

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

1. Call to Order

Mr. McDonald called the October meeting of the Board of Directors of Cross Timbers Water Supply Corporation to order at 7:00 p.m. on Monday, October 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
Larry Kaufman, Vice President
Michael Paulson, Secretary-Treasurer
Andre Nicholas
Garry Granger
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

Sherry Price

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

Consent Agenda

- 3. Discussion and Action to Approve the Minutes of the September 19, 2022, Board Meeting**
- 4. Discussion and Action to Approve the September 2022 Financial Reports**

Motion by Michael Paulson and second by Garry Granger to approve the Consent Agenda. Motion approved with Larry Kaufman abstaining.

5. Discussion and Action on the 2023 Budget

The Board reviewed the second version of the 2023 Budget and the changes requested from the last meeting. Water sales were increased to 510 million gallons based on continuing drought conditions and lower rain expected in the first quarter of 2023. The existing first tier of water use , 0-20,000 gallons – was split into two tiers – 0 – 5,000 gallons and 5001 – 20,000 gallons for the 2023 Budget. Salary information and benefit costs were discussed, and additional information will be presented to the Board at the November meeting. A Capital Budget 2023 was reviewed and discussed. A final Budget 2023 will be presented in November and must be approved at that time to meet Tariff requirements on notice and effective dates for any rate changes approved. No action taken.

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

Mr. Wolf updated the Board on the well repairs and noted that all wells are now operational. Mr. Wolf reported that the merger of Stonebridge WSC and Cross Timbers WSC is in the final stages of approval and an order has been issued and is pending at the Public Utility Commission.

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. The first 225 Members have been contacted and advised of upcoming inspections. Staff are recommending that we purchase 100 RPZ devices and make them available for Members to purchase. The Board discussed whether to offer financial assistance to Members who may want to spread this cost out over a period of time. Motion by Michael Paulson and seconded by Andre Nicholas to approve the purchase of 100 RPZ devices at a cost of \$30,345.40 and to offer Members an option to spread the cost out over up to six months. The Board asked Staff to determine qualifications for requesting assistance and report that to the Board in November. Motion approved unanimously. No other action taken.

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

The next regular meeting of the Board will be November 14, 2022. Agenda items will include financials, status on wells, approval of the 2023 Budget, and such other items as may be required.

8. Adjournment

Motion to adjourn by Andre Nicholas and second by Larry Kaufman and approved unanimously. The meeting adjourned at 8:12 p.m.

TRANSCRIBED BY LLOYD HANSON, CONTROLLER

CERTIFIED BY MICHAEL PAULSON, SECRETARY-TREASURER