

**Minutes of the Bartonville Water Supply Corporation
Board of Directors Meeting
Monday, August 14, 2006
Bartonville Water Supply Corporation Office
1911 East Jeter Road
Bartonville, Texas 76226**

1. Call to Order

President Kaufman called the meeting of the Board of Directors of Bartonville Water Supply Corporation to order at 7:04 P.M. on Monday, August 14, 2006 at the Corporation office, 1911 East Jeter Road, Bartonville, Texas.

Directors in Attendance

Larry Kaufman, President
Lloyd Hanson, Vice President
Scott Kilpatrick, Secretary-Treasurer
Bill Wilkinson
Gracie Egan

Directors Absent

Michael Paulson
James McKinney

Consultants in Attendance

Kerry Maroney, P.E. Biggs & Matthews, Inc.

Staff in Attendance

Jim Leggieri, General Manager
Jennifer L. Drury, Controller

Others in Attendance

Cliff Campbell, Member
John Kovacevich, Member
Chris White, ViaSims

Kaufman announced to the Board that BWSC has received a letter of resignation from James McKinney.

2. Executive Session

President Kaufman announced at 7:06 pm that the Board would convene in Executive Session concerning:

a.) All Matters Concerning Additional Property Acquisitions, Pursuant to Government Code, Section 551.072.

b.) All Matters Proposed Non-Drill Site Oil and Gas Lease of 4+ Acres Tract, Pursuant to Government Code, Section 551.072.

The Board took no action and reconvened in open session at 7:30 pm

3. Public Forum.

No one present.

4. Approve the Minutes of the July 17, 2006 Board Meeting.

Motion by Kilpatrick and second by Wilkinson to approve the Minutes of the July 17, 2006 Board Meeting.

3 Ayes – Egan, Kilpatrick, Wilkinson
1 Abstention – Hanson

5. Approve the July Disbursements and Financial Reports.

Drury advised the Board that the Corporation is in a healthy financial position. Motion by Hanson and second by Kilpatrick to approve the July 2006 disbursements and financial reports. Hanson requested that an agenda item be added to next months meeting to address the corporation transferring funds over to capital. Motion approved unanimously.

6. Discussion and Action on All Matters Concerning Mr. Cliff Campbell's Request that BWSC Reconsider his "greatest normal usage" for a Catastrophic Water Loss Adjustment for the Consumption Period of 3/9/06-4/10/06.

Mr. Campbell made an appeal requesting the Board reconsider his "greatest normal usage". Motion by Egan and second by Wilkinson that the Board uphold the Catastrophic Water Loss policy and deny the Campbell's appeal. Motion approved unanimously.

7. Discussion and Action on All Matters Concerning Mr. John Kovacevich's Appeal of the Billing for the Consumption Period of 3/9/06-04/10/06.

Mr. Kovacevich gave a history on his past water usage and asks that the Board allow him to pay an average bill using his past consumption history. Leggieri stated that the meter tested properly and it is staff's recommendation that Mr. Kovacevich's be granted a Catastrophic Water Loss in this case. Motion by Wilkinson and second by Egan to grant Mr. Kovacevich the Catastrophic Water Loss adjustment. Motion approved unanimously.

8. Presentation by Prime Control Concerning SCADA System Status as well as Pertinent Discussion and Action.

Leggieri advised the Board that Mr. Smith was unable to attend but Leggieri gave the Board an update and answered questions.

9. Discussion and Action on All Matters Concerning Strategic Long Range Planning Including Presentation of Planning Model Developed by ViaSims.

Chris White, ViaSims representative, gave the Board an overview of the Strategic Long Range Planning model and answered questions from the Board. White advised the Board that over time and with the input from staff this tool will create a high confidence level.

10. Discussion and Action on All Matters Concerning Retaining General Counsel for the Corporation.

Drury advised the Board that this will give the corporation additional resources for legal counsel that will be in addition to our current legal council. Motion by Egan and Second by Hanson to diversify our general council to include Russell & Rodriguez, LLP. Hanson asked Drury to expand on the background of Russell & Rodriguez, LLP. Drury gave brief background of Russell & Rodriguez, LLP. Motion approved unanimously.

11. Discussion and Action on all Matters Concerning Amending BWSC's Subdivision Regulations Related to Review Fees.

Motion by Kilpatrick and second by Egan to accept the staff recommendation regarding BWSC's Subdivision Regulations Related to Review Fees. After discussion motion approved unanimously.

Mrs. Campbell interrupted the meeting asking the Board if their water would be turned off now that the Catastrophic Water Loss was denied? Kaufman advised Mrs. Campbell that she should come in tomorrow and make arrangements with the staff. Mrs. Campbell left the meeting.

12. Consideration and Action on All Matters Concerning Approval of the Preliminary Water Plan for McCray Professional Building, Bartonville, Texas.

Motion by Hanson and second by Wilkinson to approve the Preliminary/Final Water Plans for McCray Professional Building, Bartonville, Texas. Motion was approved unanimously.

13. Consideration and Action on All Matters Concerning Approval of the Preliminary Water Plan for Hidden Creek Subdivision, Copper Canyon, Texas.

Leggieri gave the Board of an overview of the subdivision plans. Motion by Hanson and second by Kilpatrick to approve the Preliminary Water Plan for the Hidden Creek Subdivision, Copper Canyon, Texas. Motion approved unanimously

14. Discussion and Action on All Matters Concerning Extension of a 12" Waterline Southeast along South Copper Woods Lane, Copper Canyon, Texas.

Leggieri briefed the Board on the history and plans for a 12" waterline southeast along south Copper Woods Lane. Motion by Hanson and second by Wilkinson to approve the extension of a 12" Waterline southeast along South Copper Woods Lane, Copper Canyon, Texas. Motion approved unanimously.

15. Discussion and Action on All Matters Concerning Additional Property Acquisitions.

No discussion. No action.

16. Discussion and Action on All Matters Concerning Proposed Non-Drill Oil and Gas Lease of 4+ Acres Tract.

No discussion. No action.

17. Discussion and Action on All Matters Concerning Approval to Purchase a "Mini" Excavator for Field Service Operations.

Motion by Egan and second by Hanson to approve the purchase of a "Mini" Excavator for field service operations with a purchase price not to exceed \$45,000.00. Motion approved unanimously.

18. General Manager's Report.

Leggieri gave the Board and update on the waterline leaks/repairs on Copper Canyon Road. Leggieri answered questions from the Board regarding the Jernigan Well. Kaufman asks that Leggieri look at well options vs. surface water and how the Board should proceed. Kilpatrick asks that Leggieri contact T.C.E.Q. and see if any modeling of this area has been done.

19. Controller Report.

Drury advised the Board of office policy on high consumption usage and the staff's attempts at educating our members.

20. Review of Future Agenda Items, Activities, Announcements, and set the date for the September 2006 Meeting.

Kaufman requested that Engineer Report/General Council Report be added to the agenda and Egan requested a policy for vacation watch be added to the Agenda for next month. Kilpatrick announced his resignation. The Board thanked Kilpatrick for his service during his 16 years on the Board. The next Board meeting will be held on September 18, 2006.

21. Adjournment.

Motion by Egan and second by Hanson to adjourn. Motion approved unanimously. The meeting was adjourned at 9:19 pm.

Certified by Scott Kilpatrick, Secretary-Treasurer