

**Minutes of the Bartonville Water Supply Corporation
Board of Directors Meeting
Tuesday, July 13, 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 7:10 p.m. on Tuesday, July 13, 2004 at the corporation office, 1911 East Jeter Road, Bartonville, Texas.

Directors in Attendance

Michael Paulson, President
Larry Kaufman, Secretary-Treasurer
Thomas Greaves, Vice-President
Scott Kilpatrick
Bill Wilkinson

Directors Absent

Lloyd Hanson
Dale Mutschler

Consultants in Attendance

Jennifer Drury, CPA
Wayne Ginn, PE
Ronnie Phillips, Esq.

Staff in Attendance

Jim Leggieri, General Manager
Marcy Gustafson, Administrative Assistant

Others in Attendance

Larry Johnson, Mayor of Copper Canyon
Jeff Crannell, Copper Canyon town engineer

9. Discussion and Action on All Matters Concerning BWSC's Chinn Chapel Road Water Main / Town of Copper Canyon Road Project.

Larry Johnson, Mayor of Copper Canyon, gave an overview of the Chinn Chapel Road reconstruction project. Johnson stated that during the project, one engineering matter has been encountered. Johnson stated that the location of the existing water line is in such a location that it will conflict with the culvert crossings that are going to be installed. Johnson stated that the design is to straighten and raise the level of the road to increase drainage. Johnson stated that the project is to the point of a stop work phase until a solution is found and would appreciate any consideration in helping to get the project completed. Jeff Crannell, Copper Canyon town engineer, stated that in trying to raise the roadway and make horizontal alignments they have encountered five conflicts in the crossings, i.e. minor emergency needs in relocating BWSC water lines. Crannell stated that the solution seems to

be the relocation of 3,000' of BWSC water lines. Crannell stated that the only fall back was that BWSC had not planned on replacing the line and therefore the money was probably not budgeted. Crannell stated that he had prepared a total cost estimate and distributed copies to the Board. Crannell stated that the total cost would be approximately \$107,000. Crannell stated that he would request that the Board review the cost estimate and act quickly in order to ensure the work continues. Wayne Ginn, P.E. stated that he has reviewed several options. Ginn stated that the least expensive option is to lower the water lines under the five culverts at a cost of approximately \$75,000. Ginn stated another option is to move into the ditch and take the old AC (asbestos cement) line out of service and lay a new 8" PVC at a cost of approximately another \$30,000 to \$40,000. Ginn stated that he agreed with the other engineers and the best solution was to lay a parallel water line out of the way of the culverts. Wilkinson asked if the cost estimate included the fee for removal of the asbestos line. Ginn stated that the asbestos line would be abandoned. Paulson asked if bids needed to be taken. Ginn stated that since time was important, there was really not enough time to wait on the bid process and the other alternative was to let the current contractor working on the project get subcontractor prices that BWSC feels comfortable with and issue change orders. Kilpatrick asked if Ginn could negotiate prices with the subcontractor. Ginn stated that he wanted to review the prices before any money was paid and that Crannell has given his estimates. Wilkinson asked if the change order could only be made for up to 25% of the total. Crannell stated that was correct and since it was a million dollar contract they could issue a change order for up to \$250,000. Wilkinson asked Johnson if the cost would increase. Johnson stated that the Town of Copper Canyon would cover additional costs. Johnson stated that the additional charges could be an estimated guess of \$10,000 - \$20,000 for signage. Paulson asked how accurate the cost estimate of \$108,000 from Crannell was. Ginn stated that definite numbers could be brought back to the Board, but tonight the Town of Copper Canyon was looking for a commitment from BWSC in order to continue the project. Ginn stated that the estimates ranged from \$107,000 to \$120,000. Kaufman asked if BWSC were to do the water main their self, would it be put in the ROW. Ginn stated that this is a unique situation due to the fact that the land to the east belonged to Highland Village and would have to go through several back yards and once past the yards, it would run into Mr. Vaughn's lake. Ginn stated that if it was done out of the ROW, it would be risky trying to lay a line in the lake. Wilkinson asked if it was wise to show the bidders the monetary range in which the work was to be done. Ginn stated that the contractor's incentive is to get the best price, because if not, the project will be shut down. Kilpatrick asked Leggieri what his thoughts were. Leggieri stated that he agreed with everything that had been said and if it was lowered in the five areas for culverts, it could add to the potential for leaks. Leggieri stated that the AC pipe is the original line, approximately 35 years old, and that the best solution is probably to replace the AC line. Wilkinson asked Ronnie Phillips, legal counsel, if there were any legal complications adding to the current contract. Phillips stated that there was none, but if any of the AC line were cut and removed it would be the responsibility of the town to dispose of. Greaves asked who historically pays for projects like this since BWSC and the Town of Bartonville are currently working on a cost-sharing project on Broome Road. Ginn stated that typically BWSC has the responsibility of moving its own line at its expense. Kilpatrick stated that since the Town of Copper Canyon has been a strong partner over the years, instead of cost sharing, BWSC should pay and get the line moved as soon as possible. Motion by Kilpatrick and second by Wilkinson to allow the staff and engineer to work with the Town of Copper Canyon professionals to install a

new water line along Chinn Chapel Road, with the amount not to exceed \$120,000. Motion carried unanimously.

2. Executive Session Concerning:

Paulson announced at 7:35 p.m. that the Board would convene in Executive Session concerning:

- a) All Matters Concerning the R.O.W. for the Hilltop Rd. Waterline, Pursuant to Government Code, Section 551.072.
- b) All Matters Concerning the Town of flower Mound vs. Upper Trinity Regional Water District, Pursuant to Government Code, Section 551.071.

The Board took no action and reconvened in Open Session at 8:00 p.m.

3. Public Forum

No one was present.

4. Approve the Minutes of the June 7, 2004 Board Meetings.

Motion by Greaves and second by Kaufman to accept the minutes of the June 7, 2004, Board meeting. Motion carried unanimously.

5. Approve the June 2004 Disbursements and Financial Reports.

Drury stated the due to the rain BWSC is behind on revenue, about \$50,000 for the year. Drury stated that the ITU showed a savings of about \$800.00. Drury stated for the entire year, BWSC is \$28,000 off from the budget. Drury stated that the largest portion is new members; generally BWSC has 40 new members per year and at the current rate there will only be about 28 this year. Kaufman asked if BWSC was buying more water than expected. Drury stated that due to ITU, three pump stations were shut down. Drury stated that BWSC has had a request from Mayo Properties to hang an antenna on the elevated tank. Drury stated that the rental fees could be \$750.00 per month. Phillips stated that he thought the fees were a little low. Drury stated that she would obtain further information to bring back to the Board. Phillips stated that there were several issues that needed to be researched i.e. insurance, requirements with the Town of Double Oak, etc. Drury distributed a schedule of ongoing capital projects for the Board to review. Drury stated that this was done in order to keep up with the requests for payments and give the Board an idea of how the projects are progressing. Kaufman asked where the numbers originated. Drury stated that the numbers were taken from The Ginn Corporation billings. Kaufman stated that he would like to see the entire balance of the project, not just the paid amounts. Paulson stated that he would like to see an approved and unapproved category. Motion by Kilpatrick and second by Kaufman to approve the June 2004 disbursements and financial reports. Motion carried unanimously.

6. Discussion and Action on all Matters Concerning Review of BWSC's Conflict of Interest Policy for Directors.

Phillips stated the policy was for directors and employees and the policy needs to be the same for everyone associated with BWSC. Phillips stated the policy has several potential litigation areas and that every thing needs to be spelled out. Wilkinson asked Phillips to clarify employees and directors serving on other boards. Phillips stated that if an organization required a member of staff of each of the members of the organization to serve then it was fine. Paulson asked that since the policy also included the employees, if the employees needed to be educated. Phillips stated yes and should be included in the employee manual. Paulson asked how the policy applied to consultants. Phillips stated that any professional is bound by their professional rules and regulations to inform the board of any conflict of interest that may arise. Motion by Kilpatrick and second by Wilkinson to approve the conflict of interest policy in replacement of the current policy for the board and in addition to the employee handbook. Motion carried unanimously.

7. Discussion and Action on All Matters Concerning the R.O.W. for the Hilltop Road Waterline.

No discussion. No action.

8. Discussion and Action on all Matters Concerning the Town of Flower Mound vs. Upper Trinity Regional Water District.

The Board asked Phillips, legal counsel, to monitor the situation, get more information and keep the Board informed. No action.

10. Staff Reports.

Drury distributed a copy of the proposed rate increase for next year from the UTRWD. Drury stated that since the UTRWD consultant recommended using a single cost center for 2004-2005 the demand fees would be raised to \$247,000 MGD effective October 1, 2004. Drury stated that she would put the numbers into a budget to see if the rates needed to be raised and bring back to the Board to review.

Paulson asked about the status of the Broome Road project. Leggieri stated that Mr. Rock has granted an easement but the two other property owners have yet to grant an easement. Leggieri stated that the two property owners granting an easement would be beneficial to create a loop and add two fire hydrants. Leggieri stated that the one of the remaining property owners has questions/concerns and the other responded no. Leggieri stated that he has requested assistance from the mayor of the Town of Bartonville with the situation. Ginn stated that the survey should be started to get a preliminary cost estimate to present to the Town of Bartonville for their portion.

11. Engineers Reports

Ginn stated that since the engineer and the general manager observe how the system is run

from different standpoints, ie. operational and mechanical, he would suggest that an operational manual should be developed to use as a training guide.

Ginn stated that they finally were able to retrieve the soil samples from the Stargate site and the contractor is making a tie-in on the east side of FM 407. Ginn stated that once that is done the line will be filled and pressure tested and should be in service by August 1, 2004. Ginn stated that he thought the project would be completed ahead of schedule and under budget.

Ginn stated that he and Leggieri will meet with the UTRWD regarding their point of entry to see how they want to connect with the Stargate site. Ginn stated that UTRWD might want to change the current contract with BWSC.

12. Review Future Agenda Items, Activities, Announcements, and Confirm August 17, 2004 as the Date for the August Meeting.

The date of August 17, 2004 was confirmed as the date for the August Board of Directors meeting.

13. Adjournment.

Motion by Kaufman and second by Kilpatrick to adjourn the meeting. Motion approved unanimously. The meeting adjourned at 9:23 p.m.

Recorded by Marcy Gustafson, Administrative Assistant

Certified by Larry Kaufman, Secretary-Treasurer