

**CROSS TIMBERS WATER SUPPLY CORPORATION
MINUTES of the BOARD OF DIRECTORS MEETING
2032 E HICKORY HILL RD, ARGYLE, TX 76226
MONDAY, NOVEMBER 18, 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, November 18, 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
Susan Crawford
Garry Granger
Andre Nicholas
Sherry Price

Staff in Attendance:

Lloyd Hanson, General Manager
Chad Wolf, Assistant General Manager
Rocky Hatfield, Water Superintendent

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:

- 3. Discussion and Action to Approve the Minutes of the October 7, October 14, and October 28, 2019 Board Meeting**
- 4. Discussion and Action to Approve the October 2019 Financial Reports**

Motion by Michael Paulson and second by Andre Nicholas to approve the Consent Agenda. Motion approved with Garry Granger abstaining on the October 7, 2019 Minutes, Susan Crawford abstaining on the October 28, 2019 Minutes and Andre Nicholas abstaining on the October 28, Minutes.

5. Discussion and Action on the Sewer CCN

Discussions continue with the Town of Flower Mound regarding providing treatment capacity in connection with our application for a Sewer Certificate of Convenience and Necessity (CCN). No action taken.

6. Discussion and Action on the 2020 Budget

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Staff reviewed the projected revenue and expenses for the 2020 year and responded to questions from the Board on rates, expected capital expenditures, cash flow, and other items for 2020. After discussions, motion by Michael Paulson and second by Susan Crawford to approve the 2020 Budget, rates, and capital expenditures. Motion approved unanimously.

7. Discussion and Action on the Healthcare, Dental & Life Insurance Program for 2020

Motion by Larry Kaufman and second by Sherry Price to approve renewal of the healthcare, dental and life insurance programs for the 2020 year. Motion approved unanimously.

8. Discussion and Action on Consulting Engineer's Report

Staff are awaiting an updated easement showing the proposed new water line from the US Army Corps of Engineers. The water line on West Jeter will be located in the right of way as partial releases from CoServ can't be negotiated at reasonable terms and conditions. No action taken.

9. All Matters Concerning the General Manager's Report

The General Manager provided updates on connection definitions provided by the TCEQ that will impact how we build future facilities for the Corporation. The definitions require that commercial connections be counted in more detail which will result in more equivalent connections on which we base our water demand needs. Staff are completing an assessment of the increase in connection counts and will report new numbers shortly. No action taken.

The Assistant General Manager provided updates on the GIS system being installed and his work with the Town of Copper Canyon's Development Review Committee. The Water Superintendent reported on operational activities currently underway in the territory. Water use continues to be well above normal in November. Jason Fulco obtained his C Ground Water Distribution License. No action taken

10. Executive Session: Mr. McDonald announced that the Board would go into Executive Session at 7:52 p.m. and came out of Executive Session at 8:19 p.m.

11. Discussion and Action on All Matters Concerning the Construction of an Elevated Water Tank at the Stargate Site – Staff will renew the Building Permit for the Stargate site in December. 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** –A mediation was held on November 14, 2019 and resulted in a proposed global settlement of this Cause and Cause CV-2017-00840. Settlement documents are being prepared for the parties.
- b) **Discussion and Action on All Matters Concerning Cause CV-2017-00840, Condemnation Action Against Saddlebrook Estates HOA, et al** – The mediation on Cause No. 2012-30982-211 included discussions to settle this matter and resulted in a proposed global settlement in both Causes. Settlement documents are being prepared for the parties to review and sign.

Motion by Michael Paulson and second by Susan Crawford to approve the mediation settlement pending receipt of settlement documents for the parties to sign Motion approved unanimously.

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13. Discussion and Action to Appoint a Credentials Committee for the 2020 Annual Meeting

Motion by Andre Nicholas and second by Sherry Price to appoint Michael Paulson, Susan Crawford and Chad Wolf to the Credentials Committee for the 2020 Annual Meeting, Motion approved unanimously.

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

The Board will have its annual Christmas Gathering on December 12, 2019. The next meeting of the Board will be December 16, 2019. Items may include financials, litigation, construction, Appointment of the Auditor for the 2019 Audit, Annual Meeting items, and such other matters as may come before the Board.

15. Adjournment

Motion to adjourn by Susan Crawford and second by Garry Granger and approved unanimously. The meeting adjourned at 8:25 p.m.

TRANSCRIBED BY LLOYD HANSON

CERTIFIED BY MICHAEL PAULSON, SECRETARY-TREASURER