

**CROSS TIMBERS WATER SUPPLY CORPORATION  
MINUTES of the BOARD OF DIRECTORS MEETING  
2032 E HICKORY HILL RD, ARGYLE, TX 76226  
MONDAY, NOVEMBER 17, 2025**

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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 17, 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  
Michael Kuehler  
Gary Brittain

**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**

None

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

**Consent Agenda**

**3. Discussion and Action to Approve the Minutes of October 20, 2025, Board Meeting**

**4. Discussion and Action to Approve the October 2025 Financial Report**

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

**5. Discussion and Action on the renewal of Health Insurance for 2026**

Mr. Patel discussed with the board the three different plan options available from United Health Care. He let the board know that the quote from Blue Cross Blue Shield was significantly costlier than continuing with a plan from UHC. Mr. Patel outlined that the choices were to continue with our current plan, at a 23% rate increase, or one of two other options. Option 1 has an 8% rate increase and higher copay and deductibles and Option 2 has a 9% rate increase and a moderate copay and higher deductible. Motion by Michael Paulson and second by Sherry Price to select Option 2 of the presented plans. Motion passed unanimously.

**6. Discussion and Action on Orchid Hill well loan update**

Mr. Patel informed the board that SouthState Bank had received an appraisal of \$1,690,000 for the property, which is significantly below DCAD's value of \$2,814,147. He told them that he is continuing to communicate with Mr. James Price about other options and suggested that one option would be to use the credit line instead. The board requested he find out what the new interest rate would be if they went that route. No action needed.

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**7. Discussion and Action on Approval of 2026 Budget**

Mr. Patel reviewed the 2026 Budget figures which are based on the past three years' actual financial results and let them know that several expense categories had been adjusted upward to reflect cost increases and inflationary trends. He informed the board that the Capital Expenditures Budget for 2026 is set at \$1.5 million, to include planned investments in the Orchid Hill Pump Station, SCADA system upgrades and Utility Truck Replacement. Motion by Michael Paulson and second by Sherry Price to approve the 2026 Budget as outlined. Motion passed unanimously.

**8. Discussion and Action on Approval of Gallonage Tier Rate for 2026**

Mr. Patel discussed with the board the rate increases that UTRWD had announced for Fiscal Year 2026 and let them know that the new rates will increase annual water purchasing costs by approximately \$88,600, an approximate 10% rise. He recommended to the board that based on these and other increases in operating expenses, it would be appropriate to review and review the gallonage tier rate structure for 2026 and discussed with them his attached worksheet with detailed calculations and projections. Motion by Andre Nicholas and second by Michael Paulson to approve raising the gallonage tier rate structure for 2026 by the presented 5% increase. Motion passed unanimously.

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

Mr. Wolf let the board know that the CoServ engineer had completed and submitted the design for the Orchid Hill upgrade approval, and that he'd asked his contact with CoServ to follow up on the timeline for moving the project into construction. Mr. Wolf informed the board that a power surge had occurred at the Stonewood well site, which damaged one of the booster pump drives and the DFS system. He let them know that the DFS system is covered under its surge protection warranty and is currently being rebuilt, and that C&P Pumps had ordered a replacement drive which will be installed up delivery. He also let the board know that there had been a minor leak which occurred on a 4" bell connection at Cross Timbers Drive in Double Oak. Lastly, Mr. Wolf told the board that Denton County plans to replace and upgrade the bridge on Estates Drive, with the new bridge being 3' taller and meeting the 100-year flood plan standard. He let them know that the County also intends to upgrade our water line running under the creek and that the County will prepare preliminary plans to be submitted to Kerry Maroney for review and comment. No action needed.

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

The next meeting date will be December 15, 2025, and the agenda will include financials, and update on the loan situation, construction updates, appointing a Credential Committee for 2026 and other items as may be required.

**11. Adjournment**

Motion to adjourn by Andre Nicholas and second by Sherry Price and approved unanimously. The meeting was adjourned at 7:34 p.m.

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TRANSCRIBED BY Karen Lambert, Billing Coordinator

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CERTIFIED BY Michael Paulson, Secretary-Treasurer