

**CROSS TIMBERS WATER SUPPLY CORPORATION  
MINUTES of the BOARD OF DIRECTORS MEETING  
2032 E HICKORY HILL RD, ARGYLE, TX 76226  
MONDAY, NOVEMBER 14, 2022**

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**1. Call to Order**

Mr. McDonald called the November meeting of the Board of Directors of Cross Timbers Water Supply Corporation to order at 7:00 p.m. on Monday, November 14, 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  
Andre Nicholas  
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**

Michael Paulson, Secretary-Treasurer  
Garry Granger

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

**Consent Agenda**

**3. Discussion and Action to Approve the Minutes of the October 17, 2022, Board Meeting**

**4. Discussion and Action to Approve the October 2022 Financial Reports**

Motion by Andre Nicholas and second by Rick Beutter to approve the Consent Agenda. Motion approved with Sherry Price abstaining.

**5. Discussion and Action on the 2023 Budget**

The Board reviewed the third version of the 2023 Budget and the changes requested from the last meeting. Water sales and water revenue were discussed 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 along with reviewing the proposed changes to the healthcare program. Operating Expenses were reviewed based on expected pricing for materials in 2023 and the delays in obtaining water pipe, meters, and other infrastructure parts. The Board reviewed comparisons of rates for the North Texas area, Water Supply Corporations, and residential meters to ensure

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we remain competitive with surrounding area water suppliers. A Capital Budget for 2023 was reviewed and discussed. Motion by Larry Kaufman and second by Andre Nicholas to approve the 2023 Budget and the new rate structure to be effective January 1, 2023. Motion approved unanimously.

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

Mr. Wolf updated the Board on the cross-connection program now underway 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. Mr. Wolf reported that the merger of Stonebridge WSC and Cross Timbers WSC has been approved and an order confirming the Merger has been issued by the Public Utility Commission. Cross Timbers and Stonebridge will now submit a Proof of Transaction Completion and Customer Deposits (if any) Transferred and the merger will be completed. All Stonebridge Members have completed paperwork to be added to our system. October bills have been sent out and will be collected by Cross Timbers. All assets will be transferred effective November 10, 2022.

No action taken.

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

The Board went into Executive Session at 7:37 p.m. and came out of Executive Session at 8:03 p.m.

**8. Discussion and Action on All Personnel Matters**

No action taken on personnel matters.

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

The next regular meeting of the Board will be December 19, 2022. Agenda items will include financials, construction, appointment of an auditor, Annual Meeting items, and such other items as may be required.

**10. Adjournment**

Motion to adjourn by Larry Kaufman and second by Sherry Price and approved unanimously. The meeting adjourned at 8:04 p.m.

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TRANSCRIBED BY LLOYD HANSON, CONTROLLER

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CERTIFIED BY LARRY KAUFMAN, ACTING SECRETARY-TREASURER