

**CROSS TIMBERS WATER SUPPLY CORPORATION
MINUTES of the BOARD OF DIRECTORS MEETING
2032 E HICKORY HILL RD, ARGYLE, TX 76226
MONDAY, MARCH 09, 2026**

1. Call to Order

Mr. McDonald called the March meeting of the Board of Directors of Cross Timbers Water Supply Corporation to order at 7:00 p.m. on Monday, March 9, 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

Consultants in Attendance:

Heather LaPoint, Auditor

Others in Attendance

None

Board Members Not in Attendance

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

Consent Agenda

- 3. Discussion and Action to Approve the Minutes of February 16, 2026, Board Meeting**
- 4. Discussion and Action to Approve the February 2026 Financial Report**

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

5. Discussion and Action on Orchid Hill well / pump station loan

Mr. Patel informed the board that Texas Security Bank's CD interest rate in comparison to the loan interest rate is favorable to CTWSC, but that the Money Market interest rate is currently better at SouthState Bank. He let the board know that he did ask Texas Security Bank if they would be interested in handling only the loan portion of our business and was told that they would be willing to assist in whatever way they can. Mr. Patel gave his conclusion to the board that at present, having a large amount of deposits in the Money Market account at SouthState Bank is earning a better interest rate, and we also maintain a line of credit with them, therefore it is not currently necessary to change banks. No action needed.

6. Discussion and Action on the YE 2025 Financial Audit update

Ms. Heather LaPoint with Hankins Eastup Deaton Tonn Seay & Scarborough LLC presented the 2025 Financial Audit report. No action needed.

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7. Discussion and Action on the Commercial Insurance renewal update

Mr. Patel let the board know that Staff has submitted the pre-renewal questionnaires and check list and that our AIA Insurance company representative is still working on the renewal and had no quote available at this time. He also let the board know that the representative will be presenting the quotes at the April board meeting. No action needed.

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

Mr. Wolf informed the board that CoServ completed the power relocation and meter installation and that THI began well flushing on February 25th and are expected to continue until a negative (clean) bacteriological sample is received. He told the board the typical flushing and testing period is approximately 2-3 weeks. Mr. Wolf let the board know that DFS replaced the damaged panel at Stonewood, however during start up, and additional underground wire serving the drive was discovered to have been impacted by the power surge and required replacement. Staff are coordinating replacement of the affected wire and will reschedule DFS to complete final start-up. He also informed the board that all stations now have surge protection installed on the primary power supply entering each building to help prevent future damage. Mr. Wolf discussed with the board that on February 10th, a 4" Class 160 water main break occurred at the intersection of Stonewood and Porter when a contractor struck an abandoned valve that had not been identified during utility locates. He let the board know that during repairs, staff discovered a 2" line extending south along Porter Rd and that the destination and service area of this line are currently unknown. He told the board that this section of main has been under evaluation for abandonment, however isolating the 4" main remains a challenge and is still being investigated. Mr. Wolf informed the board that Staff, along with Kerry Maroney, are working to locate the steel casing installed beneath the railroad crossing at Chinn Chapel in 1964. He told them existing drawings indicate a 90-degree bend prior to the casing and using historical documentation and mapping analysis, staff have identified an estimated bend location. He let the board know that Staff are getting a quote for a camera insertion into the main, just south of the valve that was inserted when we replaced the main under the creek, to confirm the location of the 90-degree bend. Lastly, Mr. Wolf presented and reviewed for the board the Crisis Communication & Emergency Response Plan. No action needed.

9. Discussion and Action on Items for the Annual Meeting

Mr. Patel informed the board that no applications, other than from the two incumbents running for re-election, had been received for the two open Board positions, therefore the two incumbent Directors can be elected by a resolution of the Board. A Resolution Declaring Unopposed Candidate of Cross Timbers Water Supply Corporation Elected is attached for approval and signature. Additionally, Mr. Patel advised the board that attached to their board packets for their consideration and approval was the Letter to the Membership and Agenda for the 2026 Annual Meeting, to be held at our office on April 20, 2026, at 7:30 p.m. Motion by Michael Paulson and second by Sherry Price to approve the two unopposed candidates for re-election. Motion approved unanimously.

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

The next meeting date will be April 20, 2026 in conjunction with the Annual Meeting. The agenda will include financials, commercial insurance renewal and other items as may be required.

11. Adjournment

Motion to adjourn by Garry Granger and second by Michael Kuehler and approved unanimously. The meeting was adjourned at 7:46 p.m.

TRANSCRIBED BY Karen Lambert, Billing Coordinator

CERTIFIED BY Michael Paulson, Secretary-Treasurer