

**Minutes of the Bartonville Water Supply Corporation  
Board of Directors Meeting  
Monday, March 27, 2006  
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 Monday, March 27, 2006 at the Corporation office, 1911 East Jeter Road, Bartonville, Texas.

**Directors in Attendance**

Michael Paulson, President  
Lloyd Hanson, Vice President  
Gracie Egan  
Scott Kilpatrick  
Bill Wilkinson

**Directors Absent**

Larry Kaufman, Secretary-Treasurer  
James McKinney

**Consultants in Attendance**

Paul Lipscomb, P.E.  
Ronnie Phillips, Esq.

**Staff in Attendance**

Jim Leggieri, General Manager  
Jennifer Drury, Controller

**Others in Attendance**

Scott Noles, Mereken Energy  
Patrick McDonald, Member  
Dan Tonn, CPA with Hankins, Eastup, Deaton, Ton & Seay  
David Smith, Prime Controls

**2. Executive Session**

President Paulson announced at 7:05 pm that the Board would convene in Executive Session concerning:

- (a) **All Matters Concerning Proposed Non-drill Site Oil and Gas Lease of 4+ Acres Tract, Pursuant to Government Code, Section 551.072. (STAFF)**
- (b) **All Matters Concerning Upgrades to Existing Pump Stations, Including Additional Property Acquisitions, Pursuant to Government Code, Section 551.072. (STAFF)**

The Board took no action and reconvened in open session at 7:22 pm.

**3. Public Forum for Non-Agenda Items**

No one was present.

**6. Discussion and Action on All Matters Regarding Proposed Non-drill Site Oil and Gas Lease of 4+ Acres Tracts. (STAFF)**

Scott Noles with Mereken Energy gave a presentation to the Board to detail Mereken's proposal. Mr. Noles gave detailed information regarding the lease and surrounding properties and answered questions from the staff and the Board

**19. Discussion and Action on All Matters Pertaining to the 2006 Annual Meeting Including Approval of the Proposed By-Laws Amendment, Official Notice, Proxy, and Agenda.**

Ronnie Phillips, Esq. reviewed the proposed By-Law Amendment with the Board. Motion by Wilkinson and second by Kilpatrick to approve the 2006 Annual Meeting on April 24, 2006 at 7:30 pm. at Crossroads Bible Church and Approve the Proposed By-Law Amendment, Official Notice, Proxy, and Agenda.

After discussion by the Board Wilkinson withdrew his original motion and Wilkinson made a motion and second by Kilpatrick to approve the 2006 Meeting on April 24, 2006 at 7:30pm at Crossroads Bible Church and approve the Proposed By-Law Amendment, Official Notice, Proxy, and Agenda with the addition of the day of the week and the names of the Directors up for re-election bolded and to have Ronnie Phillips research the steps the Board must take to fill the seat of a Director who resigns his/her position in the middle of his/her term. Motion approved unanimously.

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

David Smith gave the Board an overview on the steps that Prime Controls is currently taking to correct issues with the SCADA system. No action taken.

**7. Discussion and Approval of the Draft of the 2005 Audit Report.**

Mr. Dan Tonn, CPA with Hankins, Eastup, Deaton, Tonn & Seay gave an overview of the Audit Report and answered questions from the Board. Motion by Hanson and second by Egan to accept the 2005 Audit Report. Motion approved unanimously.

**4. Approve the Minutes of the February 22, 2006 Board Meeting.**

Motion by Wilkinson and second by Kilpatrick to approve the Minutes of the February 22, 2006 Board Meeting. Motion approved unanimously.

**5. Approve the February 2006 Disbursements and Financial Reports.**

Drury advised the Board that BWSC is currently above budget but on expenses BWSC is below budget. Drury answered questions from the Board. Motion by Kilpatrick and second by Wilkinson to approve the February 2006 Disbursements and Financial Reports. Motion approved unanimously.

**9. General Manager's Report.**

Leggieri brought the Board up to date in regard to the fire hydrant concerns in Copper Canyon and explained that all issues have been resolved. Discussion ensued regarding the proposed Flower Mound Trinity Sands water well for the soccer complex.

**10. Controller's Report.**

Egan questioned the Catastrophic Water Loss policy and ask that this issue be revisited by the Board. Drury stated that BWSC currently has two new proposed sub-divisions, the Jernigan Heights with 10 lots that equates to approximately \$31,000.00 in equity fees and Bell Côte that will have about \$53,000.00 in equity fees.

**11. Engineer's Report.**

No report.

President Paulson recused himself before the next agenda item due to conflict of interest.

**12. Discussion and Action on All Matters Regarding the Renewal of Certificate of Deposit with NorthStar Bank of Texas.**

Vice President Hanson took over meeting. Drury explained that Tex Pool has been rising every month. NorthStar Bank is offering BWSC Tex Pool's current rate, and would be locked into that rate for six months. It is expected that interest rates will continue increasing in the near future. Kilpatrick made a motion and second by Wilkinson that BWSC's Certificate of Deposit not be renewed and funds be invested in Tex Pool. Motion approved unanimously.

**President Paulson returned to the meeting.**

**13. Discussion and Action on all Matters Regarding Selection of BWSC's Consulting Engineer.**

After discussion Paulson stated that in the interim staff should continue to use Paul Lipscomb, PE until a contract has been approved.

Motion by Egan and second by Hanson to adopt the guidelines as is written in the T.R.W.A. for hiring a consulting engineer.

After discussion Egan amended her motion that the Board use the guidelines set forth by T.R.W.A. in hiring a consulting engineer. No second the motion failed.

Motion by Wilkinson and second by Kilpatrick that the general manager and the controller begin selection process for consulting engineer for BWSC and put on the agenda for May. Motion approved unanimously.

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

No discussion. No action taken.

**15. Discussion and Action to Authorize Paul Lipscomb to Issue a Final 2004 Hydraulic Model, to Include One (1) CD-ROM with the Hydraulic Data Files and Applicable Key Map of the Hydraulic Analysis.**

Motion by Wilkinson and second by Kilpatrick to Authorize Paul Lipscomb to Issue a Final 2004 Hydraulic Model, to Include One (1) CD-ROM with the Hydraulic Data Files and Applicable Key Map of the Hydraulic Analysis with consulting clarification from The Ginn Corporation. Motion approved unanimously.

**The Board took a 5 minute break at 9:20 pm and resumed at 9:25. Paulson announced that Mrs. Egan had left the meeting due to family responsibilities.**

**16. Discussion and Action on all Matters Regarding the Approval of the Preliminary and Final Water Plan for the Belle Cote Subdivision / Unincorporated Denton County.**

Motion by Kilpatrick and second by Hanson to accept the Discussion and Action on all Matters Regarding the Approval of the Preliminary and Final Water Plan for the Belle Cote Subdivision / Unincorporated Denton County contingent on the revisions outlined by Lipscomb. Motion approved unanimously with President's vote included.

**17. Discussion and Action on all Matters Regarding Approval of the Preliminary Water Plan for the Jernigan Heights Subdivision / Town of Flower Mound.**

Drury stated that the staff recommends approval of the Preliminary water plan contingent on revisions outlined by Paul Lipscomb, PE.

Motion by Kilpatrick and second by Hanson to accept the Preliminary Water Plan for the Jernigan Heights Subdivision / Town of Flower Mound contingent on revisions outlined by Paul Lipscomb, PE. Motion approved unanimously with President's vote included.

**18. Discussion and Action on all Matters Regarding Approval of the Preliminary and Final Water Plan for the Bartonville Small Animal Clinic / Town of Bartonville.**

Leggieri stated that the plans were dropped off this afternoon and the staff has not had a chance to review revisions. Leggieri stated that it is the staffs' recommendation that the plans be approved contingent on final review from the staff and the consulting engineer.

Motion by Kilpatrick and second by Hanson to accept the Preliminary and Final Water Plan for the Bartonville Small Animal Clinic / Town of Bartonville contingent on final review from the staff. Motion approved unanimously with President's vote included.

**20. Discussion and Action on all Matters Regarding the Stargate Project.**

Paulson stated he ask that this item be placed on the agenda so the Board can look at where BWSC is with this project. Drury passed out information for the Board to compare data that was in the Master Plan in relation to what BWSC's actual growth is. Staff is pursuing a meeting with Tom Taylor to discuss his proposal. The Board made no motion and closed discussion with the

understanding that the staff would set up meeting with Tom Taylor from Upper Trinity Regional Water District.

**21. Review Future Agenda Items, Activities, Announcements, and set the date for the May 2006 Meeting.**

The meeting for May is attentively set for May 16, 2006. Kilpatrick requested that Strategic Planning be an agenda item for May.

**22. Adjournment.**

Motion by Kilpatrick and second by Wilkinson to adjourn. Motion approved unanimously. The meeting was adjourned at 10:04 pm.

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Recorded by Jennifer L. Drury

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Certified by Larry Kaufman, Secretary-Treasurer