

**BARTONVILLE WATER SUPPLY CORPORATION**  
**MINUTES of the BOARD OF DIRECTORS MEETING**  
**MONDAY, MAY 18, 2009 AT 7:00 P.M.**

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**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, May 18, 2009, at the Corporation office, 1911 East Jeter Road, Bartonville, Texas.

**Directors in Attendance:**

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

**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 8:24 P.M. and dismissed for a 5 minute break.  
The Board reconvened into regular session at 8:31 P.M.

**3. Public Forum for Non-Agenda Items**

No one present.

**4. Approve the Minutes of the March 23<sup>rd</sup>, 2009, April 16<sup>th</sup>, 2009, and the April 23<sup>rd</sup>, 2009 Board Meeting**

Motion by Hanson and second by Wilkinson to approve the minutes of the March 23<sup>rd</sup>, 2009 Board Meeting.

5 – Ayes McDonald, Hanson, Moore, Paulson, & Wilkinson

1 – Abstention Egan

Motion by Hanson and second by Wilkinson to approve the minutes of the April 16<sup>th</sup>, 2009 Board Meeting.

5 – Ayes McDonald, Hanson, Moore, Egan, & Wilkinson

1 – Abstention Paulson

Motion by Hanson and second by Wilkinson to approve the minutes of the April 23<sup>rd</sup>, 2009 Board Meeting. Motion approved unanimously.

**5. Approve the February, March, and April 2009 Disbursements and Financial Reports**

Dawn Hicks reviewed the highlights from the financials and answered questions from the board. Hanson advised the Board that he has spent time with Dawn reviewing the Disbursement and Financial Reports. Motion by Hanson and second by Paulson to approve the Disbursements and Financial Reports for February, March and April 2009. Motion carried unanimously.

**6. Consulting Engineer's Report**

Leggieri reported on the Stonewood Well #2 progress and gave the Board Mr. Maroney's response to drilling the Stargate Well. The Stonewood Well pumps 700 gallons a minute and this equals out to a little over one million gallons per day. Leggieri advised the Board that Maroney stated he would proceed cautiously at this time and would prefer to get Stonewood operating at 100%. In regard to the elevated tank at the Stargate location the tank would have to be elevated 165-167 feet above ground. The current elevated tank at 407 is 137 feet.

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**7. General Manager's Report to Include Possible Discussion on the Following Items:**

**a) Stonewood Well #2**

The status of the Stonewood Well was discussed with the Consulting Engineer's report.

**b) Copper Canyon Road/Road Project**

No Discussion.

**c) Update on Fire Policy**

Leggieri advised the Board prior to the next meeting staff will evaluate if he should invite the officials involved to the next meeting.

**d) FM/Briar Hill/Justin Road**

No Discussion.

**e) Verizon Subcontractors**

No Discussion.

**f) Ground Water Conservation Districts**

Leggieri went over the current status of the GWCD that would include Cooke, Denton, and Collin Counties. These counties are actively looking into establishing a GWCD and advised the Board of the proposed rates involved. Leggieri advised that staff will continue its involvement as this develops and report back with developments.

**g) Elevated Tank Site #2**

The status of the elevated tank was discussed with the Consulting Engineer's report.

**h) TX DOT ROW Acquisition**

Leggieri reviewed TX DOT's ROW acquisition request and how it would affect our current well site.

**i) Revised Tariff Policy on Subdivisions**

Leggieri advised the Board that he has reviewed and updated the current subdivision regulations and asked Hanson to review. Leggieri advised he expects to submit the updated regulations to Virginia Moore for her review.

**8. Discussion and Action on all Matters Concerning Recent Attorney General Legal Opinions Affecting WSC's, Case Decisions and Pending Legislative Actions**

**a) Fire Flow and Fire fill Issues**

No action taken.

**b) Role of Board in Oversight of Staff Activities with regard to Tax Responsibilities**

Covered under Agenda Item #11.

**c) Handling of Electronic Mail Records**

No action taken.

**d) Increased State Oversight of Retail Public Utilities, including Board Makeup**

No action taken.

**e) Backup Generators to Provide Emergency Power for Retail Public Utilities**

No action taken.

**9. Discussion and Action on all Matters Concerning the Equity Buy-In Fee**

Hicks reviewed the calculations of the new Equity Buy-In fees and advised that an increase of \$6 should be considered. Motion by Hanson and seconded by Paulson to increase the Equity Buy-In Fee to \$7036.00 for 2009. Motion carried unanimously.

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**10. Discussion and Action on all Matters Establishing Limits for Depreciation and BWSC's Current Depreciation Schedule**

No action taken. Hanson will bring a proposal to the Board at the next meeting.

**11. Discussion and Action on All Personnel Matters Concerning Staff Proposal for Options for Training and Assumption of Additional Duties by Office Administrator**

Hicks reviewed both options submitted to the Board and advised that staff recommends option # 1 which will allow on-the-job training for Dawn Hicks with Mr. Hanson assisting with issues as they arise. Motion by Egan and second by Hanson to approve option #1 for training and assumption of additional duties by office administrator. Motion approved unanimously.

**12. Discussion and Action on All Matters Concerning the BWSC's Line of Credit and CDARS investment with NorthStar Bank**

Motion by Hanson and second by Wilkinson to approve entering into a line of credit with NorthStar Bank subject to terms set forth in the March 24, 2009 letter from Shantel Day to the Corporation with the following changes to be sought and approval is subject to the following changes. Item # 5 should read capital improvements and/or repairs to existing equipment. Item #6 to read cash, intangible items and AR and authorize Dawn Hicks to request that authority be placed in the document to allow the corporation to place a second lien on acquired collateral with no maximum without that being a default under the loan documents. Documents are to be reviewed by corporation legal counsel prior to the officer's signature. Motion approved unanimously.

**13. Discussion and Action on All Matters Concerning Handling of Tariff, Including Procedures for Periodic Review and Update of BWSC Tariff**

No action taken. To be put on agenda for next meeting.

**14. Discussion and Action on All Matters Concerning the Stonewood Well #2 and Stargate Well #1**

No action taken.

**15. Review Future Agenda Items, Activities, and Announcements**

Fire Fill/Fire Flow, Update on HB, next meeting scheduled for June 15<sup>th</sup>, 2009.

**16. Adjournment**

Motion by Egan and second by Wilkinson to adjourn. Motion approved unanimously. Meeting adjourned at 9:32 P.M.

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TRANSCRIBED BY LEANNA SPENCER

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CERTIFIED BY LLOYD HANSON, SECRETARY-TREASURER