

**CROSS TIMBERS WATER SUPPLY CORPORATION
MINUTES of the BOARD OF DIRECTORS MEETING
2032 E HICKORY HILL RD, ARGYLE, TX 76226
MONDAY, AUGUST 15, 2022**

1. Call to Order

Mr. McDonald called the August meeting of the Board of Directors of Cross Timbers Water Supply Corporation to order at 7:00 p.m. on Monday, August 15, 2022, at the Cross Timbers Water Supply Corporation's offices, 2032 E Hickory Hill Rd, Argyle, TX 76226.

Directors in Attendance:

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

Staff in Attendance:

Chad Wolf, General Manager
Lloyd Hanson, Controller

Consultants in Attendance:

None

Others in Attendance

Alan Walton

Board Members Not in Attendance

None

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

Consent Agenda

- 3. Discussion and Action to Approve the Minutes of the July 18, 2022, Board Meeting**
- 4. Discussion and Action to Approve the July 2022 Financial Reports**

Motion by Larry Kaufman and second by Michael Paulson to approve the Consent Agenda. Motion approved unanimously.

5. Discussion and Action on the Sewer CCN

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

6. Discussion and Action on the Insurance Renewal 2022

The AIA Agency handling the insurance renewal for 2022-2023 billed us incorrectly for the Commercial Package portion of the renewal. This resulted in a \$6,405.00 underpayment by the Corporation for the renewal of this portion of the insurance program. The Agency has proposed we pay 50% of the underpayment and they will pay the remaining portion. Motion by Michael Paulson and second by Garry Granger to accept the proposal from the Agency

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and authorize Staff to make a payment in the amount of \$3,202.50. After discussion, motion was approved unanimously.

7. Discussion and Action on Communications

Board Members reviewed the information sent to the Cross Timbers Gazette and noted it had not been included in the paper edition, but it had been placed on the first page of the online version of the Gazette. Board Members discussed various ways to get news and/or emergency notifications to the Members. Staff noted that 92% of the Members have email/phone/text notifications available for receiving information and that Staff had been using this for the most recent communications. Discussions about whether this was sufficient or needed additional changes were held with various opinions being presented. Staff noted that they are working to obtain secondary communication methods established (second email or cell phone) to expand ways to reach people for communication purposes. Garry Granger will prepare news updates as needed and seek to get these published in the print edition of the Cross Timbers Gazette, either through free or paid publication.

8. Discussion and Action on the 2023 Budget

Preliminary pricing on the water purchased from Upper Trinity Regional Water District suggests a change in the water use rate could result in increases in the tier rates for 2023. Labor, material and utility prices will also be examined to determine how they may impact 2023 budget items. Staff were asked to prepare additional pricing information for the Board to examine as we begin the Budget process in September. No action taken.

9. Discussion and Action on the Water Demand Management Plan

Upon implementation of Stage 3 in the Water Demand Management Plan on July 1, it became apparent in July that additional changes in the enforcement of water restrictions in the Stages 2, 3, and 4 were needed. The Board reviewed the proposed changes from Staff and asked that further adjustments be made. Due to the continued high demand for water, proposed restrictions from our surface water supplier, and lack of compliance with Stage 3 water restrictions, Staff were directed to immediately change the enforcement items and present them to the Corporation Officers within 24 hours. If approved by the Officers, another Board Meeting to address this Urgent Public Necessity will be called and notices sent out for a meeting on an emergency basis as provided for in the Open Meetings Act of the State of Texas. This is necessary as changes to the Water Demand Management Plan are part of the Corporation's Tariff and must be filed with the Public Utilities Commission prior to publication to the Membership. Staff were directed to proceed with urgency.

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

Mr. Wolf advised the Board that the recoating of the elevated water tank and pedestal on FM407 and the installation of the logo from Double Oak have been completed. Meetings were held with the Engineer, Kerry Maroney, P.E., regarding a control valve at the FM407 elevated tank and solutions to improving operations at elevated tanks. The Jernigan well is operating on temporary drives and new equipment is expected to be put in place this week. The temporary drive will be moved to Stonewood pending receipt of the new equipment there so we can operate both wells at the same time. As noted in discussions about the Water Demand Management Plan, a new Peak Day demand for water was seen on July 20 when 4,544,632 gallons were required. Stage 3 water restrictions will remain in place and further changes are being addressed. Texas Commission on Environmental Quality regulations require water suppliers to regularly test for cross connections at commercial and residential locations to ensure water from sprinklers will not backflow into the potable water supply. Staff are working with vendors to set up testing and tracking tools to manage these tests and record corrections where needed. Upper Trinity Regional Water District has indicated, due to heavy demand on their water treatment plant and the low water availability, they may have to

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move to a water restriction stage that could reduce the amount of water available to parties such as us. No action taken.

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

The next regular meeting of the Board will be September 19, 2022. Agenda items will include financials, construction updates, communication, 2023 Budget, and such other items as may be required.

11. Adjournment

Motion to adjourn by Larry Kaufman and second by Garry Granger and approved unanimously. The meeting adjourned at 8:39 p.m.

TRANSCRIBED BY LLOYD HANSON, CONTROLLER

CERTIFIED BY MICHAEL PAULSON, SECRETARY-TREASURER