

**Minutes of the Bartonville Water Supply Corporation
Board of Directors Meeting
Tuesday, October 11, 2005
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 7:03 P.M. on Tuesday, October 11, 2005 at the Corporation office, 1911 East Jeter Road, Bartonville, Texas.

Directors in Attendance

Michael Paulson, President
Lloyd Hanson, Vice President
Larry Kaufman, Secretary-Treasurer
Scott Kilpatrick
Bill Wilkinson
James McKinney
Gracie Egan

Consultants in Attendance

Jennifer Drury, CPA
Wayne Ginn, PE - The Ginn Corporation

Staff in Attendance

Jim Leggieri, General Manager

Others in Attendance

Jerry Lamel, Town of Double Oak Treasurer, UTRWD Representative
Dick Cook, Mayor of Double Oak
David Smith, Prime Controls
Sue Tejml, Mayor of Copper Canyon

2. Executive Session

President Paulson announced at 7:10 pm that the Board would convene in Executive Session concerning:

- a. **All Matters Concerning Upgrades to Existing Pump Stations, Including Additional Property Acquisitions, Pursuant to Government Code, Section 551.072.**

- b. All Matters Concerning Mereken Energy Corp's Oil & Gas Lease Proposal, Pursuant to Government Code, Section 551.072.**
- c. All Matters Concerning Personnel, Pursuant to Government Code, Section 551.074.**

The Board took no action and reconvened in open session at 7:58 p.m.

3. Public Form for Non-Agenda Items.

No one spoke.

4. Presentation by Mr. Tracy Miller / Spokesperson of the "Action Committee".

Mr. Miller was not present so there was no presentation. Kaufman requested that this item remain on the agenda until someone from the "Action Committee" has made a presentation to the Board.

5. Discussion and Action on All Matters Concerning the Town of Copper Canyon's Public Input Session Where Representatives of the "Action Committee" Discussed BWSC.

Kilpatrick asked the Board to review and reflect on the comments made by Mr. Tracy Miller at the Town of Copper Canyon's Council Meeting in July. Mayor Cook gave an overview of his understanding of the "Action Committee." The Board expressed concern in regard to the fact that the "Action Committee" has not, to date, brought a presentation to the Board to outline the Committee's aims and goals.

6. Approve Minutes of the September 21, 2005 Board Meeting.

Motion by Hanson and second by Kilpatrick to approve the Minutes of September 21, 2005 with the correction of the date in the header. Motion approved with 6 Ayes and one abstention by McKinney due to not being present.

7. Approve the September 2005 Disbursement and Financial Reports.

Motion by Kaufman and second by Hanson to approve the September 2005 Disbursement and Financial Reports. Paulson advised the Board that there is a motion and a second and he would now open the floor for discussion.

Drury gave the Board an overview of water sales, water revenues, and consulting fees for the month. Motion approved unanimously.

8. Discussion and Action on All Matters Concerning Renewal of BWSC's \$1,500,000 Line-of-Credit with NorthStar Bank.

Paulson recused himself due to conflict of interest and left the room. Vice President Hanson took over as presiding officer. Drury gave the Board an overview of the Line-of-Credit and the terms.

Motion by Kaufman and second by Wilkinson to renew the \$1,500,000 line-of-credit with NorthStar Bank. Motion approved unanimously.

9. Discussion and Action on All Matters Concerning Renewal of BWSC's \$1,000,000 Certificate of Deposit with NorthStar Bank.

Drury gave the Board an overview of the Certificate of Deposit and the terms. Motion by Kaufman and second by Kilpatrick to renew the 1,000,000 Certificate of Deposit for six months with NorthStar Bank. Motion approved unanimously.

President Paulson rejoined the meeting.

23. Presentation by Prime Control Concerning SCADA System Status as well as Pertinent Discussion and Action.

David Smith gave the Board a report on the SCADA system. Paulson ask that Leggieri explain to the Board the advantages of the SCADA system operationally. Leggieri stated that the system control side allows for more efficiency and for the on-call technician to monitor the system outside of regular office hours. Leggieri advised that the staff will continue to monitor the data and it is his belief that this will prove to be a great tool. Kilpatrick stated that he would like to see in the future a one-sheet dashboard that would take key readings from the SCADA system. Mr. Smith advised the Board that BWSC has a great foundation to move forward into the future.

10. Discussion and Action on All Matters Concerning Personnel and Hiring a Permanent Full-Time Office Manager for BWSC.

No discussion. No action.

11. Discussion and Action on All Matters Concerning CoServ's Power Cost Recovery Factor ("PCRF").

The Board had discussion on the PCRF and its impact on rates. No Action.

12. Discussion and Action on All Matters Concerning the Staff's Analysis on the Value of the ITU Program for BWSC.

After discussion Kilpatrick asked that the staff contact Prime Controls for an itemized list of equipment that should be updated in the future. No action.

13. Discussion and Action on All Matters Concerning BWSC's Catastrophic Water Loss Adjustment Policy.

After discussion Egan made a motion to repeal the CWL Policy. No second therefore the motion died.

14. Discussion and Action on All Matters Concerning the Preliminary Operating and Capital Budget for the 2006 Year.

Drury answered questions from the Board. No action.

15. Discussion and Action on Final Acceptance of Broome Rd. Waterline Extension and Authorization for Final Payment and Release of Retainage to H2M.

No discussion. No action.

16. Discussion and Action on All Matters Concerning Upgrades to Existing Pump Stations, Including Additional Property Acquisitions.

No discussion. No action.

17. Discussion and Action on All Matters Concerning Mereken Energy Corp's Oil & Gas Lease Proposal / Stargate Pump Station Site.

No discussion. No action.

18. Discussion and Action on All Matters Concerning Policy for Appointment for Board Vacancy.

After discussion motion was made by Kaufman and second by Wilkinson to approve the changes to the Policy for Appointment for Board Vacancy. Motion approved unanimously.

19. Discussion and Action on All Matters Concerning Approving the Ginn Corporation to Initiate the Stargate Project in a Timely Manner.

After discussion the Board decided to postpone this item until after the 2nd workshop.

20. Discussion and Action on All Matters Concerning Approving the Ginn Corporation to Conduct a Future Water Need Analysis to be Lead by Paul Lipscomb.

After discussion the Board decided that the scope of services would be discussed at the workshop. Lipscomb will submit the estimate of study cost and this will be billed through The Ginn Corporation.

21. Discussion and Action on All Matters Concerning Strategic Planning for Long Range Water Supply.

No discussion. No action.

22. Discussion and Action on All Matters Concerning Expanding BWSC's CCN.

After discussion the Board ask the staff to investigate the CCN legislation and contact the TRWA.

24. General Manager's Report.

Leggieri did not have any further items to discuss other than those outlined in his report that was included in the Board packets.

25. Consulting Engineer's Capital Projects Report.

No report.

26. Review Future Agenda Items, Activities, Announcements, and set the date for the November 2005 Meeting.

The next regular Board meeting is scheduled for November 28, 2005 at 7 p.m. A workshop was scheduled for October 26, 2005 at 7 p.m. with Leggieri and Mr. Wayne Ginn, PE.

Motion by McKinney and second by Wilkinson to adjourn the meeting. Motion approved unanimously. The meeting was adjourned at 11:15 P.M.

Recorded by Jennifer L. Drury

Certified by Larry Kaufman, Secretary-Treasurer