

**Minutes of the Bartonville Water Supply Corporation
Board of Directors Meeting
Tuesday, July 12, 2005
Bartonville Water Supply Corporation Office
1911 East Jeter Road
Bartonville, Texas 76226**

1. Call to Order

Michael Paulson, President called the meeting of the Board of Directors of Bartonville Water Supply Corporation to order at 7:13 P.M. on Tuesday, July 12, 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 (arrived at 8:00 pm)
Bill Wilkinson
James McKinney
Gracie Egan

Consultants in Attendance

Jennifer Drury, CPA
Wayne Ginn, PE - The Ginn Corporation
Ronnie Phillips, Esq.

Staff in Attendance

Jim Leggieri, General Manager

Others in Attendance

Tracy Miller, Town of Double Oak Council Member
Mike Donnelly, Town of Double Oak Mayor Pro-Tem
Jerry Lamel, Town of Double Oak Treasurer
David Mize, Citizen
Sue Tejml, Town of Copper Canyon Mayor
Dick Cook, Town of Double Oak Mayor

3. Public Forum for Non-Agenda Items.

Wilkinson suggested to the Board that a comment section for directors be added to future agendas. This would be a section where a Board member would be allowed to voice concerns without interaction with the other board members and this would not be a discussion item as the subject would not be on the agenda. Wilkinson handed out a letter to

the members of the Board (see attached) with suggestions and concerns he had on how to improve BWSC Board meetings.

Mr. Miller stated his concern that Gracie Egan was not properly elected to the board and the board was now conducting business with an invalid board member. In Miller's opinion, Keith Walter was elected to the board.

Mr. Lamel thanked the Board for allowing him to address the Board and he advised the Board that his purpose is not to point out problems or issues but to propose changes that are necessary. He suggested having BWSC's attorney provide the board with a course on open meetings and how to conduct them and what the responsibilities are. Lamel further suggested adopting a parliamentarian to oversee the running of the meetings to make sure the board is adhering to rules that have been set in place would be a step in the right direction.

President Paulson thanked Lamel for his suggestions and stated that the Board would take it under consideration.

2. Executive Session

President Paulson announced at 7:34 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.**

The Board took no action and reconvened in open session at 8:10 p.m.

4. Approve the Minutes of the June 14, 2005 Board Meeting.

Wilkinson made a motion that the Board make certain revisions to the minutes on Agenda item #4 before he could recommend approval. The first revision is to the tally of the votes that shows McKinney and Wilkinson with the ayes and Hanson, Kaufman, and Kilpatrick as nay. Wilkinson stated that this is incorrect, as is recorded on the tape, there was no "nay" vote taken. Wilkinson also requested that the board member that made the request to President Paulson to go into Executive Session be identified. Wilkinson also requested that the portion of the tape where he announced he would be leaving due to the unannounced Executive Session should be reflected in the minutes as it is on the tape.

Kilpatrick made a motion that the Board not approve the minutes and request that the staff go back and amend per their listening of the tape.

Hanson clarified that even if the tape does not reflect his vote he recalls voting nay. Kaufman and Kilpatrick agreed.

Paulson advised since there is not a second on either motion he would like to comment that he agrees with Wilkinson that the Board went into an Executive Session that was not on the

Agenda and so the Board decided to come out of the Executive Session with no discussion and no action and the minutes need to reflect that.

Motion by Kaufman and second by Kilpatrick to have the staff go back and look at their written record and listen to the tape and redo the minutes.

Miller stated that he has listened to the tape and was a witness to the meeting and there were no nay votes taken. He further stated that if there were, they were very silent, certainly not at a level that would have been deemed by any standards appropriate, there were no raised hands. Miller stated that he believes it would be a good approach to have the staff take a look at it. He informed Paulson that he appreciates Paulson agreeing that the executive session should not have been entered. Miller went back to his original comments that it is his intention to try to work with the Board. Miller advised that the he would like the minutes to reflect actually what happened, there were no nay votes. Miller thanked the Board.

Paulson asked for a show of hands for all in favor of the motion. Motion approved unanimously.

5. Approve the May 2005 and June 2005 Disbursements and Financial Reports.

Drury stated BWSC is above budget for the month of June on actual water sales and according to meter reads this week sales are up due to the dry weather. Drury stated that there was 16 customers that were over 100,000 gallons and the staff will be notifying them in writing with the stage 2 conservation information. Paulson advised the Board that he would like for the Board to consider asking cities within the service area to pass an ordinance that would fine people that knowingly and willingly use over 100,000 gallons. Kilpatrick suggested that would be a good Agenda item. Motion by Kaufman and second by Hanson to approve the May and June Disbursements and Financial Reports. Motion approved unanimously.

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

No discussion. No Action.

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

Motion by Wilkinson and second by Hanson accept the oil and gas lease proposal once BWSC attorney finishes negotiations on the lease with a few items that he has recommended change in the current lease. Aye: Hanson, Kaufman, Egan, McKinney, Wilkinson. Kilpatrick abstained due to not being present for the entire executive session. Motion carried.

8. Discussion and Action on All Matters Regarding Strategic Planning for Long Range Water Supply.

No discussion. No Action.

9. Presentation by Prime Control's David Smith Regarding SCADA System Status as well as Pertinent Discussion and Action.

David Smith stated that the upgrade to the radio system is complete; however, Prime Controls and staff are working through the bugs in the system. Smith stated that he will work with Robert on a weekly basis and work through any problems that may come up. Kilpatrick asked if Prime Control's has a timetable as to when this will be complete. Smith advised that if it is a programming issue it should only take a few days; if it is hardware issues, it will take longer. Smith advised the Board that the Badger Meter issues that he and Jim have been working on for over three years has been resolved. Paulson ask Smith if he was related anyone on the Board or any staff member. Smith responded, "No."

10. Staff Reports.

Leggieri updated the Board on the Broome Road Waterline project. The right-of-way has been cleared to make the tie in at the back of the Stonewood Acres Subdivision. The property owner seems to be happy and the project is moving right along. Leggieri advised the Board that the Taylor Oaks and Thornhill waterline tie-in has been completed. Leggieri advised the Board that at Copper Hill the problem with the French Drain has been corrected and the ground is no longer wet. Leggieri stated that he has spoken with the engineers for the Town of Flower Mound in regards to the Soccer Complex and they are working on the plans and specifications for that complex and wanted to find out what BWSC's requirements would be when it came to meter requirements and backflow prevention. Leggieri advised the Board that the pre-construction meeting for the Cross Roads Bible Church Addition commercial property was held and the developer came in and paid the fees so they will be underway soon. Kilpatrick requested status update in regards to the open records request from Miller. Miller advised that it was excellent with the exception of the e-mails requested from the Directors.

11. Engineer's Reports

Ginn advised that he visited with Bobby Dollack, PE and the contractor for the Cross Roads Bible Church Addition is ready to start but he was advised that the developer is trying to drill a well for the irrigation system.

12. Review Future Agenda Items, Activities, Announcements, and set the date for the July 2005 Meeting.

The next regular Board meeting is scheduled for August 9, 2005 at 7 p.m. Future Agenda items were as follows: Kilpatrick requested that as a future agenda item working with the local towns and cities on a proposed ordinance for those who use over 100,000 gallons per month, Wilkinson requested that Director comments be added, Kaufman requested discussion on getting a parliamentarian and having BWSC's attorney present at all meetings, Egan requested a Prime Controls update, open meetings workshop, inviting Bartonville Water Supply Corporation Action Committee to next months meeting and give a presentation. Paulson advised that they were invited but they declined. Egan suggested the possibility of bar graphs being added to the financial reports. Egan also thanked Drury and Leggieri for bringing her up to date with the operations of BWSC.

Motion by Kilpatrick and second by Hanson to adjourn the meeting. Motion approved unanimously. The meeting was adjourned at 08:51 P.M.

Recorded by Jennifer L. Drury

Certified by Larry Kaufman, Secretary-Treasurer