

CROSS TIMBERS WATER SUPPLY CORPORATION
MINUTES of the BOARD OF DIRECTORS MEETING
MONDAY, AUGUST 14, 2017

1. Call to Order

Mr. Kaufman called the meeting of the Board of Directors of Cross Timbers Water Supply Corporation to order at 6:57 p.m. on Monday, August 14, 2017, at the Cross Timbers Water Supply Corporation offices, 2032 E Hickory Hill Rd, Argyle, TX 76226.

Directors in Attendance:

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

Staff in Attendance:

Lloyd Hanson, General Manager
Paul Hightower, Water Superintendent

Consultants in Attendance:

Kerry Maroney, Consulting Engineer

Others in Attendance

David Andrews
Matt Kostial
Bobby Dollak
Michael Cannaday
Cole Temple

Board Members Not in Attendance

Patrick McDonald, President

2. Discussion and Action to Approve Final Plat and Water Plans for Copper Creek Estates

Bobby Dollak presented the Amended Final Plat and Water Plans for Copper Creek Estates for consideration and approval by the Board of Directors and answered questions from the Board. Mr. Maroney confirmed that the Plat and Water Plans were in accordance with the Corporation's subdivision rules and standards. Motion by Robert Stegmaier and second by Susan Crawford to approve the Amended Final Plat and Water Plans for Copper Creek Estates. Motion approved unanimously.

3. Discussion and Action to Approve the Preliminary and Final Plat and Water Plans for Mobile Estates

David Andrews presented the Final Plat and Water Plans for Copper Creek Estates for consideration and approval by the Board of Directors and answered questions from the Board. Mr. Maroney confirmed that he had reviewed and approved the Preliminary and Final Plats and the water plans and they were in accordance with the Corporation's subdivision rules and standards. Motion by Michael Paulson and second by Susan Crawford to approve the Preliminary and Final Plat and Water Plans for Mobile Estates.

12. Discussion and Action to Accept the Water Lines at Hat Creek Estates

Hat Creek has completed the installation, bacteriological testing and punch list of the water lines on the development. Mr. Hightower confirmed that the water lines were installed in accordance with our subdivision rules. Mr. Hanson noted that Hat Creek Estates still must provide a set of As-Built Plans for our records and a one-year Maintenance Bond and recommended that the Board accept the water lines pending receipt of the two items noted. Motion by Susan Crawford and second by Garry Granger to accept the water lines at Hat Creek Estates conditional upon receiving As-Built plans and a Maintenance Bond acceptable to the Corporation. Motion approved unanimously.

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4. Mr. Kaufman announced that the Board would go into Executive Session at 7:12 p.m. The Board came out of Executive Session at 7:32 p.m.

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

6. Discussion and Action to Approve the Minutes of the July 17, 2017 Board Minutes

Motion by Garry Granger and second by David Cole to approve the minutes of the July 17, 2017 Board Meeting minutes. Motion approved with Michael Paulson and Susan Crawford abstaining.

7. Discussion and Action to Approve Financial Reports for July 2017

Motion by Susan Crawford and second by Michael Paulson to approve the July 2017 Financial Statements. Motion approved unanimously.

8. Consulting Engineer's Report –

Mr. Maroney provided an update on the USDA Loan and noted that funding will probably take place after the government's fiscal year ending September 30, 2017. All information has been provided and the USDA Rural Development has had no questions nor requested changes to the materials provided. No action taken.

9. General Manager's Report

a) Discussion and Action on General Manager's Report

Mr. Hanson reviewed changes to the water line on Woodland Drive, the construction along Chinn Chapel Road, and the updates being made to the roads and culverts in the Canyon Oaks subdivision. A builder is looking to add a second phase to the Belle Cote subdivision; Staff has received no plans to date, but it is expected to be an additional 10 homes. Additional meters were replaced this month resulting in increases in water sold. A comparison of water sold in July 2016 versus July 2017 for the meters replaced showed an increase from 163,020 gallons sold to 1,297,703 gallons sold. With the receipt of 100 additional meters, Staff will continue to identify and replace meters within the system. No action taken.

b) Discussion and Action on UTRWD Contract for Water

Mr. Hanson and Mr. Maroney discussed the various options available to the Board related to our contract with Upper Trinity Regional Water Development. After discussion among the Board, it was recommended that this issue be addressed more fully in the upcoming update of the Water Facilities Plan ("Master Plan") scheduled for the fourth quarter of 2017. No action taken.

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

Mr. Hightower provided an update on the operations for the month of July and the status of the water lines at Terracina Phase III. We have taken the 300,000 gallon storage tank at Copper Hill out of service as it has developed a split in one of the welded seams on the roof. Staff expects to have quotes for repair available for the September meeting. The Copper Hill MCC replacement is on schedule for the end of August. An employee was replacing a chlorine bottle and was exposed to chlorine gas. Although he suffered no physical damage, Mr. Hightower has undertaken additional training for the field staff and is updating safety procedures related to the incident. No action taken.

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

No action taken.

11. 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 updates were available and no action taken.

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The condemnation proceedings continue with the appointment of three Special Commissioners. The Special Commissioners Hearing is scheduled for September 12, 2017. No action taken.

13. Discussion and Action to Accept the Water Lines at Terracina Phase III

The water lines are still being tested and sanitized. No Action taken.

14. Discussion and Action on All Matters Concerning Real Estate

No Action Taken.

15. Discussion and Action on All Matters Concerning Personnel

No action taken.

16. Review Future Agenda Items, Activities and Announcements

The next meeting of the Board is scheduled for September 18, 2017. Agenda items may include operations, financial updates, litigation, preliminary 2018 budget discussions, renewal of the Line of Credit with NorthStar/Independent Bank, and other matters.

17. Adjournment

Motion to adjourn by Susan Crawford and second by Michael Paulson and approved unanimously. The meeting adjourned at 8:41 p.m.

TRANSCRIBED BY LLOYD HANSON

CERTIFIED BY ROBERT STEGMAIER, SECRETARY-TREASURER