

**CROSS TIMBERS WATER SUPPLY CORPORATION  
MINUTES of the BOARD OF DIRECTORS MEETING  
2032 E HICKORY HILL RD, ARGYLE, TX 76226  
MONDAY, FEBRUARY 17, 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 7:00 p.m. on Monday, February 17, 2020, at the Cross Timbers Water Supply Corporation offices, 2032 E Hickory Hill Rd, Argyle, TX 76226.

**Directors in Attendance:**

Patrick McDonald, 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:**

Kerry Maroney, Engineer

**Others in Attendance**

None

**Board Members Not in Attendance**

Larry Kaufman  
Sherry Price

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

**Consent Agenda:**

**3. Discussion and Action to Approve the Minutes of the January 20, 2020 Board Meeting**

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

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

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

Discussions 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) have ceased. Mr. Maroney reviewed a sewer concept plan for the CCN territory and discussed a meeting held with UTRWD for sewer treatment services. Further meetings with UTRWD are planned for February. No action taken.

**6. Discussion and Action to Approve Water Service for Boots Ranch**

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Motion by Andre Nicholas and second by Michael Paulson to approve water service for Boots Ranch. Motion approved unanimously.

**7. Discussion and Action to Approve Construction of a Detention Pond**

Staff reviewed a concept plan and costs for putting in a water detention pond at the front of the property to handle water runoff from its property and drainage from properties to the west. The Board asked for additional information including having Staff complete the project. More information will be available for the March meeting.

**8. Discussion and Action on Financial Charges for Collection of Funds**

The State of Texas courts have recently ruled to enable Water Supply Corporations to charge a credit card surcharge to parties using credit/debit cards to make payments. The amount must be equal to the swipe fees charged to them by credit card companies. Staff have discussed this with the parties providing the service for the Corporation and negotiated a fixed fee for all credit card charges. This will lower the cost charged on credit cards by 8.5%. The Board discussed the merits of adding this to the payments made by Members and determined that it is a common practice in the industry. Motion by Susan Crawford and second by Garry Granger to modify the policy on credit card payments to include a surcharge of \$2.70 per transaction to be effective in May 2020. Motion approved unanimously. Staff were directed to begin notification to the Membership of this change.

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

Mr. Maroney reviewed the status of the USDA Loan and advised the Board that the Corporation will begin advertising for bids for construction of improvements on Chinn Chapel Road and Jeter Road on March 12, 2020. Bids will be received through April 16, 2020 and will be opened on that date. The Board will be presented with a recommended bid to approve at the Board Meeting on April 20, 2020.

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

The General Manager presented an option to begin payments to vendors via electronic fund transfer (EFT) for vendors that we routinely deal with. The Board rejected this option and will continue to pay vendors via check. Staff are exploring adding the ability to make payments for other than water service in our billing and membership system. Procedures and controls are being identified to ensure payments can be received and processed without affecting the Membership data. This would be applicable for things like filing fees, invoices for damages to the Corporation's assets, sales of scrap, etc. A comparison of CTWSC rates and other water suppliers in the area was reviewed by the Board to ensure our rates are in line with others in the area. 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 installing a new set of meters in the Stonewood site to determine if new technologies are available for measuring water produced and water distributed within our system. The Corporation currently uses five different types of meters, many of them a decade old, and standardization may provide more accurate and efficient tracking of data. Results will be reported in a future meeting. No action taken.

The Water Superintendent reported on leaks and additional licenses earned by the staff for use in managing the variety of construction occurring in the territory. No action taken.

**11. Executive Session: Mr. McDonald announced that the Board would go into Executive Session at 8:12 p.m. and came out of Executive Session at 8:52 p.m.**

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**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** – 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.

**14. Discussion and Action on Personnel** – No action taken on personnel matters.

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

Applications for Board Member are being received through March 13, 2020.

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

The next meeting of the Board will be March 16, 2020. Items may include financials, litigation, construction, approval of the Annual Audit, Annual Meeting items, and such other matters as may come before the Board.

**17. Adjournment**

Motion to adjourn by Susan Crawford and second by Andre Nicholas and approved unanimously. The meeting adjourned at 8:56 p.m.

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TRANSCRIBED BY LLOYD HANSON

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CERTIFIED BY LARRY KAUFMAN, ACTING SECRETARY-TREASURER