

CROSS TIMBERS WATER SUPPLY CORPORATION
MINUTES of the BOARD OF DIRECTORS MEETING
MONDAY, SEPTEMBER 18, 2017

1. Call to Order

Mr. McDonald called the meeting of the Board of Directors of Cross Timbers Water Supply Corporation to order at 6:59 p.m. on Monday, September 18, 2017, at the Cross Timbers Water Supply Corporation offices, 2032 E Hickory Hill Rd, Argyle, TX 76226. Mr. McDonald appointed Michael Paulson to be the Acting Secretary-Treasurer for the meeting.

Directors in Attendance:

Patrick McDonald, President
Larry Kaufman, Vice President
Michael Paulson, Acting Secretary-Treasurer
Susan Crawford
Garry Granger
David Cole

Staff in Attendance:

Lloyd Hanson, General Manager
Paul Hightower, Water Superintendent

Consultants in Attendance:

None

Others in Attendance

Mike Boswell

Board Members Not in Attendance

Robert Stegmaier, Secretary-Treasurer

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 7:19 p.m.

3. Public Forum for Non-Agenda Items – Mr. Boswell asked for an update on the elevated water tank and its impact on development in the area. Mr. McDonald provided information as to where we stand.

4. Discussion and Action to Approve the Minutes of the August 14, 2017 Board Minutes

Motion by Michael Paulson and second by Susan Crawford to approve the minutes of the August 14, 2017 Board Meeting minutes. Motion approved unanimously.

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

Motion by Larry Kaufman and second by Michael Paulson to approve the August 2017 Financial Statements. Motion approved unanimously.

6. Discussion and Action on the 2018 Budget

Mr. Hanson presented initial information on the upcoming budget for 2018 indicating that some adjustments in the rates may be necessary. No action taken

7. Discussion and Action on the Purchase of New Vehicles

Mr. Hanson and Mr. Hightower reviewed the current status of the two 2010 vehicles and proposed replacing them with two 2017 vehicles. After discussion by the Board, motion by Larry Kaufman and second by David Cole to approve the purchase of two new vehicles at a cost not to exceed \$52,000 after trade-in of the old vehicles. Staff was directed to select the vehicles with the best reliability for the workloads required of these vehicles. Motion approved unanimously.

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8. Discussion and Action to Renew the Line of Credit

Motion by Michael Paulson and second by Larry Kaufman to renew the \$1.5 million line of credit with Independent Bank effect October 1, 2017 for a one year period. Motion approved unanimously.

9. Discussion and Action on a Contract to Refurbish the Ground Storage Tank at Copper Hill

The roof on the 300,000 gallon storage tank at Copper Hill has developed a leak and needs to be replaced. The interior has suffered additional damage from rust and the interior needs to be refinished. Bids were received from two contractors , Consolidated Tank and Water Tower Specialists, to refinish the interior and install a new roof at a cost of \$68,200.00 and \$94,700.00 respectively. Motion by Michael Paulson and second by Susan Crawford to award a contract to Consolidated Tank in the amount of \$68,200.00. Motion approved unanimously.

10. Consulting Engineer's Report

No report and no action taken.

11. General Manager's Report

a) Discussion and Action on General Manager's Report

Mr. Hanson had no other items to present to the Board. No action taken.

b) 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, the Hat Creek water lines, and the road work being done in Canyon Oaks. Mr. Hightower presented a Chlorine Safety Policy for the Board to review and the Board gave several areas for improved wording. No action taken.

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

No action taken.

13. 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.

The condemnation proceedings continue with the appointment of three Special Commissioners. The Special Commissioners Hearing has been re-scheduled for October 17, 2017. No action taken.

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

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

15. Discussion and Action to Reserve Water Service for Belle Cote Phase 2

Watson Custom Homes is requesting water service for 8 additional lots to be developed to the east of the existing Belle Cote subdivision. They will connect to the existing eight inch water line in Belle Cote. Mr. Maroney, Engineer, has reviewed the plans and determined that the line is sized sufficiently to hand the additional lots. Motion by Michael Paulson and second by Susan Crawford to approve providing water service for the new development designated as Belle Cote Phase 2. Motion approved unanimously.

16. Discussion and Action on All Matters Concerning Real Estate

No Action Taken.

17. Discussion and Action on All Matters Concerning Personnel

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No action taken.

18. Discussion and Action on a Request for Sponsorship

The Corporation often receives requests for sponsorships to various community and town events. The Board re-affirmed the policy of not providing sponsorship activities as they are outside the scope of our By-Laws and are not in keeping with the objectives of the Corporation. No action taken.

19. Review Future Agenda Items, Activities and Announcements

The next meeting of the Board is scheduled for October 16, 2017. Agenda items may include operations, financial updates, litigation, 2018 budget discussions, an update on the answering service used by the Corporation, and other matters.

20. Adjournment

Motion to adjourn by Michael Paulson and second by Susan Crawford and approved unanimously. The meeting adjourned at 8:26 p.m.

TRANSCRIBED BY LLOYD HANSON

CERTIFIED BY MICHAEL PAULSON, ACTING SECRETARY-TREASURER