

**CROSS TIMBERS WATER SUPPLY CORPORATION  
MINUTES of the BOARD OF DIRECTORS MEETING  
2032 E HICKORY HILL RD, ARGYLE, TX 76226  
MONDAY, MARCH 16, 2020**

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**1. Call to Order**

Mr. McDonald called the meeting of the Board of Directors of Cross Timbers Water Supply Corporation to order at 7:05 p.m. on Monday, March 16, 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  
Michael Paulson, Secretary-Treasurer  
Susan Crawford  
Garry Granger  
Andre Nicholas

**Staff in Attendance:**

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

**Consultants in Attendance:**

None

**Others in Attendance**

Dan Tonn, Auditor

**Board Members Not in Attendance**

Sherry Price

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

**Consent Agenda:**

**3. Discussion and Action to Approve the Minutes of the February 17, 2020 Board Meeting**

**4. Discussion and Action to Approve the February 2020 Financial Reports**

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

**5. Discussion and Action on the Sewer CCN**

Discussions with the Town of Flower Mound and Copper Canyon regarding a proposed contract to provide treatment capacity in connection with our application for a Sewer Certificate of Convenience and Necessity (CCN) have not yet taken place. Staff have received indications that UTRWD has sewer treatment capacity available and sent the Corporation a letter outlining application needs. Staff and Mr. Maroney will provide that information in anticipation of receiving a will serve letter to enable the Corporation to proceed with its application to the Public Utility Commission for a CCN Sewer license. No action taken.

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**6. Discussion and Action to Approve the 2019 Financial Audit**

Dan Tonn, CPA from the firm of Hankins, Eastup, Deaton, Tonn & Seay presented the results of the 2019 financial audit and answered questions from the Board. Motion by Larry Kaufman and second by Michael Paulson to approve the 2019 Financial Audit for the Corporation. Motion approved unanimously.

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

We received the final easement from the Corps of Engineers and are in the process of finalizing the last documents for closing the USDA Loan.

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

The General Manager noted that regulatory filings with the PUC, TCEQ, Texas Water Development Board and UTRWD are being filed for the year ended 2019. Staff are posting updates on the Web Site and will include any new information related to COVID-19 as it occurs. The Board recommended that staff take all the necessary precautions to ensure continuous operations at the facility. No action taken.

The Assistant General Manager provided updates on the GIS system and his work with the Town of Copper Canyon's Development Review Committee and reported on operational activities currently underway in the territory. The Corporation has identified alternative means of removing water from its premises through pumps and will no longer be installing a detention pond. No action taken.

The Water Superintendent reported on leaks and additional license classes for the staff. Staff have installed a new set of meters in the Stonewood site and calibrated them to the size of the pump and distribution motors. Preliminary indications are that improved calculations are being received. Additional testing will continue through the month of March. No action taken.

**9. Executive Session: Mr. McDonald announced that the Board would go into Executive Session at 7:48 p.m. and came out of Executive Session at 8:19 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** – Final settlement documents are being signed by the parties.
- b) **Discussion and Action on All Matters Concerning Cause CV-2017-00840, Condemnation Action Against Saddlebrook Estates HOA, et al** – Final settlement documents are being signed by the parties.

No action taken on litigation matters.

**12. Discussion and Action on Personnel –**

Staff and the Board discussed personnel matters related to the ongoing COVID-19 health issues. It was the consensus of the Board that should personnel be infected with COVID-19 or be officially quarantined that employees should continue to be paid during this time without having to use their Paid Time Off (PTO) hours. Staff were given instructions on administration and compliance including access to the building. Motion by

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Michael Paulson and second by Susan Crawford to continue payment to employees should they become infected with COVID-19 or be officially quarantined. Motion approved unanimously.

**13. Discussion and Action on Annual Meeting Items**

Only two Applications for Board Member were received through March 13, 2020, the deadline for applications. As a result of there being only two applicants, the two candidates can be elected by Resolution. President McDonald read the Resolution Declaring Unopposed Candidates of Cross Timbers Water Supply Corporation Elected. Motion by Michael Paulson and second by Susan Crawford to approve the Resolution. Motion approved unanimously. Larry Kaufman and Garry Granger are the two Board Members re-elected.

The Board discussed the Annual Meeting in light of current and ongoing restrictions related to COVID-19 and determined that a postponement or cancellation of the Annual Meeting scheduled for April 20, 2020 was appropriate. Motion by Susan Crawford and second by Larry Kaufman to postpone or cancel the Annual Meeting, depending upon updated state guidelines related to Annual Meetings of Water Supply Corporations and change the ByLaws of the Corporation, if needed. Staff were directed to obtain direction from the Texas Rural Water Association as to the correct action. Motion approved unanimously. (Subsequent to the Board Meeting, Staff received notification that postponing an Annual Meeting beyond the state mandated May 1 deadline was the appropriate action to take. Staff have relayed that information to the Board and published it on its website).

The Board determined to keep in place its regularly scheduled Board Meeting for April 20, 2020 and will make changes if necessary or directed by government officials.

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

The next meeting of the Board will be April 20, 2020. Items will include election of officers, approval of the Corporations insurance program, and such other matters as may come before the Board.

**15. Adjournment**

Motion to adjourn by Larry Kaufman and second by Michael Paulson and approved unanimously. The meeting adjourned at 8:29 p.m.

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TRANSCRIBED BY LLOYD HANSON

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CERTIFIED BY MICHAEL PAULSON, SECRETARY-TREASURER