

**CROSS TIMBERS WATER SUPPLY CORPORATION
MINUTES of the BOARD OF DIRECTORS MEETING
2032 E HICKORY HILL RD, ARGYLE, TX 76226
MONDAY, DECEMBER 17, 2018**

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, December 17, 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
Garry Granger
Sherry Price
Andre Nicholas

Staff in Attendance:

Lloyd Hanson, General Manager
Rocky Hatfield, Water Superintendent

Consultants in Attendance:

None

Others in Attendance

None

Board Members Not in Attendance

Susan Crawford

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

Consent Agenda – Motion by Mike Paulson and second by Sherry Price to approve the Consent Agenda. Motion approved with Larry Kaufman abstaining.

3. Discussion and Action to Approve the Minutes of the October 15, 2018 Board Meeting

4. Discussion and Action to Approve the October 2018 Financial Reports

5. Discussion and Action on the Appointment of an Auditor for the 2019 Audit

Motion by Michael Paulson and second by Garry Granger to appoint Hankins, Eastup, Deaton, Tonn & Seay as the auditors for the 2018 financial audit. Motion approved unanimously.

6. Discussion and Action on Meter Swap-Outs for 2019

Staff reviewed the status of new meter installation with the Board and recommended an accelerated program of meter changes during the first quarter of 2019. Meters installed in 2008, 2009, and 2010 had batteries that lasted about 10 years and Staff are seeing a gradual slowing of meter accuracies as those batteries reach the end of their useful life. Badger meters are being replaced with Neptune meters and an accelerated replacement program will get all the system on the same reading system. The new meters are more accurate, can be interrogated for water use over a 90 day period, and are capable of remote reading.

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Staff have obtained a discount from Neptune for purchase of 1,500 meters and have obtained quotes from parties that will install them. Given the small staff, it would not be possible to install this number of meters within a 2-3 month period before heavy summer use begins. Staff is recommending a budget of \$425,000 for this work. Motion by Larry Kaufman and second by Andre Nicholas to approve a budget of \$425,000 to complete the installation of Neptune meters in the system. Motion approved unanimously.

7. Discussion and Action on Consulting Engineer's Report

Easements and Right-Of-Way documents are under review by the Attorney for submission to the USDA. Construction plans for capital improvements are approved and bidding should begin in January 2019. No action taken.

8. Discussion and Action on the Stonewood Well

A pre-construction meeting was held with Kerry Maroney, Engineer, Millican Well Service and Staff on November 28. Construction schedules and engineering reviews were established with a projected start date of December 19, 2019 and a tentative completion date of January 8, 2019, weather permitting. No action taken.

9. All Matters Concerning the General Manager's Report

Several new developments in Copper Canyon have been approved and will begin construction early in 2019. The developer of Vickery Park will attend the January meeting to discuss the project. No Action Taken

The Water Superintendent provided an update o operations, leaks, and other activities for the month.

10. Executive Session: Mr. McDonald announced that the Board would go into Executive Session at 7:37 p.m. and came out of Executive Session at 8:32 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;** A Hearing on several motions will be held on December 21, 2018.

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

14. Discussion and Action on All Matters Concerning Personnel – The Board continues to advertise for a General Manager. No action taken.

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

The next meeting of the Board will be January 14, 2019. Items may include litigation, financials, operational reports, updates on projects within the area, personnel issues, Annual Meeting items, review of the restricted cash account, review of the Identity Theft Program, and other matters.

16. Adjournment

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Motion to adjourn by Michael Paulson, second by Larry Kaufman and approved unanimously. The meeting adjourned at 8:35 p.m.

TRANSCRIBED BY LLOYD HANSON

CERTIFIED BY MICHAEL PAULSON, SECRETARY-TREASURER
