

**CROSS TIMBERS WATER SUPPLY CORPORATION
MINUTES of the BOARD OF DIRECTORS MEETING
2032 E HICKORY HILL RD, ARGYLE, TX 76226
MONDAY, MAY 20, 2019**

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 20, 2019, 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
Susan Crawford
Sherry Price
Andre Nicholas

Staff in Attendance:

Lloyd Hanson, General Manager
Chad Wolf, Assistant General Manager
Cody Cliatt, Licensed Water Operator

Consultants in Attendance:

None

Others in Attendance

Dee Seals, Toll Brothers

Board Members Not in Attendance

None

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

Consent Agenda:

3. Discussion and Action to Approve the Minutes of the March 18 and April 22, 2019 Board Meeting

4. Discussion and Action to Approve the March 2019 & April 2019 Financial Reports

Motion by Larry Kaufman and second by Michael Paulson to approve the Consent Agenda. Motion approved with Susan Crawford abstaining on the April Minutes.

5. Discussion and Action to Approve the Corporation's Form 990 Filing for 2018

Motion by Susan Crawford and second by Garry Granger to approve the filing of the Corporations Form 990. Motion approved unanimously.

6. Discussion and Action on Approval of the Vickery Park Preliminary Plat

The Board reviewed the Preliminary Plat and other documents for the Vickery Park Development and Mr. Seals from Toll Brothers provided background and answered questions for the Board. Staff and the Engineer, Kerry Maroney have reviewed the Plat and provided comments as part of their review. Motion my Larry Kaufman and

CROSS TIMBERS WATER SUPPLY CORPORATION
MINUTES of the BOARD OF DIRECTORS MEETING
2032 E HICKORY HILL RD, ARGYLE, TX 76226
MONDAY, MAY 20, 2019

second by Garry Granger to approve the Preliminary Plat for the Vickery Park development. Motion approved unanimously.

7. Discussion and Action to Approve the Equity Buy-In for 2019

The Corporation annually reviews the Equity Buy-In fee after completion of the prior year audit and make any changes considered necessary after reviewing the asset base and the number of Members. The Board reviewed the calculation provided by Staff and determined that no change be made. This will keep the fee at the same rate as was adopted in June 2014. Motion by Michael Paulson and second by Susan Crawford to keep the Equity Buy-In fee at \$7,262.00. Motion approved unanimously.

8. Discussion and Action to Accept the water Lines at the Estates of Pepperport

Staff had not received the Maintenance Bond from the water line contractor for this development and therefore there was nothing for the Board to accept. This was tabled until the bond is received.

9. Discussion and Action on Consulting Engineer's Report

Mr. Hanson provided a report from Mr. Maroney, Engineer, that he has finalized all the right-of-way easements except a small section of West Jeter Road. Once that is received, he will be able to provide a ROW Certificate to the Attorney for submission to the USDA for final approval and acceptance. The Board encouraged Staff to complete this as quickly as possible so bids for construction of the new water lines can be sent out. No action taken.

10. All Matters Concerning the General Manager's Report

Membership growth over the period 1980 through April 2019 has been over 365%, growing from 658 customers in 1980 to 2,410 at the end of April 2019. Distribution of Members by town has remained consistent over the decades but is expected to change as most raw land now exists in the Towns of Bartonville and Copper Canyon. New Members in 2019 are coming from the developments in Copper Canyon and Flower Mound (Terracina).

The Assistant General Manager provided information about an asset management system he has reviewed that provides GPS location tracking for all fire hydrants, water valves, pump stations, tanks, pipes and pipe sizes and water meters. This is a cloud bases system wherein the data belongs to the Corporation and can be integrated with our existing billing and collection software system inHance iCIS. Cost is minimal and allows the Corporation to create unlimited layers of assets and data as growth occurs. The Board asked several questions and asked for an update at the upcoming meetings.

An additional truck is being considered due to the adding of staff and the limited availability of a heavy-duty truck to move certain equipment around. The Assistant General Manager requested that a used truck be purchased at a cost not to exceed \$35,000 and provided several examples of available equipment in the area. Motion by Andre Nicholas and second by Sherry Price to purchase an additional truck at a cost not to exceed \$35,000. Motion approved unanimously.

Staff provided background on a change to the site sampling procedure currently in place. TCEQ must certify site sampling locations and has indicated that they will be GPS-ing locations in the future. This brings several factors into consideration such as taking samples from homes that may have unknown plumbing that could impact site sample results. Staff has determined that we need to move our site sampling from a location at the home to a location at the same address, but at the meter box. Accordingly, they have purchased connecting hardware that is being installed prior to the homeowner's meter that will allow the Corporation to take samples independent of the home plumbing. TCEQ treats this as a favorable location for sampling and expects to implement this procedure sometime in the future. No action taken.

**CROSS TIMBERS WATER SUPPLY CORPORATION
MINUTES of the BOARD OF DIRECTORS MEETING
2032 E HICKORY HILL RD, ARGYLE, TX 76226
MONDAY, MAY 20, 2019**

- 11. Executive Session: Mr. McDonald announced that the Board would go into Executive Session at 7:57 p.m. and came out of Executive Session at 8:29 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** – The Corporation has been requested to file an updated briefing for the Court as two new Judges have been assigned to the case. This is due by May 30. No action taken
 - b) **Discussion and Action on All Matters Concerning Cause CV-2017-00840, Condemnation Action Against Saddlebrook Estates HOA, et al** – The Condemnees filed for a new trial on May 17, 2019. The Court will set a hearing date to discuss the matter. No action taken.
- 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 17, 2019 . Items will include financials, litigation, sewer status, construction, an update on the USDA Loan, and such other matters as may come before the Board.
- 17. Adjournment**
- Motion to adjourn by Larry Kaufman and second by Michael Paulson and approved unanimously. The meeting adjourned at 8:31 p.m.

TRANSCRIBED BY LLOYD HANSON

CERTIFIED BY MICHAEL PAULSON, SECRETARY-TREASURER