

CROSS TIMBERS WATER SUPPLY CORPORATION
MINUTES of the BOARD OF DIRECTORS MEETING
2032 E HICKORY HILL RD, ARGYLE, TX 76226
MONDAY, APRIL 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, April 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
Michael Paulson, Secretary-Treasurer
Susan Crawford (by telephone)
Garry Granger
Andre Nicholas
Sherry Price

Staff in Attendance:

Lloyd Hanson, General Manager
Chad Wolf, Assistant General Manager

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 Elect New Officers

Motion by Andre Nicholas and second by Larry Kaufman to elect Patrick McDonald, President; Larry Kaufman, Vice President and Michael Paulson, Secretary-Treasurer. Motion approved unanimously

4. Discussion and Action to Approve the Minutes of the March 16, 2020 Board Meeting

5. Discussion and Action to Approve the March 2020 Financial Reports

Motion by Michael Paulson and second by Andre Nicholas to approve the Consent Agenda. Motion approved with Sherry Price abstaining on the minutes.

6. Discussion and Action to Approve the Corporate Insurance Program for 2020-2021

The Board reviewed the information on coverage and pricing and discussed various terms and conditions. Motion by Andre Nicholas and second by Sherry Price to approve the Corporate Insurance Program for 2020-2021 as presented. Motion approved unanimously.,

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7. Discussion and Action on the Sewer CCN

The need for sewer service has declined significantly under the current economic conditions. Staff recommended the Corporation put on hold its application. Discussions with the Town of Flower Mound and Copper Canyon continue. Staff noted that any commitment with UTRWD for sewer treatment capacity would entail payment as soon as the CCN was issued by the State. Given that no need presently exists, no action will be taken.

8. Discussion and Action on the Loan

Staff reviewed the current status of the USDA Loan as well as some competing bid information being received from banks. Due to the uncertain economic conditions, Staff recommended that the Corporation not take on additional debt at this time. After discussion, the Board left the current application with USDA in place and took no further action.

9. Discussion and Action on the Construction of the Elevated Water Tank

We received notice that the District Court has the removal of the injunctions under consideration for approval. Once the injunctions are removed/dismissed, discussions regarding a contract for completion of the tank can begin. We have contact Landmark, Pittsburg Tank, Phoenix Tanks, and others about submitting bids for the completion of the tank. Contract Proposals should be available in the next 10-15 days for review and consideration by the Board in a Special Called Meeting. No action taken.

10. All Matters Concerning the General Manager's Report

The General Manager noted that construction in the area has slowed down significantly. The projects under construction are being put on hold in many cases. The TCEQ/PUC has temporarily prohibited WSC's from shutting off water for nonpayment. The Corporation is following these guidelines. In addition, we have postponed the May implementation of the \$2.70 convenience fee per transaction on credit card payments in light of the current economic conditions. No action taken.

The Assistant General Manager updated the Board on staffing, operations in the field, and upgrades of meters at Stonewood and Jernigan. No action taken.

11. Executive Session: Mr. McDonald announced that the Board would go into Executive Session at 7:40 p.m. and came out of Executive Session at 8:02 p.m.

12. 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 signed by the parties. We await final action by the Courts.
- b) **Discussion and Action on All Matters Concerning Cause CV-2017-00840, Condemnation Action Against Saddlebrook Estates HOA, et al** – Final settlement documents are signed by the parties. The appeal on this case was rejected and the Trial Court decision approved. This case is now closed.

No action taken on litigation matters.

13. Discussion and Action on Personnel –

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Motion by Michael Paulson and second by Sherry Price to appoint Jackson “Chad” Wolf as General Manager effective May 1, 2020 and Lloyd Hanson as Controller. Motion approved unanimously.

14. Discussion and Action on Annual Meeting Items

The Board discussed the actions taken at the last Board meeting related to the Annual Meeting and determined that no further action was needed. As the current meeting restrictions are removed or changed, the Board will review and set a new date for the Annual Meeting. No action taken.

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

The next meeting of the Board will be May 18, 2020. Items will include review of the equity buy-in calculation, construction, financials, approval of the Corporation Form 990 Tax Return, regulations for videoconference and audio meetings, and such other matters as may come before the Board.

16. Adjournment

Motion to adjourn by Larry Kaufman and second by Andre Nicholas and approved unanimously. The meeting adjourned at 8:14 p.m.

TRANSCRIBED BY LLOYD HANSON

CERTIFIED BY MICHAEL PAULSON, SECRETARY-TREASURER

PLEASE SEE UPDATED INFORMATION ON MINUTES OF JUNE 15, 2020