

**Minutes of the Bartonville Water Supply Corporation
Board of Directors Meeting
Monday, May 24, 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 7:02 p.m. on Monday, May 24, 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
Bill Wilkinson

Consultants in Attendance

Jennifer Drury, CPA
Wayne Ginn, PE

Staff in Attendance

Jim Leggieri, General Manager
Marcy Gustafson, Administrative Assistant

Others in Attendance

Kathy Gregory, AIA Insurance
Paul Lipscomb, P.E.

6. Discussion and Action on all Matters Concerning Excess D & O Coverage with AIA Insurance.

Kathy Gregory, with AIA Insurance, stated that the Bartonville Water Supply Corporation currently has a D & O liability policy with a five million dollar limit and was asked to obtain quotes for excess coverage. Gregory explained that the excess policy "sits" over the current policy and will pay after the current policy pays its five million dollar limit, for total coverage of ten million dollars. Gregory stated that the additional policy is \$4,000 per year and that both policies are less expensive than what was paid for five million dollars in coverage last year. Gregory stated that the excess policy has the same coverage and deductibles as the primary policy and it is written through a different company and will not pay until the first policy is exhausted. Wilkinson asked if the attorney for BWSC had reviewed the policy. Leggieri stated that he had discussed the policy with Ronnie Phillips, attorney for BWSC, and he had stated that the policy was fine but the amount of coverage was dependent on what the directors wanted. Gregory stated that the effective date for the excess policy would be May 7, 2004 so as to run concurrently with the current policy.

Motion by Hanson and second by Greaves to accept the excess policy for D & O coverage of five million dollars at a \$4,000 cost. Motion carried unanimously.

2. Executive Session Concerning:

Paulson announced at 7:13 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 Securing of the Waterline Easement / Thornhill Ranch Estates, Block A Lot 9, 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 7:28 p.m.

3. Public Forum

No one was present.

4. Approve the Minutes of the March 15, 2004, April 14, 2004 and April 19, 2004 Board Meetings.

Motion by Kilpatrick and second by Mutschler to accept the minutes of the March 15, 2004, April 14, 2004 and April 19, 2004 Board meeting. Motion carried with Wilkinson abstaining since he was not present at the March 15, 2004 and April 14, 2004 Board meetings.

5. Approve the March 2004 and April 2004 Disbursements and Financial Reports.

Drury gave an overview of the disbursements and financial reports. Drury stated that, like previous years, the year has started out a little behind on operating cash due to the fact that not as much water is sold during this time of year. Drury stated that revenues are close to budget for the year. Drury stated that for March the office expenses increased due to the fact that newsletters and proxies were mailed during that time and that there were no other significant expenses. Hanson asked about the equity buy in fees for YTD on the April cash flow. Drury stated that further research was necessary. Motion by Kilpatrick and second by Hanson to approve the March 2004 disbursements and financial reports with further research to be done on the April 2004 disbursements and financial reports. Motion carried unanimously.

7. Discussion and Action on Final Payment and Release of Retainage to E.M Construction Company for the Hilltop Road Water Line.

Ginn asked that this item be tabled.

8. Discussion and Action on all Matters Concerning the Renewal of the Town of Double Oak Franchise Agreement.

Wilkinson stated that this agreement should have been renewed January 1, 2003, but was overlooked. Drury stated that the town was doing annual agreements and that she has requested that the towns extend the agreement for two, three, or four years. Drury stated the terms and conditions are the same and the attorney had reviewed the original agreement. Motion by Kaufman and second my Mutschler to renew the franchise agreement with the Town of Double Oak. Motion carried unanimously.

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

No discussion. No action.

10. Discussion and Action on Securing Additional Property for a Future Well Site / Hidden Creek Estates / Town of Copper Canyon.

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.

Motion by Kilpatrick and second by Kaufman to authorize Jim Leggieri, General Manager of BWSC, to proceed with the \$5,000 payment to Mr. Bane for the waterline easement. Motion carried unanimously.

12. Staff Reports.

Leggieri stated that he had included a contract labor chart with his General Manager report and that the costs were high last month due to the fact that labor had to be hired to help with the removal of a fire hydrant that was operational but was to be taken out due to new construction for the Lowes located at FM 407 and FM 2499.

13. Engineers Reports

Wayne Ginn, P.E. stated that he had received a letter from the Town of Bartonville engineer giving approval to clear and excavate the Stargate site. Ginn stated that Bobby Dollak, G & A Consultants, informed him that there had been no problems with the town of Bartonville with the filing of the plat, for the Stargate site, with their DRC and will go to the P & Z Commission the following week. Ginn stated that if the plat has to be reviewed by the Bartonville Town Council, it would be the middle of June. Ginn stated that he has spoken

with the UTRWD about a tie-in to their waterline for the Stargate site and that the UTRWD had requested that they meet in a week. Ginn stated that Michael Scruggs, current BWSC member, had submitted a proposal to subdivide his property in which the waterline runs through the property. Ginn stated that after consideration, Mr. Scruggs would be required to follow the regulations established for developers. Paul Lipscomb, P.E. stated that the hydraulic model is ready to present at the Board's convenience.

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

The next regular Board meeting is scheduled for Monday, June 7 at 7:00 p.m. at the corporation office with a workshop to follow after the meeting.

15. Adjournment.

Motion by Mutschler and second by Kilpatrick to adjourn the meeting. Motion approved unanimously. The meeting adjourned at 8:29 p.m.

Recorded by Marcy Gustafson, Administrative Assistant

Certified by Larry Kaufman, Secretary-Treasurer