

**CROSS TIMBERS WATER SUPPLY CORPORATION
MINUTES of the BOARD OF DIRECTORS MEETING
MONDAY, JULY 17, 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, July 17, 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
Garry Granger
David Cole

Staff in Attendance:

Lloyd Hanson, General Manager
Paul Hightower, Water Superintendent

Consultants in Attendance:

None

Others in Attendance

None

Board Members Not in Attendance

Susan Crawford, Michael Paulson

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 7:15 p.m.

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

4. Discussion and Action to Approve the Minutes of the June 12, 2017 Board Minutes

Motion by Garry Granger and second by Robert Stegmaier to approve the minutes of the June 12, 2017 Board Meeting minutes. Motion approved unanimously with David Cole abstaining.

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

Motion by Larry Kaufman and second by Robert Stegmaier to approve the June 2017 Financial Statements. Motion approved unanimously.

6. Consulting Engineer's Report - No report and no action taken.

7. General Manager's Report

a) Discussion and Action on General Manager's Report

Additional meters were replaced this month resulting in an increase in water sold of 812,000 gallons. One hundred thirty five meters were identified with high usage of over 4 million gallons sold and are being checked for accuracy. Changes to the final construction of Woodland Drive in Copper Canyon has resulted in some changes to our water line serving the Town. A casing will need to be installed under the new Woodland Drive to protect our water line and allow repairs to be made without damaging the road. Discussions are being held with the Town and its Engineer as to location and costs.

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The item may be covered in the construction of the road by the Town. Developers continue to inquire about the ability to build within our CCN without fire protection. Two projects have been approved despite not having fire protection within those new developments. No action taken.

b) Discussion and Action on Water Rates & Base Fee

The Board regularly reviews and compares water rates and base fees for water services with other communities surrounding the Corporation's CCN. After reviewing rates, it is noted that CTWSC cost for water sold up to 75,000 gallons is similar to the surrounding communities. The Board took no action to change rates or fees at this time, but it will be reviewed again when the 2018 Budget is being prepared.

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

Mr. Hightower provided an update on the operations for the month of June and the status of the water lines at Terracina Phase III and Hat Creek Estates. Lots of work orders were completed resulting in multiple meters being replaced. 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 to Approve Preliminary Water Plans for Copper Creek Estates

Copper Creek Estates, a 42 unit development in Copper Canyon, has applied for water service and submitted preliminary water plans for approval along with the relevant fees. The water plans have been reviewed by Staff and the Engineer, Kerry Maroney, and are in accordance with the Corporations subdivision rules. Staff recommended approval of the preliminary water plans. Copper Creek Estates intends to submit final water plans and a revised Final Plat and fees for approval by the Board in August. Motion by Larry Kaufman and second by Robert Stegmaier to approve the Preliminary Water Plans for Copper Creek Estates. Motion approved unanimously.

11. Discussion and Action on All Matters Concerning Real Estate

No Action Taken.

12. 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 August 14, 2017. Agenda items may include operations, financial updates, construction status, litigation, personnel, meter replacement status, acceptance of water lines at Hat Creek and Terracina Phase III, approval of the Copper Creek Final Plat and Water Plans, and other matters.

13. Adjournment

Motion to adjourn by Garry Granger and second by Larry Kaufman and approved unanimously. The meeting adjourned at 8:30 p.m.

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TRANSCRIBED BY LLOYD HANSON

CERTIFIED BY ROBERT STEGMAIER, SECRETARY-TREASURER