CROSS TIMBERS WATER SUPPLY CORPORATION
MINUTES of the BOARD OF DIRECTORS MEETING
2032 E HICKORY HILL RD, ARGYLE, TX 76226
MONDAY, JUNE 15, 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, June 15, 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
   - Pradip Patel, Controller
   - Karen Lambert, Billing Coordinator

   Consultants in Attendance:
   - None

   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 May 18, 2026, Board Meeting**
4. **Discussion and Action to Approve the May 2026 Financial Report**

   Motion by Andre Nicholas and second by Garry Granger to approve the Consent Agenda. Motion approved unanimously.

5. **Discussion and Action on Member's Equity update as of YE 2025**

   Mr. Patel let the board know that as of YE 2025, the Members' Equity was $8,474, up by $94 from YE 2024, and that as of June 1, 2025, we have been charging $8,380 to new members. He informed the board that given the minimal change in Members' Equity, no adjustment to the equity charge is recommended at this time. No action needed.

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

   Mr. Patel let the board know that USI Insurance had made changes as per our request and submitted their revised insurance proposal. The revised quote showed savings of $13,600 over our current quote from AIA Insurance. After discussion with the board, Mr. Patel recommended no change from our current insurance company. No action needed.

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

Mr. Wolf informed the board that In-Control is scheduled to begin form setting and rough mechanical work next week and that the project continues to move forward as planned. 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 continue to notify members regarding their annual responsibility to test their backflow prevention devices. Mr. Wolf then updated the board on the Chinn Chapel Railroad Crossing, letting them know that staff had located and exposed the casing beneath the tracks. He discussed with them that upon inspection, it was determined the casing was never sealed in accordance with the details shown on the 1967 construction plans and as a result, the casing had deteriorated to the point where it was no longer usable. These findings, along with photo documentation showing the condition of the casing, were given to Kerry Maroney and Mr. Maroney has begun the process of requesting approval for a new crossing installation beneath the railroad tracks. Mr. Wolf informed the board that on June 4th, the Borat drive system at Stargate Pump Station failed, and with Borat no longer in business, replacement parts for this drive are extremely difficult to obtain due to its age. He let the board know that GPS Technologies has been engaged to evaluate whether the drive could be repaired and operated through the summer months, however, all programming for the drive is contained within the screen controller, and GPS Technologies was unable to recover/retain the existing programming. Therefore, a temporary rental drive had been installed to maintain operations while staff obtains pricing for a new Phase Technologies drive that will match the equipment currently used other pump stations. Lastly, Mr. Wolf informed the board that on the afternoon of June 10th, the sine wave filter at the well site experienced a catastrophic failure, damaging electrical components. Staff responded immediately by contacting the fire department and safely disconnecting power, preventing further damage. The fire department determined that water was not needed, which helped preserve the building's remaining electrical equipment and wiring. Preliminary findings suggest the failed sine wave filter may have contributed to previous drive shutdown issues; however, the equipment was operating within its rated capacity at the time of the incident. Licensed electricians have been engaged to determine the cause of the failure and assess additional damage. Mr. Wolf let the board know that Staff are working to temporarily reconnect the well to maintain service during the peak summer demand period. No action needed.

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

The next meeting date will be July 20, 2026. The agenda will include financials, Orchid Hill well & Pump Station construction updates, and such other items as may be required.

9. Adjournment

Motion to adjourn by Andre Nicholas and second by Michael Paulson and approved unanimously. The meeting was adjourned at 7:23 p.m.

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TRANSCRIBED BY Karen Lambert, Billing Coordinator

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CERTIFIED BY Michael Paulson, Secretary-Treasurer