

**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, October 15, 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

**Consultants in Attendance:**

None

**Others in Attendance**

None

**Board Members Not in Attendance**

None

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

**Consent Agenda** – Motion by Mike Paulson and second by Andre Nicholas to approve the Consent Agenda. Motion approved unanimously.

**3. Discussion and Action to Approve the Minutes of the August 13, 2018 Board Meeting**

**4. Discussion and Action to Approve the August 2018 Financial Reports**

**5. Discussion and Action on obtaining the 2019 Budget**

Mr. Hanson reviewed Version 3 of the 2019 Budget items with the Board and reviewed rate options for the upcoming year. Rate change proposals included reducing the number of tiers; capping the upper tier at a fixed dollar rate; eliminating the Catastrophic Water Loss option; and/or leaving the rates and tiers as existing in 2018. Staff were directed to prepare options using various tiers and rates and submit that to the Board for review and consideration. Final budget numbers and rates for 2019 will be voted on in the November meeting. No action taken.

**6. Discussion and Action on Annual Meeting Recommended Changes**

Texas Rural Water Association has updated their sample Tariff and sample Annual Meeting documents. Staff has reviewed these changes and recommends no action at this time. Staff was directed to review the Tariff further to determine if the proposed changes are needed and report to the Board in November. Any changes to the Tariff may require Board Approval prior to implementation.

**7. Discussion and Action on Consulting Engineer's Report**

No report and no action taken.

**8. Discussion and Action on the Stonewood Well**

The Stonewood well examination has determined that the well pump is operational, but that the motor has suffered irreversible damage along with significant deterioration to the well pipe. The well driller and Kerry Maroney, Engineer, are reviewing several options as to the most economical repair and will have a full report and recommendation for the November meeting. Estimates for repair range from \$125,000 - \$200,000. No action taken.

**9. All Matters Concerning the General Manager's Report**

Operations staff have been increased with the hire of a licensed water operator with 15 years' experience. There were a number of water leaks during September and additional flushing was needed to freshen up the remote areas of the system. Demand for water dropped as rain saturated the area in September. New developments, small in size, are continuing to be added to the CCN territory.

**10. Executive Session: Mr. McDonald announced that the Board would go into Executive Session at 8:10 p.m. and came out of Executive Session at 8:37 p.m.**

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

**12. 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; Court trial date has been rescheduled for November 5, 2018.

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

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

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

The next meeting of the Board will be November 12, 2018. Items may include litigation, financials, operational reports, 2019 Budget discussions, updates on projects within the area, Stonewood Well, personnel issues, and other matters.

**16. Adjournment**

Motion to adjourn by Larry Kaufman, second by Susan Crawford and approved unanimously. The meeting adjourned at 8:40 p.m.

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TRANSCRIBED BY LLOYD HANSON

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CERTIFIED BY MICHAEL PAULSON, SECRETARY-TREASURER