

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

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, December 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
Garry Granger
Andre Nicholas
Rick Beutter
Sherry Price

Staff in Attendance:

Chad Wolf, General Manager
Lloyd Hanson, Controller
Pradip Patel, Controller

Consultants in Attendance:

None

Others in Attendance

None

Board Members Not in Attendance

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

Consent Agenda

3. Discussion and Action to Approve the Minutes of the November 14, 2022, Board Meeting

4. Discussion and Action to Approve the November 2022 Financial Reports

Motion by Michael Paulson and second by Andre Nicholas to approve the Consent Agenda. Motion approved unanimously.

5. Discussion and Action on Financial Controls for the Corporation

The Board requested at the November meeting that internal controls be reviewed to ensure the Board that controls over cash, investments, and payrolls are in place and functioning. The Controller provided detailed information on the financial controls that are in place and reviewed and discussed them with the Board. No action taken.

6. Discussion and Action on Replacement of a Board Member

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With the recent death of the Vice President, the Board needed to replace the position. In addition, this position also held the designation of Registered Agent for the Corporation on a number of regulatory bodies. After discussion, Andre Nicholas nominated Michael Paulson to be the Registered Agent for the Corporation. This was seconded by Sherry Price and approved unanimously. Secondly, Andre Nicholas nominated Garry Granger to be Vice President and Sherry Price seconded the nomination. Motion was approved unanimously.

7. Discussion and Action to Appoint an Auditor for the 2022 Financials

The Board reviewed the recommendation to appoint Hankins, Eastup, Deaton, Tonn & Seay as the auditors for the 2022 financial audit of the Corporation. Motion by Michael Paulson and second by Garry Granger to appoint them. Motion approved unanimously.

8. 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. Mr. Wolf introduced Pradip Patel as the new Controller. A replacement for a Field Operator has been found and hired.

The Jernigan tanks were inspected by the TCEQ and a recommendation was received that internal coating is at a point of needing replacement. The Board and Mr. Wolf reviewed two different proposals regarding this work and no action was taken. The Board requested Mr. Wolf obtain new bids that include a possible roof replacement and bring those to the Board in January for review and approval.

No action taken.

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

The Board went into Executive Session at 7:38 p.m. and came out of Executive Session at 7:55 p.m.

10. Discussion and Action on All Personnel Matters

No action taken on personnel matters.

11. Discussion and Action to Appoint a Credentials Committee for the Annual Meeting 2023

Motion by Andre Nicholas and second by Michael Paulson to appoint Secretary-Treasurer Paulson, Director Price and Controller Patel to the Credentials Committee for the 2023 Annual Meeting. Motion approved unanimously.

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

The next regular meeting of the Board will be January 16, 2023. Agenda items will include financials, Annual Meeting items, review of the Restricted Cash account, Jernigan Tank quotes, 2023 meeting dates for the Board, Communications, and such other items as may be required.

13. Adjournment

Motion to adjourn by Garry Granger and second by Sherry Price and approved unanimously. The meeting adjourned at 7:57 p.m.

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TRANSCRIBED BY LLOYD HANSON, CONTROLLER

CERTIFIED BY MICHAEL PAULSON, SECRETARY-TREASURER