

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, May 14, 2018, 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
Michael Paulson, Secretary-Treasurer
Susan Crawford
Garry Granger
Sherry Price
Andre Nicholas

Staff in Attendance:

Lloyd Hanson, General Manager
Paul Hightower, Water Superintendent

Consultants in Attendance:

None

Others in Attendance

Mike Donnelly, Mayor, Double Oak
Bill Scherer, Mayor, Bartonville

Board Members Not in Attendance

None

2. Open Session – No one spoke.

Consent Agenda

- 3. Discussion and Action to Approve the Minutes of the March 19, 2018 and April 23, 2018 Board Meetings**
- 4. Discussion and Action to Approve the March & April 2018 Financial Reports**
- 5. Discussion and Action to Approve the Corporation's Form 990 Report**

Motion by Michael Paulson and second by Susan Crawford to approve the Consent Agenda. Motion approved unanimously.

Items for individual Consideration

6. Discussion and Action to Update the Board Policies and Rules of Procedure

After extensive discussion, this item was tabled for June's Board Meeting.

7. Discussion and Action on Open Meetings

Mr. Hanson presented the current rules related to the Open Meetings Act, the Public Information Act, and information provided by the Texas Rural Water Association's Legal Counsel. After discussion, Staff was asked to prepare, for the June Board Meeting, a letter to the Towns explaining the Board's compliance with the Acts. No action taken.

8. Discussion and Action on Upgrades for the Information Technology System

The Corporation's server and office computers are scheduled for an upgrade to the latest software as support and warranties will expire in July. Motion by Michael Paulson and second by Larry Kaufman to approve a software and hardware upgrade at a cost not to exceed \$32,000. Motion approved unanimously.

9. Discussion and Action on Consulting Engineer's Report – No report and no action taken.

10. All Matters Concerning the General Manager's Report

a) **Discussion and Action on the General Manager's Report** – Mr. Hanson provided an update on various projects and the possibility that the Corporation get a sewer CCN for future operations. The two CCN sales related to Lantana property are coming to a final close and Denton County Freshwater Districts 6 & 7 will be making final payments in the next few weeks. Independent Bank requires that we provide new signature cards and resolutions for the new officers elected in April. Motion by Michael Paulson and second by Susan Crawford to approve the Resolution Providing for New Signature on the accounts at Independent Bank. Motion approved unanimously.

b) **Discussion and Action on the Water Superintendent's Report** – Mr. Hightower provided updates on the repair of the Cla-Valves on the high service motors at Copper Hill, the installation of variable frequency drives at the Jernigan Station and the completion of repairs at the Orchid Hill station (which is now ready for use). Mr. Hightower also discussed with the Board the comparison of use and value of a traffic sign (part of the Communications item) and the need for a valve exerciser. The Board asked Mr. Hightower to provide costs, a program of exercising valves, a return on investment calculation, and an estimate of costs association with repairing any broken valves/parts in this program. No action taken.

11. Executive Session: Mr. McDonald announced that the Board would go into Executive Session at 8:15 p.m. and came out of Executive Session at 8:42 p.m.

12. Discussion and Action on All Matters Concerning the Construction of an Elevated Water Tank at the Stargate Site – No action taken.

13. Discussion and Action on All Matters Concerning Litigation

a) **Discussion and Action on All Matters Concerning Cause No. 2012-30982-211** – No action taken

b) **Discussion and Action on All Matters Concerning Cause CV-2017-00840, Condemnation Action Against Saddlebrook Estates HOA, et al** - No action taken; depositions schedules in May and June.

14. Discussion and Action on All Matters Concerning Real Property – No action taken.

15. Discussion and Action on All Matters Concerning Personnel - No action taken.

16. Discussion and Action on Future Agenda Items, Meeting Date, Activities, and Announcements

The next meeting of the Board will be June 11, 2018. Items will include litigation, information about a valve exerciser, Policy related to elections and appointment of Board Members, an update on the sewer CCN procedure, financials, operational reports, and other matters.

17. Adjournment

Motion to adjourn by Larry Kaufman, second by Susan Crawford and approved unanimously. The meeting adjourned at 8:49 p.m.

TRANSCRIBED BY LLOYD HANSON

CERTIFIED BY MICHAEL PAULSON, SECRETARY-TREASURER