CROSS TIMBERS WATER SUPPLY CORPORATION
MINUTES of the BOARD OF DIRECTORS MEETING
2032 E HICKORY HILL RD, ARGYLE, TX 76226
MONDAY, MAY 18, 2026

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1. **Call to Order**

Mr. McDonald called the May meeting of the Board of Directors of Cross Timbers Water Supply Corporation to order at 7:00 p.m. on Monday, May 18, 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
Gary Brittain

Staff in Attendance:
Chad Wolf, General Manager
Karen Lambert, Billing Coordinator

Consultants in Attendance:
Elliana Miguel with USI Insurance Services
John Crispo with USI Insurance Services
Rudy Bustamante with USI Insurance Services
Jim Stanco with Cincinnati Insurance Services

Others in Attendance
None

Board Members Not in Attendance
Michael Kuehler

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

Consent Agenda

3. **Discussion and Action to Approve the Minutes of April 20, 2026, Board Meeting**
4. **Discussion and Action to Approve the April 2026 Financial Report**

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

5. **Discussion and Action on Liability Insurance Proposal from USI Insurance Services**

Mr. Wolf introduced Ms. Elliana Miguel with USI Insurance Services, who presented her company's quote for liability insurance. The board asked a few questions on various rates and coverages and let Ms. Miguel know they would review the quote further and a decision would be made on the direction they would like to go. No action needed.

6. **Discussion and Action on NTGCD Tier Rate Fee Schedule**

Mr. Wolf discussed with the board the revised NTGCD Quarterly fee schedule, pointing out that the new fee schedule is an increase of 200%. He let them know that he plans to attend NTGCD's next board meeting, although he did not believe it would change anything, but wanted to go to discuss with them the short notice which was given on the revised fee schedule. No action needed.

7. Discussion and Action on 2025 Form 990 Tax Return

Mr. Wolf let the board know that the 2025 Federal Form 990 Tax Return was attached to their packets for review and that staff have reviewed and confirmed the numbers and other information and recommend approval of the tax filing. Motion by Mike Paulson and second by Sherry Price to approve filing of the 2025 Federal Form 990 Tax Return. Motion approved unanimously.

8. Discussion and Action on renewal of LOC with SouthState Bank

Mr. Wolf informed the board that renewal on the Line of Credit will occur on October 1. He reminded them that the company has not borrowed against this line and do not expect to do so again this year, but that it is a safety net for the Corporation and intended to be used only in extreme emergencies. He let them know that the line of credit is secured with the office building only. Mr. Wolf informed the board that it is Staff's recommendation that we renew the $1.5 million Line of Credit. Motion by Mike Paulson and second by Sherry Price to renew the line of credit. Motion approved unanimously.

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

Mr. Wolf informed the board that staff have completed the Orchid Hill Well upgrade pre-construction meeting with In-Control and work is scheduled to begin on or before May 18th. Mr. Wolf then let the board know no leaks have been reported since the last board meeting. Mr. Wolf also let the board know that staff have identified the direction of the water main crossing underneath the railroad tracks on Chinn Chapel Road and that the matter had been discussed with Kerry Maroney and staff will attempt to locate the casing within the next 2-3 weeks. Mr. Wolf discussed with the board the Contractor Registration Form now available on the website and informed them that the Towns have begun implementation of these forms in their permitting processes. He let the board know these forms will improve contractor tracking, enhance communication regarding infrastructure locations and help recover costs associated with damage to our infrastructure when applicable. Mr. Wolf reminded the board of the Horse Races summer Board/Employee event on Saturday June 27th and let them know that invitations will be sent out next week. Lastly, Mr. Wolf discussed with the board the need to look for a new company truck that will stay within the capital budget amount of $60K. Motion by Andre Nicholas and second by Michael Paulson to approve the purchase of a new truck up to the amount of $60K. Motion approved unanimously.

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

The next meeting date will be June 15, 2026. The agenda will include financials, construction updates, and such other items as may be required.

11. Adjournment

Motion to adjourn by Garry Granger and second by Andre Nicholas and approved unanimously. The meeting was adjourned at 7:41 p.m.

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TRANSCRIBED BY Karen Lambert, Billing Coordinator

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CERTIFIED BY Michael Paulson, Secretary-Treasurer