

**BARTONVILLE WATER SUPPLY CORPORATION
MINUTES of the BOARD OF DIRECTORS MEETING
MONDAY, NOVEMBER 16, 2009 AT 7:00 P.M.**

1. Call to Order

Mr. McDonald called the meeting of the Board of Directors of Bartonville Water Supply Corporation to order at 7:01 P.M. on Monday, November 16, 2009, at the Corporation office, 1911 East Jeter Road, Bartonville, Texas.

Directors in Attendance:

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

Directors not in Attendance:

Larry Kaufman, President

Staff in Attendance:

Jim Leggieri, General Manager
Dawn Hicks, Office Manager

Consultants in Attendance:

Virginia Moore, Attorney
Kerry Maroney, P.E.

Others in Attendance:

No One Present

Mr. McDonald announced that the Board would go into Executive Session at 7:02 P.M.

The Board reconvened into regular session at 8:12 P.M.

3. Public Forum for Non-Agenda Items

No one present.

4. Approve the Minutes of the October 19th, 2009 Board Meeting.

Motion by Paulson and second by Moore to approve the minutes of the October 19th, 2009 Board Meeting.

Motion approved unanimously.

5. Approve the October 2009 Disbursements and Financial Report.

Hanson gave additional information on the formats for the Current Month versus Year to Date balance sheets from 2008 to current month, also on the Cash Flow status. Hanson also advised November current month revenue is about \$175,000 and our November revenue will be about \$50,000 less due to the wet October we had, so the revenue plus or minus should be around \$125,000 for November. In the first nine months of the year we had expensed about \$136,000 worth of repairs, maintenance, and equipment that need to be capitalized, that has been corrected in the current month. BWSC shows profit of \$111,000 in the month of October this corrects the items that have been used for purchases of meters, tank repairs, and the two new pumps at Copper Hill station. In addition, we removed the old equipment and old meters from the asset base. They were fully depreciated, they were put in approximately 10 years ago and they have a 10 year life. Motion by Hanson and second by Paulson to approve the Disbursements and Financial Reports for October 2009. Motion approved unanimously.

6. Consulting Engineer's Report.

Maroney advised the Board we have approval on the Stonewood Well from TCEQ to turn it into the system. The final bill for the Stonewood Well is at approximately \$54,000. Maroney also stated he contacted TCEQ on the Stargate Well and the drilling is at about 150' right now.

7. 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**

Discussed in Consulting Engineer's report.

**BARTONVILLE WATER SUPPLY CORPORATION
MINUTES of the BOARD OF DIRECTORS MEETING
MONDAY, NOVEMBER 16, 2009 AT 7:00 P.M.**

b) Copper Canyon Rd./Road Project

Leggieri reported that the project is complete and in service.

c) FM/Briar Hill/Justin Road

Nothing new to report. Leggieri advised that he will be attending a Precinct meeting on Thursday November 19th, 2009 in Westlake to get an update.

d) Ground Water Conservation Districts

Nothing new to report. Public hearing in December 2009.

e) Elevated Tank Site #2 / Stargate Well

Leggieri reported that he is working on the conditional use permit for this elevated tank.

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

Leggieri reported that TX DOT is not going to need any property for the ROW.

g) Update on Remote Read Meter Upgrade

Leggieri reported that we have completed 300, with 150 remaining.

h) 2009 Capital Project Improvements

Discussed under Hawk Rd. /Porter Rd. Water Line Loop.

Discussed under Exterior Painting of the Orchid Hill, Jernigan Rd., and Stonewood Ground Storage Tanks.

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

Leggieri reported that the Variable Frequency Speed motor/pumps are installed and operational.

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

Maroney reported that they have surveyed Hawk Rd., and from the title company we have about 9 or 10 easements that need to be researched.

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

Leggieri advised that we have 9 storage tanks and 6 of them need the exterior painting done on them; Leggieri received a proposal from one person for the 6 storage tanks to be repainted at \$59,000. The paint should last a minimum of 10 years to a maximum of 15 years. Also the ground storage tanks at Copper Hill and 407 needs repainting, preferably by the end of the year. Motion by Paulson and second by Wilkinson to approve the exterior painting of the Orchid Hill, Jernigan Rd., Copper Hill, 407 and Stonewood ground storage tanks not to exceed \$65,000. Motion approved unanimously.

8. Discussion and Action on All Matters Concerning Personnel.

No Action taken.

9. Discussion and Action on All Matters Concerning Contracting a Senior Accountant to Assist Staff in Preparing for End of Year Close Out and Audit Assistance.

Motion by Paulson and second by Moore to approve an agreement in which Hanson will resign his office as Secretary-Treasurer and BWSC will hire Lloyd Hanson as our temporary Senior Accountant, not to exceed 300 hours for his work, and not to exceed \$15,000. Hanson will report to Leggieri the General Manager directly, he will be an independent contractor. Paulson added BWSC is doing this in light that if they hire an outside independent contractor Senior Accountant would cost BWSC more and BWSC would have to educate this person on the system, this would take more than 300 hours.

5 – Ayes, Paulson, Moore, Egan, Wilkinson, McDonald

1 – Abstention, Hanson

10. Discussion and Action on All Matters Concerning Preliminary Budget Items to Include Capital Projects.

Hanson identified the water usage is estimated to be slightly higher in 2010 than the current year. An estimate of 17 new members and 17 new meter installations are set in the budget for 2010. The current UTRWD fixed rate charges per month is \$67,000 and it is expected to go up 5% next October to approximately \$71,000. Budget also includes for an addition of 1 new field technician for 2010. Hanson said we need to change the base service charge per member per month from \$32.73 to \$33.50, due to the increase from UTRWD. Motion by Paulson and second by Egan to keep the members base service rate charge the same and increase the tier water usage rates per submitted budget. Motion approved unanimously. Hanson reviewed

BARTONVILLE WATER SUPPLY CORPORATION
MINUTES of the BOARD OF DIRECTORS MEETING
MONDAY, NOVEMBER 16, 2009 AT 7:00 P.M.

the projected capital projects for 2010. Motion by Egan and second by Paulson to accept the projected Capital Projects for 2010. Motion approved unanimously.

12. Discussion and Action on All Matters Concerning Tariff, Including Review and Update BWSC Tariff.

Motion by Hanson and second by Egan to approve Tariff Sections C, E and F; and table Section B for next meeting. Motion approved unanimously.

11. Discussion and Action on All Matters Concerning the Town of Copper Canyon's Franchise Agreement.

Hicks advised the board that the Franchise agreement is renewed annually with the Town of Copper Canyon, with the only change is that the Town of Copper Canyon is paid semi-annually instead of annually. Motion by Paulson and second by Wilkinson to approve the Franchise Agreement with the Town of Copper Canyon. Motion approved unanimously.

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

The next Board Meeting is set for December 14th, 2009, and the Christmas Party is set for December 16th, 2009 at Palermo's. Hanson announced that he is resigning from his position as Secretary of Treasurer. Future Agenda Items should include Tariff Section B with the adoption of the new language, election of Secretary of Treasure for BWSC, and letter of engagement for the annual audit. TRWA dues.

14. Adjournment

Motion by Paulson and second by Hanson to adjourn. Motion approved unanimously. Meeting adjourned at 9:29 P.M.

TRANSCRIBED BY ROBIN KERN

CERTIFIED BY LLOYD HANSON, SECRETARY-TREASURER