

CROSS TIMBERS WATER SUPPLY CORPORATION
MINUTES of the BOARD OF DIRECTORS MEETING
2032 E HICKORY HILL RD, ARGYLE, TX 76226
MONDAY, JANUARY 17, 2022

1. Call to Order

Mr. McDonald called the December meeting of the Board of Directors of Cross Timbers Water Supply Corporation to order at 7:00 p.m. on Monday, January 17, 2022, at the Cross Timbers Water Supply Corporation's offices, 2032 E Hickory Hill Rd, Argyle, TX 76226.

Directors in Attendance:

Patrick McDonald, President
Michael Paulson, Secretary-Treasurer
Larry Kaufman, Vice President
Andre Nicholas
Sherry Price
Rick Beutter

Staff in Attendance:

Chad Wolf, General Manager
Lloyd Hanson, Controller

Consultants in Attendance:

None

Others in Attendance

None

Board Members Not in Attendance

Garry Granger

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

Consent Agenda

3. Discussion and Action to Approve the Minutes of the December 13, 2021, Board Meeting

4. Discussion and Action to Approve the December 2021 Financial Reports

Motion by Larry Kaufman and second by Rick Beutter to approve the minutes of the December 13, 2021 Board Meeting. Motion approved unanimously. Mr. Hanson provided information and answered questions about the December 2021 financials. Motion by Michael Paulson and second by Andre Nicholas to approve the December 2021 financials. Motion approved unanimously.

5. Discussion and Action to Approve Changes to the Restricted Cash Account

The Restricted Cash account is made up of funds set aside by the Board of Directors for capital improvements to the Corporation water system. The Board annually reviews the funds received from operations and determines if funds need to be added to or removed from the account. In 2021, the Corporation produced positive cash flow from operations and other activities. Motion by Michael Paulson and second by Rick Beutter to transfer \$805,193.25 from operating cash to Restricted Cash for the year 2021. Motion approved unanimously.

6. Discussion and Action on the Sewer CCN

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No new information was available, and no action was taken.

7. Discussion and Action on the Stonebridge Water Supply Corporation Merger

A written contract between the Corporation and Stonebridge WSC was put in place to manage the operations of Stonebridge WSC. The Corporation will be installing a new water line from its facilities in Saddlebrook as the well at Stonebridge is deteriorating. Motion by Andre Nicholas and second by Sherry Price to approve a contract not to exceed \$130,000 to extend a water line from Saddlebrook to Stonebridge to supply water to the membership. Motion approved unanimously.

8. Discussion and Action on the General Manager's Report

Mr. Wolf updated the Board on the post fire hydrant installation in Double Oak, the upgrades done to the Jernigan Well Station, the status on the vehicles and equipment used by the Corporation, and a proposed change in notifications to the Membership on water outages and repairs being done. The elevated water tank coating at Simmons Road and FM407 has reached its life span and is in need to recoating. The original coating from 1996 and Double Oak logo will be removed down to bare metal and recoated. The tank will be shrouded during removal and recoating. Double Oak is determining how they want to proceed with their logo. Motion by Andre Nicholas and second by Michael Paulson to approve a contract not to exceed \$185,000 for the recoating of the elevated tank at Simmons and FM407. Motion approved unanimously.

9. Discussion and Action on Items for the 2022 Annual Meeting

Motion by Andre Nicholas and second by Larry Kaufman to approve the Application for Board Director, the Application Signature Document and the letter to the Membership regarding open positions on the Board of Directors. Motion approved unanimously.

10. Discussion and Action on the Identity Theft Program

Staff prepared a regular review of the steps taken to ensure corporate and Member information is secured and maintained throughout its operating systems and through policies and procedures within the Corporation. Staff presented a review of the activities taken throughout the last two years and improvements and upgrades made to its security of information. In addition, Staff prepared the Identity Theft Prevention Program for Cross Timbers Water Supply Corporation for the year 2022. Motion by Sherry Price and second by Andre Nicholas to approve the 2022 Identity Theft Prevention Program. Motion approved Unanimously.

11. Executive Session Concerning All Matters Related to Personnel, Pursuant to G.C. §551.074

The Board went into Executive Session at 8:00 p.m. and came out of Executive Session at 8:10 p.m.

12. Discussion and Action on Personnel Matters

The Board took no action.

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

The next meeting of the Board will be February 14, 2022. Agenda items may include construction, financials, Annual Meeting items, and such other items as may be required.

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14. Adjournment

Motion to adjourn by Larry Kaufman and second by Rick Beutter and approved unanimously. The meeting adjourned at 8:13 p.m.

TRANSCRIBED BY LLOYD HANSON, CONTROLLER

CERTIFIED BY MICHAEL PAULSON, SECRETARY-TREASURER
