

**CROSS TIMBERS WATER SUPPLY CORPORATION
MINUTES of the BOARD OF DIRECTORS MEETING
2032 E HICKORY HILL RD, ARGYLE, TX 76226
MONDAY, JANUARY 20, 2020**

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, January 20, 2020, 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
Susan Crawford
Garry Granger
Andre Nicholas
Sherry Price

Staff in Attendance:

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

Consultants in Attendance:

Kerry Maroney, Engineer

Others in Attendance

None

Board Members Not in Attendance

Michael Paulson

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

Consent Agenda:

3. Discussion and Action to Approve the Minutes of the December 16, 2019 Board Meeting

4. Discussion and Action to Approve the December 2019 Financial Reports

Motion by Garry Granger and second by Sherry Price to approve the Consent Agenda. Motion approved with Susan Crawford and Patrick McDonald abstaining on the minutes.

5. Discussion and Action on the Sewer CCN

Discussions continue with the Town of Flower Mound regarding a proposed contract to provide treatment capacity in connection with our application for a Sewer Certificate of Convenience and Necessity (CCN). Mr. Maroney discussed a sewer concept plan for the CCN territory, reviewed his visit to the Briarwood Center wastewater treatment plant, discussed his talk with the TCEQ on the steps needed for issuing a CCN on an expedited basis, and recommended the Corporation continue with obtaining a Sewer CCN. He would not recommend the Corporation getting into the sewer treatment business. Staff have talked with developers in Copper Canyon about sewer service

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and they have indicated they are ready to add sewer to their developments as soon as it is available. No action taken.

6. Discussion and Action to Approve Water Service for Double Oak Retail

An application and fees for the Double Oak Retail Center had not been received and this agenda item was tabled. No action taken.

7. Discussion and Action on Consulting Engineer's Report

Mr. Maroney reviewed the status of the USDA Loan and recommended approval of the Loan Resolution Security Agreement and signature on the Corporation's Right-of-Way Certificate when it is ready for signature. Motion by Sherry Price and second by Andre Nicholas to approve and sign the Loan Resolution Security Agreement. Motion approved unanimously. Motion by Susan Crawford and second by Larry Kaufman to direct the President to sign the Right-of-Way Certificate upon receipt. Motion approved unanimously. Mr. Maroney also stated that contractor for the elevated water tank had visited the site for an inspection of the current construction and determined that all the materials are on site and ready for construction. The contractor has been asked to provide a bid and timeline for completion.

8. All Matters Concerning the General Manager's Report

The General Manager identified a change in the collection of fees for credit card use that has recently been implemented in Texas for Water Supply Corporations. Staff were requested to get additional information on options available to the Corporation for the February Board Meeting. 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 and reported on operational activities currently underway in the territory. Staff are reviewing pump and distribution meters as many of them are reaching life maturity. Simplifying the meters with a single type and style is being considered to reduce maintenance costs. The Water Superintendent reported on leaks and winter work on cleaning and repairing well sites. No action taken.

9. Executive Session: Mr. McDonald announced that the Board would go into Executive Session at 7:58 p.m. and came out of Executive Session at 8:11 p.m.

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

11. Discussion and Action on All Matters Concerning Litigation

- a) **Discussion and Action on All Matters Concerning Cause No. 2012-30982-211** – Negotiations on settlement documents continue between the parties.
- b) **Discussion and Action on All Matters Concerning Cause CV-2017-00840, Condemnation Action Against Saddlebrook Estates HOA, et al** – Negotiations on settlement documents between the parties continue.

No action taken on litigation matters.

12. Discussion and Action to Renew the Copper Canyon Franchise Agreement for 2020

Motion by Susan Crawford and second by Larry Kaufman to accept the Copper Canyon Franchise Agreement for 2020. Motion approved unanimously.

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13. Discussion and Action on Annual Meeting Items

Motion by Susan Crawford and second by Sherry Price to approve the Board Application documents for distribution to the Membership for the upcoming Annual Meeting. Motion approved unanimously.

14. Discussion and Action to Approve the Restricted Cash Account

The Restricted Cash Account activity was reviewed by Staff and a recommendation was made to transfer \$200,000 from operating cash to replenish the account for 2020. Motion by Andre Nicholas and second by Garry Granger to transfer \$200,000 of operating funds to the Restricted Cash Account. Motion approved unanimously.

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

The next meeting of the Board will be February 17, 2020. Items may include financials, litigation, construction, Annual Meeting items, and such other matters as may come before the Board.

16. Adjournment

Motion to adjourn by Larry Kaufman and second by Susan Crawford and approved unanimously. The meeting adjourned at 8:22 p.m.

TRANSCRIBED BY LLOYD HANSON

CERTIFIED BY LARRY KAUFMAN, ACTING SECRETARY-TREASURER