

**Minutes of the Bartonville Water Supply Corporation
Board of Directors Meeting
Monday, January 15, 2007
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 8:08 P.M. on Monday, January 15, 2007 at the Corporation office, 1911 East Jeter Road, Bartonville, Texas.

Directors in Attendance
Larry Kaufman, President
Lloyd Hanson, Vice President
Gracie Egan, Secretary-Treasurer
Bill Wilkinson
David Moore

Directors Absent
Michael Paulson
Patrick McDonald

Staff in Attendance
Jim Leggieri, General Manager
Jennifer L. Drury, Controller

Consultants in Attendance
Ronnie Phillips, Esquire
Kerry Maroney, P.E. Biggs & Matthews, Inc. via teleconference

Others in Attendance
David Smith, Prime Controls

President Kaufman announced that they move to Item # 6

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

David Smith explained that the Upper Trinity Flow Transmitter went bad and that he had one ordered, due to deliver Tuesday January 16, 2007. Other than this small incident all is well with the SCADA System at this time. The board members thanked Mr. Smith for seeing this project through to a successful conclusion.

2. Executive Session

President Kaufman announced at 8:08 pm that the Board would convene in Executive Session concerning:

- A) All Matters Concerning the Chinn Chapel Pump Station and the Chapel Springs Subdivision, Pursuant to Government Code, Section 551.071.**

- B) All Matters Related to the Denton Independent School District's and Republic Property Group's Request for CCN Release Pursuant to Government Code, Section 551.071.**
- C) All Matters Concerning The Ginn Corporation's Final Engineering Invoice for the Stargate Pump Station, Pursuant to Government Code, Section 551.071**
- D) All Matters Concerning Personnel, Including Review of Annual Goal setting for Employees, Pursuant to Government Code, Section 551.074.**

The Board took no action and reconvened in open session at 9:41 pm.

President Kaufman announced the Board would take a 5-minute break and reconvened at 9:48 pm.

President Kaufman announced that they would move to Item # 8

18. Consulting Engineer Report

Kerry Maroney, P.E. joined the meeting via teleconference at 9:48 pm. Maroney gave an update on the Copper Canyon road extension. Staff was directed to continue to monitor the project with the engineer.

No action was taken.

Maroney ended the phone conference at 10:18 pm.

3. Public Forum.

No one present

4. Approve the Minutes of the December 18, 2006 Board Meeting.

Motion by Hanson and second by Moore to approve the minutes of the December 18, 2006 Board Meeting.

Motion approved unanimously.

President Kaufman announced that they move to Item # 17

17. Discussions and Action on All Matters Concerning Transferring a Certain Portion of Current Operating Funds to Reserve for Capital Projects for the Year Ended December 31, 2006.

Motion by Hanson and second by Moore to transfer \$835,000 of Current Operating Funds to Reserve for Capital Projects for the Year Ended December 31, 2006.

Motion approved unanimously.

5. Approve the December 2006 Disbursement s and Financial Reports.

Motion by Hanson and second by Wilkinson to approve the Financial Statements with the amendment of the Financials to reflect the transfer of \$835, 000 from Operating Capital Funds to Reserve for Capital Projects.

Motion approved unanimously.

7. Discussion and Action on All Matters Concerning Ms. Sherla Tovar's Request that BWSC Reconsider Her Request and Grant a Catastrophic Water Loss Adjustment for the Consumption Period of 8/09/06 – 09/08/06.

Motion by Hanson and second by Egan to direct staff to apply the policy as construed for the request submitted by the Tovar's for adjustment to the water bill, and the adjustment be denied according to policy and procedure.

Motion approved unanimously.

9. Legal Counsel Report.

No discussion. No Action Taken.

10. General Manager's Report

Leggieri asked to board if they had any questions.

No Action Taken.

11. Controller's Report

Drury informed the Board that she is preparing for the Audit, which will begin Mid - February 2007 and will finish up Mid – March 2007.

Drury updated the Board regarding reviewing a Proposed Non-Drill Oil & Gas Lease for the office site.

No Action taken.

12. Discussions and Action on All Matters Concerning the Chinn Chapel Pump Station and Chapel Springs Subdivision.

Motion by Hanson, and second by Wilkinson to direct staff to advise BWSC's General Counsel, Ronnie Phillips, to initiate litigation regarding the Chinn Chapel Subdivision disagreement.

Motion approved unanimously.

13. Discussion and Action on All Matters Related to the Denton Independent School District's and Republic Property Group's Request for CNN Release.

No discussion. No Action Taken.

14. Discussion and Action on All Matters Concerning The Ginn Corporation's Final Engineering Invoice for the Stargate Pump Station.

No discussion. No Action Taken.

15. Discussions and Action on All Matters Concerning Personnel, Including Review of Annual Goal Setting for Employees.

Motion by Hanson and second by Wilkinson for President Kaufman to review the goals on a quarterly basis with General Manager and Controller and provide an update to board relative to status of each items that is included in the General Manager's Reports for 2007.

Motion approved unanimously.

President Kaufman directed staff to put the Management Goals on the Agenda in March, June, September, and December 2007.

16. Discussions and Action on All Matters Concerning the Preliminary Plans for the Proposed Widening of Copper Canyon Road.

Motion by Hanson and second by Wilkinson to direct staff to work with Denton County, Denton County's Consulting Engineer, and BWSC's Consulting Engineer to obtain additional facts regarding timing, cost and options regarding the Proposed Widening of Copper Canyon Road.

Motion approved unanimously.

18. Discussions and Action on All Matters Concerning Updating BWSC's Tariff for Catastrophic Water Loss Adjustment.

Motion by Egan and second by Hanson to adopt the policy with the exception that the last line under Section 4(a) be removed from the policy.

Amended motion by Egan and second by Hanson to adopt the policy with the removal of the last line in Section 4(a) and removing the word "normal" in Section 4(c).

Motion approved unanimously.

19. Discussions and Action on All Matters Concerning Establishing a Policy and Procedure for Review and Acceptance of Contracts by Board of Directors.

After discussion, board directed staff to include specific criteria for reviews.

No Action Taken.

20. Review Future Agenda Items, Activities, Announcements, and set date for the February 2007 Meeting.

The next Board Meeting will be held February 12, 2007.

26. Adjournment.

Motion by Wilkinson and second by Egan to adjourn the meeting at 11:37 pm.

Motion approved unanimously.

Recorded by Jennifer L. Drury

Certified by Gracie Egan, Secretary-Treasurer