

**CROSS TIMBERS WATER SUPPLY CORPORATION**  
**MINUTES of the BOARD OF DIRECTORS MEETING**  
**2032 E HICKORY HILL RD, ARGYLE, TX 76226**  
**MONDAY, JANUARY 19, 2026**

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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 19, 2026, 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 December 15, 2025, Board Meeting**

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

Motion by Michael Paulson and second by Garry Granger to approve the Consent Agenda. Motion approved with Sherry Price and Gary Brittain abstaining.

**5. Discussion and Action to Restricted Cash Account for 2025**

Mr. Patel let the board know that to provide for anticipated future capital improvements – specifically the remaining costs for the Orchid Hill well and pump station – he had increased the restricted cash balance by \$500,000.00. After discussion, Mr. Patel was informed by the board that their approval is required prior to moving funds from the unrestricted and restricted cash accounts. Motion by Andre Nicholas and second by Michael Paulson to approve moving \$500,000.00 to the restricted cash account. Motion approved unanimously.

**6. Discussion and Action on Orchid Hill loan options**

Mr. Patel discussed the term letters received from InterBank, SouthState Bank and Texas Security Bank, going over the interest rates and collateral requirements given by each. The board requested that Mr. Patel inquire if SouthState Bank would accept only the Orchid Hill Well and office building as collateral rather than all business assets. The board also requested that Mr. Patel inquire if InterBank and Texas Security Bank would be willing to adjust their interest rate to the percentage offered by SouthState Bank. Mr. Patel said he would do so and update the board at the next meeting. No action needed.

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**7. Discussion and Action on Acceptance of Copper Knoll Estates**

Mr. Wolf informed the board that the staff had walked and accepted the 18 lots that were developed.

**8. Discussion and Action on Acceptance of Copper Creek Phase III**

Mr. Wolf informed the board that the staff had walked and accepted the 40 lots that were developed. Motion by Andre Nicholas and second by Michael Paulson to approve acceptance of Copper Knoll Estates as well as Copper Creek Phase III. Motion approved unanimously.

**9. Discussion and Action on Items for the 2026 Annual Meeting**

Mr. Patel informed the board that approval was needed for the Application for Board Director, Application Signature Document and the letter to the Membership regarding open Board positions (to be published on the website). He let them know that these items must be published prior to the next board meeting to provide members with the required 30-day application period for open positions. Motion by Michael Paulson and second by Sherry Price to approve the forms as presented. Motion approved unanimously.

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

Mr. Wolf updated the board on the Orchid Hill upgrade, letting them know that installation of the new 600-amp transformers had been rescheduled for January 22<sup>nd</sup> due to a delay in receiving the transformers. Mr. Wolf informed the board that DFS remains on schedule with the Stonewood panel build and replacement, with the installation date set for February 2<sup>nd</sup>. He let the board know that, if necessary, the station can be operated in manual mode during the transition. Mr. Wolf next let the board know that development of the Aune Ranch remains under litigation between the developer and Upper Trinity, and that the Corporation remains neutral and will not comment on the project. Lastly, he discussed with the board that CTWSC currently requires a one (1) year maintenance bond from developers for new neighborhood developments, however the Town of Copper Canyon requires a two (2) year maintenance bond. He recommended that CTWSC revise its requirement to match the Town of Copper Canyon, explaining that it would provide additional protection and security over a longer timeframe on future projects. Motion by Garry Granger and second by Mike Kuehler to extend the length of the required maintenance bond from one year to two years. Motion approved unanimously.

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

The next meeting date will be February 16, 2026, and the agenda will include financials, Annual Meeting items, the open Board positions and such other items as may be required. Mr. Granger requested that at the next meeting the board be informed on the Corporation's lockdown procedures during times of crisis and/or emergencies.

**12. Adjournment**

Motion to adjourn by Andre Nicholas and second by Garry Granger and approved unanimously. The meeting was adjourned at 7:33 p.m.

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TRANSCRIBED BY Karen Lambert, Billing Coordinator

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CERTIFIED BY Michael Paulson, Secretary-Treasurer