

**CROSS TIMBERS WATER SUPPLY CORPORATION
MINUTES of the BOARD OF DIRECTORS MEETING
2032 E HICKORY HILL RD, ARGYLE, TX 76226
MONDAY, SEPTEMBER 19, 2022**

1. Call to Order

Mr. McDonald called the September meeting of the Board of Directors of Cross Timbers Water Supply Corporation to order at 7:00 p.m. on Monday, September 19, 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
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

None

Board Members Not in Attendance

Larry Kaufman, Vice President

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

Consent Agenda

- 3. Discussion and Action to Approve the Minutes of the August 15 and August 18, 2022, Board Meetings**
- 4. Discussion and Action to Approve the August 2022 Financial Reports**

Motion by Michael Paulson and second by Rick Beutter to approve the Consent Agenda. Motion approved with Sherry Price abstaining on the August 18 minutes.

5. Discussion and Action on the Sewer CCN

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

6. Discussion and Action on a Municipal Settings Designation Resolution of Support

Motion by Rick Beutter and second by Michael Paulson to approve a Resolution of Support of a Municipal Setting Designation at 1951 Summit Avenue in Lewisville, TX. Motion was approved unanimously.

7. Discussion and Action on Communications

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Submitted news information from the Corporation to the Cross Timbers Gazette has resulted in no publication of the news in either the August or September publications. Mr. Granger has talked to the Gazette about this issue and received no satisfactory answers. Mr. Granger suggested we look for other publications for dissemination of information about the Corporation as the Gazette has not been receptive to our requests for publication. No further action taken.

8. Discussion and Action on the 2023 Budget

An initial cut of the 2023 Budget was presented by Staff and discussed by the Board. The Board requested several changes to the projected water use. Staff will update the water sold projection and other areas discussed and prepare a second 2023 Budget for review and consideration by the Board in October. Information about salary and benefit expenses has been unavailable in August and will need to be included in the second round of discussions. Overall, inflation is affecting some of the expense categories more than others. Weather conditions, which drive water use, indicate a similar summer to 2022, but with some rainy periods expected in late Spring and early Fall 2023. No action taken.

9. Discussion and Action on renewal of the Line of Credit with Independent Financial

The \$1.5 million line of credit is up for renewal in October and terms and conditions and rates were presented from Independent Financial for the 2022-2023 period. Staff recommended that we renew the line of credit at the proposed terms and rates. The cost is minimal for having the line in place and will only be used if financial conditions result in a need for more operating funds. The line was not used in 2022. Motion by Michael Paulson and second by Sherry Price to renew the Line of Credit with Independent Financial at the terms, conditions and pricing as submitted. Motion approved unanimously.

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

Mr. Wolf advised the Board that the wells at Stonewood and Jernigan are now back in production and will be monitored for a week to ensure the new equipment is operating correctly. Stage 3 water restrictions will remain in place for the next week as we confirm the wells are fully functional.

The Corporation is required to monitor and track cross-connection paperwork on commercial and residential properties to ensure no contaminated water is introduced into the water system. All Members have been advised of this requirement and upcoming activity to ensure compliance. In order to accomplish this, the Corporation has partnered with SC Tracking Solutions to provide a Texas Commission on Environmental Quality (TCEQ) compliant program. Commercial properties will be addressed first with letters requesting information on testing of cross-connection/backflow prevention devices. Residential confirmations will be staged throughout the next year to ensure accurate records are available from all Members of CTWSC. No action taken.

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

The Board went into Executive Session at 7:51 p.m. and came out of Executive Session at 8:00 p.m.

12. Discussion and Action on All Personnel Matters

No action taken on personnel matters.

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

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The next regular meeting of the Board will be October 17, 2022. Agenda items will include financials, status on wells, 2023 Budget, and such other items as may be required.

14. Adjournment

Motion to adjourn by Michael Paulson and second by Sherry Price and approved unanimously. The meeting adjourned at 8:03 p.m.

TRANSCRIBED BY LLOYD HANSON, CONTROLLER

CERTIFIED BY MICHAEL PAULSON, SECRETARY-TREASURER