

CROSS TIMBERS WATER SUPPLY CORPORATION
MINUTES of the BOARD OF DIRECTORS MEETING
2032 E HICKORY HILL RD, ARGYLE, TX 76226
MONDAY, DECEMBER 15, 2025

1. Call to Order

Mr. McDonald called the December meeting of the Board of Directors of Cross Timbers Water Supply Corporation to order at 7:00 p.m. on Monday, December 15, 2025, 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
Andre Nicholas
Michael Kuehler

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

Garry Granger, Vice President
Sherry Price
Gary Brittain

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

Consent Agenda

3. Discussion and Action to Approve the Minutes of November 17, 2025, Board Meeting
4. Discussion and Action to Approve the November 2025 Financial Report

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

5. Discussion and Action to Appoint an Auditor for the 2025 Financials

Mr. Patel informed the Board that Staff does not recommend a change in the auditor for the 2025 financial audit. The Board reviewed the recommendation to appoint Hankins, Eastup, Deaton, Tonn & Seay as the auditors for the 2025 financial audit of the Corporation. Motion by Andre Nicholas and second by Michael Kuehler to approve of using the current auditor. Motion approved unanimously.

6. Discussion and Action on Orchid Hill loan update

Mr. Patel informed the board that Mr. James Price had resigned from South State Bank and Keith Baker is now our new contact at the bank. Mr. Patel let the board know that he had with Mr. Baker and received the construction loan and Revolving line of credit term sheet for review and approval. Mr. Nicholas requested that Mr. Patel obtain solid proposals from 3 banks to allow a comparison with the terms being offered by South State Bank. No action needed.

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

Mr. Wolf updated the board on the Orchid Hill upgrade, letting them know that Staff and Kerry Maroney remain in regular communication with CoServ. He also let them know that Staff is exploring the possibility of having the original 440-amp power temporarily restored which would provide sufficient capacity to operate the test/flush pump. Mr. Wolf discussed with the board that he expects to receive a replacement schedule for the new SCADA panel by the end of this week, and that the booster pump drive had already been replaced and the Stonewood system is able to be operated in manual mode, however the functionality will not be restored until the new DFS panel is installed. Mr. Wolf then informed the board that development of the Aune Ranch property is underway for residential use and that the developer had entered a dispute with Upper Trinity regarding requirements for crossing their easements. He let the board know that the developer attempted to proceed without adhering to Upper Trinity's requirements, prompting them to issue a cease-and-desist order. No action needed.

8. Discussion and Action to Appoint a Credential Committee for the Annual Meeting 2026

Appointed to the Credentials Committee for the 2026 Annual Meeting were Secretary-Treasurer Michael Paulson, Water Superintendent Cody Cliatt and Board Member Andre Nicholas. No action needed.

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

The Board went into Executive Session at 7:14 p.m. and came out of Executive Session at 7:23 p.m.

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

The next meeting date will be January 19, 2026, and the agenda will include financials, Annual Meeting items, the open Board positions, a review of the Restricted Cash account and such other items as may be required.

11. Adjournment

Motion to adjourn by Michael Paulson and second by Andre Nicholas and approved unanimously. The meeting was adjourned at 7:26 p.m.

TRANSCRIBED BY Karen Lambert, Billing Coordinator

CERTIFIED BY Michael Paulson, Secretary-Treasurer