

**Minutes of the Bartonville Water Supply Corporation
Board of Directors Meeting
Tuesday, September 14, 2004
Bartonville Water Supply Corporation Office
1911 East Jeter Road
Bartonville, Texas 76226**

1. Call to Order.

Vice-President Greaves called the meeting of the Board of Directors of Bartonville Water Supply Corporation to order at 7:05 p.m. on Tuesday, September 14, 2004 at the corporation office, 1911 East Jeter Road, Bartonville, Texas.

Directors in Attendance

Thomas Greaves, Vice-President
Larry Kaufman, Secretary-Treasurer
Scott Kilpatrick
Bill Wilkinson
Lloyd Hanson

Directors Absent

Michael Paulson, President
Dale Mutschler

Consultants in Attendance

Jennifer Drury, CPA
Wayne Ginn, PE

Staff in Attendance

Jim Leggieri, General Manager
Marcy Gustafson, Administrative Assistant

2. Public Forum

No one was present.

3. Approve the Minutes of the August 17, 2004 Board Meeting.

Motion by Wilkinson and second by Kaufman to accept the minutes of the August 17, 2004, Board meeting. Motion carried unanimously.

4. Approve the August 2004 Disbursements and Financial Reports.

Drury stated that BWSC had a net income for the month due to the fact that the utility costs were down, approximately half of what was budgeted. Drury stated that the revenue was down for the month by approximately \$40,000, or \$200,000 for the year. Kaufman asked why the water costs were unfavorable. Drury stated that BWSC is taking in more water from the UTRWD, as opposed to well water. Drury stated the demand for water is during the I.T.U. period and therefore using more UTRWD water. Drury stated that effective October 1, the UTRWD per thousand rates will drop to .57 and will help considerably.

Drury stated that on the Chinn Chapel Road project cutting the driveway by Mr. Vaughn's as opposed to boring under saved \$7,600. Motion by Kaufman and second by Hanson to approve the September 2004 disbursements and financial reports. Motion carried unanimously.

5. Discussion and Action on all Matters Concerning BWSC's Personnel Policy/Revisions.

Leggieri stated that he had spoken with Ronnie Phillips, legal counsel, and Phillips had stated that the policy was good and that there were no changes necessary. Drury stated that in the past, the three cases that had been filed with the Texas Workforce Commission were in agreement with BWSC based on the policy. No Action.

6. Discussion and Action on All Matters Concerning the Town of Flower Mound v. Upper Trinity Regional Water District.

Leggieri stated that Phillips had said that the matter was in the hands of the jury for them to decide if Flower Mound needed to pay the attorney fees incurred by the UTRWD. Leggieri stated that Phillips stated that he would monitor the outcome to see if it would affect the bond issue. No action.

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

Leggieri stated that the line was in and one tie-in was made. Leggieri stated that the line would be flushed, pressure tested, and samples taken this week and then the line should be in service. No action.

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

Drury stated that the renewal date for the line of credit is October 4, 2004 and that the terms of the line of credit would not change. Drury stated that they would maintain the floor of 5.5% with a ceiling of 6.5%. Drury stated that this was an annual renewal. Drury stated that if BWSC required additional funds above the \$1,500,000, Mike Garrett with NorthStar Bank, had stated that he would be happy to discuss other loan options with the Board. Wilkinson asked if there was a maintenance fee. Drury stated that there was only an attorney fee to file the paperwork. Motion by Kaufman and second by Kilpatrick to renew the \$1,500,000 line of credit with NorthStar bank. Motion carried unanimously.

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

Drury stated that after contacting local banks in the area, NorthStar bank still offered the best rate of 2.5%. Drury stated that BWSC renews at 6 months. Motion by Wilkinson and second by Kaufman to renew the \$1,000,000 certificate of deposit with NorthStar bank for 180 days. Motion carried unanimously.

10. Staff Reports.

Kaufman stated that he reviewed the SCADA system and noticed that the tank-strapping problem was with the strapping table in the SCADA system. Kaufman stated that the SCADA system recognizes the elevated tank as a square tank as opposed to a spherical tank. Kaufman stated that a spreadsheet is being utilized with the correct strapping table. Kaufman stated that the tanks were measuring to the nearest foot and not including inches. Kaufman stated that error accounted for an error in excess of 120,000 gallons for the entire system. Kaufman stated that due to this error, BWSC has never had a true peak demand reading. Kaufman stated that these issues are being worked on. Kaufman stated that he would like to see the SCADA fixed to read the elevated tank correctly, spherical as opposed to square. Drury stated that all of the tanks have been measured/strapped by the staff to ensure correct readings.

11. Engineers Report.

Wayne Ginn, P.E. stated that the Hilltop Road line is in service. Ginn stated that there is still the matter of clean up. Ginn stated that the Stargate line has been pressure tested and is in service. Ginn stated that he has received application for payment for both lines. Ginn stated that there are a few minor items to be completed before final payment can be made.

12. Review Future Agenda Items, Activities, Announcements, and set the date for the October Meeting.

The next regular Board meeting is scheduled for Monday, October 18, 2004 at 7:00 p.m. at the corporation office. The November meeting has been tentatively scheduled for November 15 and the December meeting has been tentatively scheduled for December 20.

13. Adjournment.

Motion by Kilpatrick and second by Kaufman to adjourn the meeting. Motion approved unanimously. The meeting adjourned at 8:18 p.m.

Recorded by Marcy Gustafson, Administrative Assistant

Certified by Larry Kaufman, Secretary-Treasurer