

**CROSS TIMBERS WATER SUPPLY CORPORATION  
MINUTES of the BOARD OF DIRECTORS MEETING  
2032 E HICKORY HILL RD, ARGYLE, TX 76226  
MONDAY, JANUARY 16, 2023**

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**1. Call to Order**

Mr. McDonald called the January meeting of the Board of Directors of Cross Timbers Water Supply Corporation to order at 7:00 p.m. on Monday, January 16, 2023, 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, Vice President  
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**

Michael Kuehler – Candidate for vacant board member positions

**Board Members Not in Attendance**

None

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

**3. Discussion and Action on Water bill dispute**

Homeowner did not attend the meeting, no action taken.

**Consent Agenda President McDonald asked that the consent agenda be broken into its individual parts in order to address a change.**

**4. Discussion and Action to Approve the Minutes of the December 19, 2022, Board Meeting**

Mr. McDonald noted that the party submitting a motion to adjourn was Sherry Price and the minutes need to be amended to reflect that. Motion by Andre Nicholas and second Michael Paulson to approve the Minutes of the December 19, 2022, meeting as amended. Motion approved unanimously.

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**5. Discussion and Action to Approve the December 2022 Financial Reports**

Motion by Michael Paulson and second by Andre Nicholas to approve December 2022 Financials. Motion approved unanimously.

**6. Discussion and Action on Restricted Cash Account for 2022**

The Restricted Cash account is made up of funds set aside by the Board of Directors for capital improvements to the Corporation's water system. The Board annually reviews the funds received from operations and determines if funds need to be added to or removed from the account. In 2022, the Corporation produced positive cash flow from operations and other activities. Board was informed of the expense of the inventory items that were used during the year 2022. Motion by Michael Paulson and second by Sherry Price to transfer \$650,000 from operating cash to Restricted Cash for the year 2022. Motion approved unanimously.

**7. Discussion and Action to Appoint new Board Member**

The Board interviewed Mr. Michael Kuehler for the vacant board member position, answered any questions Mr. Kuehler had. After discussion, Andre Nicholas motioned to add Mr. Kuehler to the board. This was seconded by Richard Beutter and approved unanimously. Mr. Kuehler joined the Board and participated in the rest of the meeting.

**8. Discussion and Action Banking Items**

Motion by Michael Paulson and second by Sherry Price to add Mr. Garry Granger, Vice President, as an authorized signer on the Independent Financial Bank Accounts. Motion approved unanimously.

**9. Discussion and Action on Items for the 2023 Annual Meeting**

Motion by Andre Nicholas and second by Garry Granger to approve the 2023 Application for Board Director, the Application Signature Document, and the letter to the Membership regarding open positions on the Board of Directors. Motion approved unanimously.

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

Mr. Wolf reminded the Board on the required completion of the Stonewood line improvement by 2025 per Bartonville settlement agreement. General Manager has requested draw new plan for the project from Kerry the engineer so he can request the bid for accurate pricing.

J&A Coating company has started the tank rehab work for Jernigan Tank. The pre-approved deposit of \$23,920 has been paid to the contractor to start work in January 2023.

The valve repair work at Double Oak has been completed.

The Board has requested to obtain a pricing for the Stonewood line improvement project once the new plans are available.

Board approved the full bid from J&A Coating company for \$168,780.00 to refurbish both Jernigan storage tanks. Motion by Sherry Price, Andre Nicholas seconded, and motion was approved unanimously.

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

The Board discussed personnel matters. No action was taken.

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

The next regular meeting of the Board will be February 13, 2023. Agenda items will include financials, Annual Meeting items, and other items as may be required.

**13. Adjournment**

Motion to adjourn by Garry Granger and second by Richard Beutter and approved unanimously. The meeting adjourned at 7:43 p.m.

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TRANSCRIBED BY Pradip Patel, CONTROLLER

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CERTIFIED BY Michael Paulson, SECRETARY-TREASURER