

**Minutes of the Bartonville Water Supply Corporation
Annual Meeting of the Membership
Monday, April 24, 2006
Crossroads Bible Church
8101 Justin Road
Double Oak, TX 75077**

1. Call to Order

President Paulson called the Annual Meeting of the membership of Bartonville Water Supply Corporation to order at 7:40 P.M. on Monday, April 24, 2006 at the Crossroads Bible Church, 8101 Justin Road, Double Oak, Texas.

2. Welcome and Introductions

President Paulson welcomed the members and introduced the directors, consultants, and staff present.

Directors in Attendance

Michael Paulson, President
Lloyd Hanson, Vice-President
Larry Kaufman, Secretary/Treasurer
Bill Wilkinson
Scott Kilpatrick
James McKinney
Gracie Egan

Consultants in Attendance

Wayne Ginn, P.E., The Ginn Corporation
Dan Tonn, CPA, with Hankins, Eastup, Deaton, Tonn & Seay PC

Staff in Attendance

Jim Leggieri, General Manager
Jennifer Drury, Controller
Rachelle Sproles, Administrative Assistant
Dawn Hicks, Utility Billing

Others in Attendance

John Cooper, Horticulturist

3. Credentials Committee Report

The Credentials Committee, read by Dawn Hicks, reported a quorum was present as the required 10% or 196 members of the 1,955 eligible members were present or represented by proxy. There were 230 members represented by proxy and 39 members were present.

4. Approve Minutes of the April 18, 2005 Annual Meeting

The minutes of the April 18, 2005 Annual Meeting were read by Rachelle Sproles. Motion by Kilpatrick and second by Hanson to approve the minutes. Motion approved with one abstention by Gracie Egan as she was not present.

5. Accept the 2005 Audit Report/ Hankins, Eastup, Deaton, Tonn & Seay P.C.

Dan Tonn, with Hankins, Eastup, Deaton, Tonn & Seay who performed the 2005 audit, reviewed the 2005 Financial Highlights. Mr. Tonn stated that the audit report was reviewed with the Board of Directors at their March 2006 regular meeting. Mr. Tonn stated that they did not encounter any difficulties during the audit and found the staff accommodating. Mr. Tonn reviewed the financial highlights, which were handed out to the members. Mr. Tonn stated that the financial condition of Bartonville Water continues to be very strong. Mr. Tonn answered questions from the members. Motion by Kilpatrick and second by Wilkinson to accept the 2005 Audit Report. Motion approved unanimously.

7. Recognition of Wayne Ginn, PE for 20 Years of Dedication and Service as Consulting Engineer for Bartonville Water Supply Corporation.

President Paulson announced that Mr. Ginn has recently retired and Bartonville Water Supply Corporation wanted to recognize him for his guidance and dedication over the past 20 years and presented Mr. Ginn with an award of service. Mr. Ginn thanked the Board, Jim Leggieri and his staff.

6. Election of Three Directors.

President Paulson announced that there are three directors' positions that are up for re-election and also one amendment that the Board needs the membership to vote on. President Paulson opened the floor for nominations. Wilkinson nominated Gracie Egan and second by McKinney. Member, Mrs. Tanci Paulson nominated Scott Kilpatrick second by Kaufman. Kilpatrick nominated Lloyd Hanson second by Kaufman. Mayor of Copper Canyon, Sue Tejml nominated Bud Fouts from Copper Canyon and Lisa Broughton also from Copper Canyon. Member, Mr. Kevin Alberts second nomination for Bud Fouts. Mayor of Double Oak, Dick Cook second nomination of Lisa Broughton. Motion by Wilkinson and second by Kilpatrick that nominations for directors cease. Motion carried unanimously. The candidates introduced themselves to the Board and to the members present.

Paulson asked if there were any questions in regard to the By-Law amendment. Wilkinson requested that he be allowed to speak in regard to this issue. Paulson advised Wilkinson that he had three minutes to speak. Wilkinson stated that he had a problem with the phrase "with or without cause" and if the voting is done by proxy the concern is that this will be left to the Board to remove the director. Paulson, with council from Ronnie Phillips, Esq., addressed the concerns of Wilkinson and other members.

8. Presentation by John Cooper, Denton County Agricultural Extension Agent.

John Cooper introduced himself and gave an informative slide presentation on how to conserve water and to have a nice landscape at the same time.

9. Drawings for Prizes

President Paulson asked for a volunteer to draw the tickets and proxies for the water prizes; Lauren, Shelby, & Kaitlyn Kilpatrick volunteered.

The proxies of the following members and their credits drawn were:

Diane Foley	5,000 gallons
David Watts	10,000 gallons
Heather Martin	15,000 gallons
Larry McCurry	20,000 gallons

The tickets of the following members and their credits drawn were:

Tanci Paulson	5,000 gallons
Lori Bijonowski	10,000 gallons
Eric Metzger	15,000 gallons
Roy Bradford	20,000 gallons

10. Election Results

Drury read the election results as follows; Gracie Egan with 267 votes, Scott Kilpatrick with 189 votes, Lloyd Hanson with 190 votes, Bud Fouts with 85 votes, Lori Broughton with 87 votes. Directors Gracie Egan, Scott Kilpatrick, and Lloyd Hanson won re-election. The By-Law votes were as follows; 187 For and 84 Against. The By-Law amendment passes.

11. Adjournment

Motion by Kilpatrick and second by Hanson to adjourn meeting. Motion approved unanimously. The meeting adjourned at 8:56 p.m.

Recorded by Jennifer Drury, Controller

Certified by Larry Kaufman, Secretary-Treasurer