

**BARTONVILLE WATER SUPPLY CORPORATION
MINUTES of the BOARD OF DIRECTORS MEETING
MONDAY, DECEMBER 14, 2009 AT 7:00 P.M.**

1. Call to Order

Mr. Kaufman called the meeting of the Board of Directors of Bartonville Water Supply Corporation to order at 7:02 P.M. on Monday, December 14TH, 2009, at the Corporation office, 1911 East Jeter Road, Bartonville, Texas.

Directors in Attendance:

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

Staff in Attendance:

Jim Leggieri, General Manager
Dawn Hicks, Office Manager

Consultants in Attendance:

Virginia Moore, Attorney

Others in Attendance:

No one Present

Mr. Kaufman announced that the Board would go into Executive Session at 7:03 P.M.

The Board reconvened into regular session at 8:57 P.M.

- 2. Discussion and Action on All Matters Concerning Election of a Secretary-Treasurer for the Board of Directors.**
Motion by Hanson and second by Egan to nominate Michael Paulson as the Secretary-Treasurer for the Board of Directors. Kaufman declared nominations cease. Motion approved unanimously.
- 4. Public Forum for Non-Agenda Items**
No one present.
- 5. Approve the Minutes of the November 16th, 2009 Board Meeting.**
Motion by Hanson and second by Wilkinson to approve the minutes of the November 16th, 2009 Board Meeting. Motion approved unanimously.
- 6. Approve the November 2009 Disbursements and Financial Report.**
Motion by Paulson and second by Egan to approve the 2009 Disbursements and Financial Report. Hanson reviewed with the Board the expected water sales for the year end and where expenses were expected for the end of the year. Hanson also reviewed the Capital Improvement expenses, which includes: Stonewood Well, Stargate Well, new meters, tank refurbishing, distribution line upgrades, and new computer for the SCADA System; and the depreciated items taken out of production. Hanson also reviewed the Operational Cash flow for the year. Motion approved unanimously.
- 7. Consulting Engineer's Report.**
Maroney was not in attendance. Leggieri will cover information in his General Manager's report.
- 8. Discussion and Action on all Matters Regarding the General Manager's Report to Include Possible Discussion and Action on the Following Items:**
 - a) Stonewood Well #2**
Leggieri advised they are continuing with the clearing issues of the water and currently waiting for engineer to release. They are finishing the fence and grass at this site.

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b) Copper Canyon Rd./Road Project

Leggieri advised this project is complete.

c) FM/Briar Hill/Justin Road

Leggieri met with the BWR Engineering group for TXDOT and they advised that Flower Mound has 1500 feet of waterline left but has put this project on hold until May 2010 due to highway projects.

d) Ground Water Conservation Districts

There is nothing new to report. A Ground Water Conservation District may be helpful regarding the Injection well.

e) Elevated Tank Site #2 / Stargate Well

Leggieri advised that on the Elevated tank, Maroney has been doing research to make sure everything is correct for the conditional use permit. The Stargate Well drilling is underway.

f) TX DOT ROW Acquisition/Simmons Rd./FM 407

Leggieri advised that this issue has been resolved.

g) Update on Remote Read Meter Upgrade

Leggieri advised that we have approximately 108 meters remaining out of the original 450.

h) 2009 Capital Project Improvements

No Action Taken.

i) Variable Speed/Frequency Motors/Pumps at Copper Hill Pump Station

Leggieri advised this project is complete.

j) Hawk Rd./Porter Rd. Water Line Loop

Leggieri advised they are working with Mr. Cummins and Mr. Davis who is the contractor building the house and they are researching the 11 easements before they can grant us the water line easement. Leggieri contacted the other 5 property owners; to date Mr. Rogers has agreed on the use of his easement.

k) Exterior Painting of the Orchid Hill, Jernigan Rd., and Stonewood Ground Storage Tanks.

Leggieri advised that A+ Water Works, Inc. has signed the agreement and provided proof of insurance, they start painting the week of December 14, 2009.

l) Update/Rewrite Corporation Subdivision Rules

Leggieri advised this project is complete.

m) Fire Fill Agreement

Leggieri advised this is complete and in place.

9. Discussion and Action on Final Pay Request from H2M for the Stonewood Well.

Kaufman tabled this item until next meeting.

10. Discussion and Action on All Matters Concerning Tariff, Including Review and Update BWSC Tariff Section B with Adoption of New Language.

Motion by Paulson and second by McDonald to approve the new language for Section B of the Tariff. David Moore stated that the position of the Corporation in protecting the Corporation is a good thing, but we have obviously provided fire flow historically and that we as a Board need to make sure that our members continue to get that when we can provide it, it's just that simple. They have paid for the system that we as a Board regulate; our members expect that fire flow to the extent that we can provide it, when we need to. Hanson stated that the Corporation does not guarantee this fire flow in accordance with what the Tariff states, so those that are concerned about it need to make sure they read the Tariff and understand the effect. David Moore stated that we as a Board certainly have always understood that we are under no obligation to provide fire flow, however all of our members expect that from us. Motion approved unanimously.

11. Discussion and Action on All Matters Concerning Injection Well Permit by Bosque to Include Filing Protest with the Texas Railroad Commission.

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Motion by Paulson and second by Egan to move to protest permitting of the Bosque injection well. The Board directed Virginia Moore and Leggieri to work together on filing the official protest for the injection well with the Texas Railroad Commission. After discussion, Board directed staff to begin discussion with other partners in the area to get involved in the protest. Motion approved unanimously.

12. Discussion and Action on All Matters Concerning Approval of the 2009 Audit Engagement Letter with Hankins, Eastup, Deaton, Tonn & Seay.

Motion by Hanson and second by Paulson to approve the Audit Engagement Letter for 2009 with Hankins, Eastup, Deaton, Tonn & Seay. Hanson stated that we are responsible for reviewing the entries and understanding the nature of any proposed entries and the impact they have on the financial statements. Hanson will make sure we are in compliance. Motion approved unanimously.

13. Discussion and Action on the Payment of the Texas Rural Water Association Dues, Building, Disaster Relief, Legal, and Scholarship Fund Contributions.

Motion by Paulson and second by McDonald to approve the payment to Texas Rural Water Association for Dues, Building, Disaster Relief, Legal, and Scholarship Fund Contribution in the amount of \$2,368.30. Motion approved unanimously.

14. Discussion and Action on All Matters Concerning Mrs. Egan Request to Attend the TRWA Water Board of Directors Conference

Motion by Moore and second by Hanson to have two (2) Board members attend the TRWA Water Board of Directors Conference in Austin on January 21-22, 2010, BWSC will cover registration fees, hotel and per diem. Motion approved unanimously.

15. Discussion and Action on All Matters Concerning Quotes to Upgrade Network Server and Mozy Backup Center for Corporation Data Security.

Hicks explained to the Board why BWSC needs these upgrades done. Hicks advised she had two quotes, one from Prime Controls for \$7,000 and one from Kevin Spratlen for \$4,000 for the same equipment to be installed for the server. The Board tabled the server upgrade until next month. Board would like to have a third quote before choosing upgrade. Motion by Paulson and second by Hanson to go forward with the offsite Mozy Backup Center for Data Security. Motion approved unanimously.

16. Discussion and Action on Personnel/Matters Including Review/Evaluation of General Manager's 2009 Performance Goals

Kaufman tabled the General Manager's 2009 goals. Motion by Paulson and second by Egan to raise Leggieri's salary next year by 3%. Motion approved unanimously.

17. Review Future Agenda Items, Activities, and Announcements.

The next Board Meeting is set for January 18th, 2010. Future Agenda Items should include the Server Upgrade, and update on the Injection Well.

Mr. Kaufman announced that the Board would go into Executive Session at 9:51 P.M.

The Board reconvened into regular session at 10:19 P.M.

18. Adjournment

Motion by Paulson and second by McDonald to adjourn. Motion approved unanimously. Meeting adjourned at 10:20 P.M.

TRANSCRIBED BY LEANNA SPENCER

CERTIFIED BY MICHAEL PAULSON, SECRETARY-TREASURER