

**Minutes of the Bartonville Water Supply Corporation
Board of Directors Meeting
Monday, January 19, 2004
Bartonville Water Supply Corporation Office
1911 East Jeter Road
Bartonville, Texas 76226**

1. Call to Order.

President Paulson called the meeting of the Board of Directors of Bartonville Water Supply Corporation to order at 7:04 p.m. on Monday, January 19, 2004 at the corporation office, 1911 East Jeter Road, Bartonville, Texas.

Directors in Attendance

Michael Paulson, President
Thomas Greaves, Vice-President
Larry Kaufman, Secretary-Treasurer
Lloyd Hanson
Dale Mutschler
Scott Kilpatrick

Directors Absent

Kevin Alberts

Consultants in Attendance

Jennifer Drury, CPA
Wayne Ginn, PE

Staff in Attendance

Jim Leggieri, General Manager
Marcy Gustafson, Administrative Assistant

Others in Attendance

David Smith, I & C Sales

4. Discussion and Action on All Matters Concerning BWSC's SCADA System as Presented by Mr. David Smith with I & C Sales / BWSC Staff / Consultants.

Leggieri introduced Mr. David Smith with I & C Sales, a Motorola representative, and explained that I & C Sales specialize in working on telemetry and SCADA electrical controls. Leggieri stated that I & C Sales had worked on the SCADA system with the original contractor, WHF. Leggieri stated that the system control portion of the SCADA system is currently functioning but there is an accuracy problem with the data acquisition portion. Leggieri stated the BWSC staff is still manually reading the meters at the wells. Leggieri stated that when David Smith first started, the accuracy in the equipment was 10%, but now is up to 80% accuracy. Leggieri stated the accuracy achieved went from 2 @ 100% accuracy of 19 meters to 15 @ 100% accuracy of 19 total meters. Kaufman asked if the system does everything it is supposed to, why is the accuracy 80%. Leggieri stated that the system control portion is fine and can be remotely operated from anywhere but the problem is occurring with the data acquisition from the meters. Smith stated that the problem is not

unusual with starting most SCADA systems, the flow readings and flow totalizations are usually the last things to get worked out. Smith stated that he has done a thorough test from the meter to the software. Smith stated that progress has been made and distributed a SCADA status report handout. Smith stated that they are currently working on five areas but expect to be completed and up and running in sixty days. Kaufman asked what was meant by "up and running." Smith stated that when the problems are fixed, the system would operate 100% to the expectations of the original project. Kaufman asked why this process took three years to complete. Smith stated that he was not directly involved from the beginning and took over the service contract in February 2003 and waited until the departure of WHF before becoming heavily involved in November 2003. Tony Mauldin, BWSC Superintendent, stated that before Smith started, the system was working at 10% accuracy, compared to 80% accuracy currently. Smith stated that BWSC is not only a customer for annual service but I & C Sales also represents the Motorola product that BWSC uses. Paulson asked about the report that Mauldin distributed which stated that the current software was outdated. Mauldin stated that the software has been having problems "bottlenecking" where the signals get lost and do not shut things off when they are supposed to and if changes are made, the changes are delayed or cancel themselves out. Kaufman asked if upgrading software would be part of the whole fix. Mauldin stated that upgrading software would need to be addressed in the future. Paulson asked if any research had been done on what would be involved to upgrade the software. Mauldin stated that in discussions with Smith, it would be better to get one problem completely fixed before moving on. Hanson asked if the software had any bearing on the current problem. Mauldin stated that the software was not causing the problem and that the main problem was with the wiring. Kaufman asked why upgrading the software would fix the problem. Mauldin stated that the signals would not "bottleneck" and would not confuse the system. Smith stated that the upgrade has different ways of accessing the communications drive and also has more functions. Kaufman asked if upgrading would solve the problem. Smith stated that upgrading would solve the problem, one would be for the radio, which allows a different type of communications set up and the other is for HMI software, both of which would enhance the operations of the SCADA system. Hanson asked about a price for the software. Smith stated that the software would be approximately \$3,500, not including labor. Hanson asked how long would it take to resolve the issues. Smith stated that further testing is needed in a few areas, but expects to be completed in sixty days. Paulson asked if the sensors would be replaced before installing new software. Smith stated yes it would be done. No action.

5. Approve the Minutes of the December 15, 2003 Board Meeting.

Motion by Kaufman and second by Mutschler to approve the minutes of the December 15, 2003 Board Meeting. Kilpatrick abstained since he was not present at the December meeting.

6. Approve the December 2003 Disbursements and Financial Report.

Drury stated that water sales were higher than expected and that for the end of year were above budget by \$86,000. Drury stated that new members were ahead for the year due to the \$240,000 received for Barrington Hills with only two new memberships for December.

Drury stated that water costs are up and BWSC is trying to maintain the 20% take from UTRWD. Drury stated that repair and maintenance increased due to the moving of fire hydrants, which the Town of Copper Canyon has partially reimbursed BWSC for. Drury stated that BWSC has not received the numbers for December utilities yet and the \$20,000 is an accrual figure that will change when the actual figures are received. Drury gave an overview of the income statement and answered questions from the Board members. Motion by Hanson and second by Kaufman to approve the December 2003 disbursements and financial report. Motion carried unanimously.

2. Executive Session.

Paulson announced at 7:41 p.m. that the Board would convene in Executive Session concerning:

- a) **All Matters Concerning the Securing R.O.W. for the Hilltop Rd. Waterline, Pursuant to Government Code, Section 551.072.**
- b) **All Matters Concerning the Stargate Pump Station / Stoney Ridge R.O.W., Pursuant to government Code, Section 551.072.**
- c) **All Matters Concerning the Securing of the Waterline Easement / Thornhill Ranch Estates, Block A Lot 9, Pursuant to Government Code, Section 551.072.**

The Board took no action and reconvened in Open Session at 8:08 p.m.

7. Discussion and Action on Approval of Change Request Order #1 from E M Construction for Work to Date on the Hilltop Road Waterline.

Ginn reviewed progress several weeks ago with Tony Mauldin, Superintendent for BWSC. Ginn stated that Mauldin responded with verification that the extra work had been completed and that all figures were correct for extra quantities as stated. Ginn recommended approval for change order #1. Kaufman asked what the change order request was. Ginn stated that if quantities for materials increased/decreased the contract had to be updated. Kilpatrick asked about the process involved once a change order request was received. Ginn stated that once the request is received, each number is verified for accuracy. Greaves asked about the substantial difference in line item #18. Ginn stated that when boring under a driveway, it was requested not the damage the roots of a large Pecan tree, so the bore was extended, to hopefully not have a claim against BWSC in the future. Leggieri stated that a few yards were not large enough for the machinery, or septic lines were in the way. Ginn stated that typically on water line construction, a 10% contingency is added for unforeseen underground uncertainties. Motion by Kilpatrick and second by Mutschler to approve change order #1 for the Hilltop Road waterline project in the amount of \$ 35,276.50 to E.M. Construction. Motion carried unanimously.

8. Discussion and Action on Approval of Payment Request #3 from E M Construction for Work to Date on the Hilltop Rd. Waterline.

Wayne Ginn, PE stated when the waterline is finished and put in operation, BWSC will accept it and make a payment to E.M. Construction, withholding retainage for clean up work. Ginn stated that the retainage is withheld to ensure clean up is done properly. Paulson asked what happens if one of the large trees were to die in the future. Leggieri stated contingencies were specified when the easements were obtained through condemnation. Leggieri stated that an agreement was made with Mr. Nikoli if something were to happen to his trees. Ginn stated that the Board was obligated by contract to approve. No action.

9. Discussion and Action on Matters Concerning the R.O.W. for the Hilltop Rd. Waterline.

No Discussion. No Action.

10. Discussion and Action on All Matters Concerning the Stargate Pump Station / Stone Ridge R.O.W.

No Discussion. No Action.

11. Discussion and Action on All Matters Concerning the Securing of the Waterline Easement / Thornhill Ranch Estates, Block A Lot 9.

No Discussion. No Action.

14. Consultants Reports.

Ginn stated that Paul Limpscomb has been working on the hydraulic model and a presentation should be ready for the February Board meeting. Ginn stated that his concern was using the information generated by the GIS program on weather or not the information could be translated to their program. Ginn stated that after speaking with Paul Lipscomb it took a two-step process to translate the information into their program. Ginn stated that Lipscomb did use the information and it should reduce the cost of the analysis.

15. Review Future Agenda Items, Activities, Announcements, Set the Time and Date of the February 2004 Meeting.

The next regular Board meeting is scheduled for Tuesday, February 10 at 7:00 p.m. at the corporation office.

13. Staff Reports

Drury stated that BWSC has had no calls regarding the rate increase cards that were previously mailed.

Hanson asked about the summary report with the volumes for water billed vs. water lost. Leggieri stated that this could be the unaccounted loss, i.e., flushing mains, fire department usage, etc. Hanson asked if that was different from water loss, leaks, and flushing, etc. category. Leggieri stated that the loss would fall into that category but that the billing cycle is different from the readings, which are on a monthly calendar basis, and that might account for the difference. Hanson stated that according to the report 386 million gallons total ground and surface water and 361 million gallons billed, which is a 25 million gallon difference. Drury stated that since Tony Mauldin, superintendent, uses numbers from the billing reports for gallons billed, the numbers would need to be verified. Hanson stated that if the 8 million gallons was for flushing, leaks etc. there is still a difference of 17 million gallons unaccounted for. Drury stated that January sales are actually December's production, therefore having a different starting point. Drury stated that the numbers would be researched further. Kaufman stated that the problem with the SCADA was that a mass balance could not be done. Kilpatrick asked if the readings could be done manually. Kaufman stated that it could not be done manually. Leggieri stated that the readings were currently being done manually. Kaufman stated that in manually reading the meters, errors could occur. Kilpatrick asked if the 17 million gallon variance was appropriate and what would the monetary value be. Kilpatrick stated that the variance would be worth researching and do a mass balance. Leggieri stated that the numbers used would be researched further. Kaufman stated these were excellent questions that after looking at the problems found by I & C Sales with cross wiring, it should not have taken three years to figure out and that WHF dropped the ball. Kaufman stated that maybe the Board did also for not staying on WHF to make sure the job was done. Hanson stated that if WHF was paid to wire it correctly it should have been done at the time. Leggieri stated that what is in the ground and the meter reading and the accuracy is still not correct. Leggieri stated that BWSC has a maintenance contract with I & C Sales on the Motorola equipment system. Kaufman asked if BWSC was paying I & C Sales. Leggieri stated BWSC has not paid for what has been done so far. Kaufman asked if what I & C Sales were doing was getting the system to work the way it was originally supposed to. Leggieri stated that I & C Sales were responsible for the Motorola equipment. Leggieri stated that the contract was awarded to Gracon construction for the Copper Hill pump station, SCADA, tanks, etc. Leggieri stated that Preload installed the tank and station and that WHF was the subcontractor that did the SCADA system. Leggieri stated that everything was under the engineering umbrella of The Ginn Corporation, who called for the pre stressed concrete tank and designed the pump station as well. Leggieri stated that Wayne Ginn, P.E., subcontracted the electrical design work to Joe Kotrola. Leggieri stated that after it was installed, the readings were not correct and that Joe Kotrola was contacted. Leggieri stated that WHF in turn stated that the equipment needed to be monitored for a while longer. Leggieri stated that when the Board asked about the capital project and asked if it should be accepted, it was stated yes but there were still a few bugs to be worked out, which is not uncommon, regarding the accuracy of the meters. Leggieri stated that the project was approved and the time started on the two-year warranty. Leggieri stated that the two-year warranty turned into four years and that WHF was constantly at the BWSC office working on the SCADA system. Leggieri stated that letters were written to WHF and to The Ginn Corporation and that he had commented to the Board several years ago that action needed to be taken against WHF. Leggieri stated that during that time Ginn spoke with WHF and they stated it would be a few more weeks. Leggieri stated that Ginn brought WHF to the BWSC office in May 2003 and told WHF that they had 30 days to fix the problem. Leggieri stated

that Mike Mongovin, with WHF, stated that they would give it their best but that they were tired of the situation also. Leggieri stated that WHF contacted David Smith, I & C Sales, for further help. Leggieri stated that after the 30 days, WHF contacted him and stated that the SCADA system was still not working properly and said they were not returning. Leggieri stated that Ginn suggested contacting David Smith with I & C Sales. Leggieri stated that David Smith has 80% of the meters running properly, but that there might be a little cost associated with fixing the remaining 20% since the equipment was not installed/specified in the beginning to interface with the Motorola equipment, which was a design flaw by the electrical engineer. Kilpatrick stated that Ronnie Phillips, legal counsel, Leggieri and Ginn should have a meeting to determine if any action could be taken against WHF. Kaufman stated that the situation was frustrating but did not think the Board had heard about the situation or knew about the situation. Leggieri stated that he should have said something sooner, but WHF was constantly coming to the BWSC office and working on the system for BWSC to review the system for a few weeks. Leggieri stated that Maudlin would report to Ginn who suggested waiting since WHF stated that the problem was fixed each time. Leggieri stated that the only problem with the SCADA system was getting accurate numbers. Leggieri stated that WHF constantly told BWSC that it would be a matter of time and they needed to do a little more work. Kaufman stated that perhaps instead of the Board signing off on the contract, that the retainage should have been kept. Kilpatrick stated that this project should be considered lessons learned so as not to have this problem in the future. Kaufman stated that it sounded like BWSC was going to upgrade a system to take care of things that were never put in with the first system. Kaufman stated that the meters appeared to be flow meters and not inventory meters. Kaufman stated that the problem appeared to be a good cut off on the inventory meters, which is not addressed. Kaufman asked what is the inventory to tell what the amount of water is that goes into the tank from the UTRWD. Leggieri stated that was on the SCADA system, which was fine. Leggieri stated that the tank reading is correct but where the booster pump comes out and tells the how many gallons is going from inventory into the distribution system is still not reading correctly. Kilpatrick stated that this needs to be lessons learned and move forward and contact Gracon and Ginn. Paulson stated that David Smith, I & C Sales, should be allowed to finish the job with whatever funds needed. Kilpatrick stated that funds should be received from the people who did not complete the job in the first place. Paulson stated that once the bill is received from David Smith, it should then be forwarded to Gracon/WHF. Kilpatrick stated that the three actions are to get the SCADA system fixed; review lessons learned and have Ginn and Leggieri meet to establish a rule to not end up in the same situation in the future.

Leggieri stated that the Flower Mound Animal Adoption Center would be on the agenda for final approval in February.

3. Executive Session.

Paulson announced at 9:00 p.m. that the Board would convene in Executive Session concerning:

- d) All Matters Concerning Personnel, Pursuant to Government Code, Section 551.074.**

The Board took no action and reconvened in Open Session at 9:46p.m.

12. Discussion and Action on All Matters Concerning Personnel.

No discussion. No action.

16. Adjournment.

Motion by Kaufman and second by Mutschler to adjourn the meeting. Motion approved unanimously. The meeting adjourned at 9:46 p.m.

Recorded by Marcy Gustafson, Administrative Assistant

Certified by Larry Kaufman, Secretary-Treasurer