

**BARTONVILLE WATER SUPPLY CORPORATION
MINUTES of the BOARD OF DIRECTORS MEETING
MONDAY, AUGUST 18, 2008 AT 7:00 P.M.**

1. CALL TO ORDER

President Kaufman called the meeting of the Board of Directors of Bartonville Water Supply Corporation to order at 7 PM on Monday, August 18, 2008, at the Corporation office, 1911 East Jeter Road, Bartonville, Texas.

Directors in Attendance:

Larry Kaufman, President
Patrick McDonald, Vice-President
Gracie Egan, Secretary-Treasurer
Bill Wilkinson Lloyd Hanson Michael Paulson David Moore

Directors Absent: None

Staff in Attendance:

Jim Leggieri, General Manager
Connie Salsman, Controller
Dawn Hicks, Billing Administrator

Consultants in Attendance:

Virginia Moore, Attorney

Others in Attendance:

Don Leonard of 110 Eagle Nest Circle

2. EXECUTIVE SESSION CONCERNING:

ALL MATTERS CONCERNING THE RED OAK GAS LEASE, PURSUANT TO GOVERNMENT CODE, SECTION 551.072.

ALL MATTERS CONCERNING PERSONNEL, PURSUANT TO GOVERNMENT CODE, SECTION 551.074.
Session began at 7:19 PM and ended at 8 PM.

3. PUBLIC FORUM FOR NON-AGENDA ITEMS

No one was present.

4. APPROVAL OF THE MINUTES OF JULY 2008 BOARD MEETING.

Hanson made a motion to approve. Wilkinson seconded. Paulson abstained. Minutes were approved.

5. APPROVAL OF THE JULY 2008 DISBURSEMENTS AND FINANCIAL REPORTS

Hanson made a motion to approve. Wilkinson seconded. Report was approved unanimously.

Discussion:

Salsman explained the Grindinger A/R court case coming up.

She explained how we are able to use the new software and the need for further training, which is scheduled in Las Vegas in November for four days. It was asked that she bring a budget to the next meeting for this.

6. DISCUSSION AND ACTION ON ALL MATTERS CONCERNING MR. LEONARD'S REQUEST TO DISREGARD HIS USAGE IN SEPTEMBER 2007 AND RECALCULATE HIS "NORMAL GREATEST USAGE: IN REGARD TO HIS CATASTROPHIC WATER LOSS APPLICATION

Egan made a motion to uphold the policy of Bartonville Water Supply Corporation as stated in the Tariff. Wilkinson seconded the motion. Motion was approved unanimously.

7. DISCUSSION AND ACTION ON ALL MATTERS CONCERNING WRITE OFFS OF UNCOLLECTIBLE AMOUNTS.

Ms. Hicks presented a report of several small amounts to clear the accounts. She explained that the \$120 is actually a renter account and the owner, Mr. Sullivan, passed away. The renters moved away and we lost track of them to collect. We haven't done the write-off in almost three years. Ms. Salsman said that most people will pay to clear up their accounts to be able to get water in the next place they move to avoid paying a higher deposit. BWSC always requires a deposit regardless of credit history. Hanson made a motion to approve. Paulson seconded it. Motion was unanimously approved.

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BREAK WAS TAKEN FROM 8:23 TO 8:31 PM

8. DISCUSSION AND ACTION ON ALL MATTERS CONCERNING RED OAK GAS LEASE.

It was suggested that no action be taken on this. Kaufman tabled this item.

9. DISCUSSION AND ACTION ON ALL MATTERS CONCERNING SETTING DATE FOR BUDGET WORKSHOP

Kaufman requested preliminary suggestions in September. A preliminary budget to review should be available for review in October with final approval in November. Prior year budgets have been approved as late as December. The rates must be approved by November. It was decided to keep this on the agenda for next month. No action was taken.

10. DISCUSSION AND ACTION ON ALL MATTERS CONCERNING PERSONNEL.

Paulson made a motion to increase Jim Leggieri's salary. Hanson seconded it to be raised by \$210 per month. The vote passed unanimously.

11. DISCUSSION AND ACTION ON ALL MATTERS CONCERNING IMPLEMENTING A FLUSH VALVE/FIRE HYDRANT POLICY/AGREEMENT.

Leggieri gave an overview of the agreement, and explained that it has been agreed upon by all parties so far. Ms. Moore explained how the document clarifies each party's positions and terminology. There are two forms of agreement. The matter was tabled for future discussion.

12. DISCUSSION AND ACTION ON ALL MATTERS CONCERNING BELLE COTE REIMBURSEMENT/ FIRST 200' OF OFF SITE WATER MAIN.

Leggieri explained that this figure was based on the total cost of the offsite main (\$7,715). Motion made to accept the action by Paulson. Wilkinson seconded. Motion passed.

13. CONSULTING ENGINEER'S REPORT

Leggieri advised that the well depth is close to halfway.

We are going to get some other driller's opinions about getting this well finished faster.

We have to proceed at the current location due to site restrictions.

We do have a performance bond that we will investigate terms.

We need to get finished before the end of the temporary easement.

Various possibilities have been discussed with other companies. Maybe a bigger rig could get the higher pressure, for example.

Leggieri suggested making a plan with the bonding company to get this thing done as soon as possible.

Staff will gather information.

14. GENERAL MANAGER'S REPORT

Belle Cote water line is up and running. Commissioner Eads sent a letter confirming Denton County's responsibility for damage to water line at Hickory Hill.

15. REVIEW FUTURE AGENDA ITEMS, ACTIVITIES, ANNOUNCEMENTS, AND SET THE DATE FOR THE SEPTEMBER 2008 MEETING.

Future agenda items should include preliminary budget items, capital projects, fire fill policy, tariff wording regarding damages, Red Oak Gas lease. September 15 was confirmed for next meeting.

16. ADJOURNMENT.

Paulson motioned to adjourn. Hanson seconded.

TRANSCRIBED BY BECKY RANKIN

CERTIFIED BY GRACIE EGAN, SECRETARY-TREASURER