second by Larry Kaufman to approve the May 2017 Financial Statements. Motion approved unanimously.

6. Consulting Engineer's Report - No report and no action taken. All final documents for the USDA Loan have been filed. We await loan review and approval from the USDA.

7. General Manager's Report

a) Discussion and Action on General Manager's Report

Staff have begun replacing inoperative and low reporting meters in May. Initial replacement of 12 meters yielded an initial \$550 in revenue billing. Staff continue to identify and replace meters throughout the system. The Selwyn School water line is in and being tested. Billing for the school's portion of the line extension has been made and received. We expect to have the line operational within the next few days. Upper Trinity Regional Water District has submitted a preliminary budget increase of 4.06% in the Demand Fee for the upcoming fiscal year beginning October 2017. This will

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result in a potential increase in our base fee of \$1.50 per month. Final approval of the fee change is expected in July. The Board requested a comparison of base rates and water rates for the surrounding area be available for the July meeting. No action taken.

b) Discussion and Action on Water Superintendent's Operational Report

Mr. Hanson provided an update on the operations for the month of May and the status of the water lines at Terracina Phase III and Hat Creek Estates. No major issues have occurred to our water lines due to the rebuilding of Chinn Chapel and Woodland Road. The new VFD panel has been installed in Stonewood and is running. The Copper Hill MCC replacement is on schedule. SCADA equipment and software/hardware is installed and operational. Staff and Wallace Controls are working on fine tuning the system. No action taken.

8. Discussion and Action on all Matters Concerning Construction of an Elevated Water Tank at the Stargate Site

No action taken.

9. Discussion and Action on All Matters Concerning Litigation

The Second District Court of Appeals has received the case, heard oral arguments, and has the case under consideration. No action taken.

The condemnation proceedings continue with court-ordered notifications to all condemnees. Appointment of Special Commissioners is expected in July. No action taken.

10. Discussion and Action on All Matters Concerning Real Estate

No Action Taken.

11. Discussion and Action on All Matters Concerning Personnel

No action taken.

12. Review Future Agenda Items, Activities and Announcements

The next meeting of the Board is scheduled for July 17, 2017. Agenda items may include operations, financial updates, construction status, litigation, personnel, meter replacement status, rate comparisons, and other matters.

13. Adjournment

Motion to adjourn by Michael Paulson and second by Susan Crawford and approved unanimously. The meeting adjourned at 8:08 p.m.

TRANSCRIBED BY LLOYD HANSON

CERTIFIED BY ROBERT STEGMAIER, SECRETARY-TREASURER