CROSS TIMBERS WATER SUPPLY CORPORATION
MINUTES of the BOARD OF DIRECTORS MEETING
2032 E HICKORY HILL RD, ARGYLE, TX 76226
MONDAY, JULY 20, 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, July 20, 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

   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 June 15, 2026, Board Meeting**
4. **Discussion and Action to Approve the June 2026 Financial Report**

   Motion by Michael Paulson and second by Sherry Price to approve the Consent Agenda. Motion approved unanimously.

5. **Discussion and Action on UTRWD preliminary fees and charges**

   UTRWD has provided a new preliminary estimate of fees and charges for the upcoming fiscal year. The Volume charge will be $1.79/1,000 gallons, an increase of $0.07/1,000 gallons up 4%, and the Demand charge will be $123,031 per month, an increase of $6,827 per month up 6%. These changes will increase the water purchase cost by approximately $100,000 per year.

   Water costs have been increased by NTGCD and now UTRWD, it would be recommended to revise base service and tier level rates. No action needed.

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

   Mr. Wolf updated the Board on the progress of the Orchid Hill Well Upgrade. In-Control had to relocate the foundation board set after it was determined that the original location was outside of CTWS property lines. The specialized fittings ordered by the contractor have arrived, and installation will begin once the surveyor confirms the proper location for the slab forms.

Mr. Wolf informed the Board that staff have reported no watermain breaks since the last Board meeting.
Mr. Wolf informed the Board that staff continue to notify members of their annual responsibility to test backflow prevention devices in accordance with regulatory requirements. Compliance tracking and follow-up efforts remain ongoing to ensure system-wide compliance. Mr. Wolf informed the Board that Kerry has completed the preliminary design for the Chinn Chapel Railroad crossing. CTWS is currently in discussions with the adjacent property owner regarding the acquisition of a 20-foot utility easement running alongside the existing railroad easement. The property is currently being developed into four separate lots. To assist with the discussions, the surveyor will stake the proposed easement location so that all parties can clearly identify the area being requested. The objective is to avoid placing the water line within the railroad easement, which would require additional permitting, increased regulatory requirements, and ongoing annual easement fees. Although the exact annual cost has not yet been determined, Kerry believes obtaining a private utility easement would be the more cost-effective option. The property owner has expressed a willingness to negotiate, and staff are continuing to work toward a mutually beneficial agreement. Mr. Wolf informed the Board that one of the Variable Frequency Drives (VFDs) serving the high-service pumps at the Copper Hill Pump Station experienced an internal electrical arc fault, resulting in component failure. Replacement parts have been ordered and are expected to be installed prior to the next Board meeting. To maintain uninterrupted service, staff placed the third high-service pump into manual operation. This redundancy was incorporated into the system design specifically for situations such as this and has allowed the station to continue meeting system demand without interruption. While the VFD was out of service, staff temporarily adjusted some field personnel schedules to begin at 4:00 a.m. and work until 12:00 p.m. This allowed staff to manually activate the third high-service pump during the peak period of water demand.

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

The next meeting date will be August 17, 2026. The agenda will include financials, and other such items as may be required.

8. Adjournment

Motion to adjourn by Gary Granger and second by Michael Paulson and approved unanimously. The meeting was adjourned at 7:20 p.m.

TRANSCRIBED BY Chad Wolf, General Manager

CERTIFIED BY Michael Paulson, Secretary-Treasurer