

**CROSS TIMBERS WATER SUPPLY CORPORATION
MINUTES of the BOARD OF DIRECTORS MEETING
2032 E HICKORY HILL RD, ARGYLE, TX 76226
MONDAY, JUNE 16, 2025**

1. Call to Order

Mr. McDonald called the June meeting of the Board of Directors of Cross Timbers Water Supply Corporation to order at 7:00 p.m. on Monday, June 16, 2025, at the Cross Timbers Water Supply Corporation's offices, 2032 E Hickory Hill Rd, Argyle, TX 76226.

Directors in Attendance:

Patrick McDonald, President
Garry Granger, Vice President
Michael Paulson, Secretary-Treasurer
Andre Nicholas
Sherry Price

Staff in Attendance:

Chad Wolf, General Manager
Pradip Patel, Controller
Karen Lambert, Billing Coordinator

Consultants in Attendance:

None

Others in Attendance

None

Board Members Not in Attendance

Michael Kuehler
Gary Don Brittain

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

Consent Agenda

3. Discussion and Action to Approve the Minutes of May 19, 2025, Board Meeting

4. Discussion and Action to Approve the May 2025 Financial Report

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

5. Discussion and Action on Banking Institution Changes

Mr. Patel let the board know that the merger of Independent Bank and SouthState Bank was completed as of May 27, 2025, and that all accounts have been successfully transferred to the new bank. No action needed.

CROSS TIMBERS WATER SUPPLY CORPORATION
MINUTES of the BOARD OF DIRECTORS MEETING
2032 E HICKORY HILL RD, ARGYLE, TX 76226
MONDAY, JUNE 16, 2025

6. Discussion and Action on the Conversion of Accounting System to iCloud

Mr. Patel informed the board that we have successfully completed the conversion of the accounting system to iCloud base. He let them know that this conversion will save approximately \$9,000 per year. He also told the board that all appropriate security procedures have been set up by Harris Computers, and attached to the board report is a letter from Local Circuit with details. Mr. McDonald asked Mr. Patel to update the board next month on the security procedures according to Local Circuit. No action needed.

7. Discussion and Action on Members Equity update as of Year End 2024

Mr. Patel let the board know that as of YE 2024, the Members Equity was \$8,380, up by \$400 from YE 2023, and that as of June 1, 2024, we have been charging \$7,985 to new members. He informed the board that on average, we are adding about 50 new members per year and by increasing our New Members' equity rate to \$8,380, it will add \$20,000 in revenue per year. He also reminded the board that the equity fee is paid by the developer. Motion by Sherry Price and second by Michael Paulson to increase the Members Equity rate to \$8,380 effective July 1, 2025. Motion approved unanimously.

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

Mr. Wolf informed the board that as of June 11th, THI was close to completing Stage One and that the estimated project completion is November 2025. He let the board know that the SCADA system is functioning properly, and that a final walk-through with DFS and Groves Electric is scheduled for next week. Once the system is fully complete, staff will begin work on upgrading security at all well site locations. Mr. Wolf also updated the board on a few newer/younger staff members (Trey Whisenhunt & Braedyn Lockard). Lastly Mr. Wolf discussed with the board the status of enforcing compliance with the backflow program, primarily that meter locks are scheduled for Members who have received multiple warnings via letter and/or phone call without responses back from those Members, therefore 21 service locations were set to be locked on June 17th. No action needed.

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

The next meeting date will be July 21, 2025, and the agenda will include items such as financials and other items as may be required.

10. Adjournment

Motion to adjourn by Garry Granger and second by Andre Nicholas and approved unanimously. The meeting was adjourned at 7:25 p.m.

TRANSCRIBED BY Karen Lambert, Billing Coordinator

CERTIFIED BY Michael Paulson, Secretary-Treasurer