

**BARTONVILLE WATER SUPPLY CORPORATION
MINUTES of the BOARD OF DIRECTORS MEETING
MONDAY, SEPTEMBER 21, 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 7:07 P.M. on Monday, September 21, 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
Bill Wilkinson
David Moore

Directors not in Attendance:

Michael Paulson

Staff in Attendance:

Jim Leggieri, General Manager
Dawn Hicks, Office Manager

Consultants in Attendance:

Virginia Moore, Attorney
Kerry Maroney, P.E.

Others in Attendance:

Mr. & Mrs. Craig Irwin

3. Public Forum for Non-Agenda Items

No one present.

Mr. Kaufman announced that the Board would move to Agenda Item # 5, as Mr. & Mrs. Irwin were in attendance.

5. Discussion and Action on All Matters Concerning Mr. & Mrs. Craig Irwin's Request to Reconsider Catastrophic Water Loss Adjustment.

Mr. Irwin addressed the Board members asking them to reconsider their Catastrophic Water Loss Adjustment that was denied by 700 gallons and due to a leak from last year. Mr. Irwin advised the Board that the master check valve malfunctioned and they were not aware they were using BWSC water. Leggieri advised Mr. Irwin that there may be a cross-connection and this should be investigated. Leggieri advised Mr. Irwin that an air gap is required by the TCEQ to prevent a cross connect and he agreed he was willing to meet with the Irwins and the irrigator to be sure this was corrected and report back to the Board at the next meeting. Mr. Kaufman gave an overview of the Catastrophic Water Loss Policy and advised the Irwins that the Board tries not to deviate from this policy. This item will be held over until next month.

Mr. Kaufman announced that the Board would go into Executive Session at 7:32 P.M.

The Board reconvened into regular session at 8:08 P.M.

4. Discussion and Action on All Matters Concerning Mr. Runyon's Request for Six Month Deferred Payment.

Dawn Hicks explained Mr. Runyon's request for a deferred payment over six months. Egan advised the Board that the property was up for sale. Motion by Moore and second by Hanson to deny the request for a six month deferred payment plan. Motion approved unanimously.

Kaufman requested the Board revisit item # 5.

5. Discussion and Action on All Matters Concerning Mr. & Mrs. Craig Irwin's Request to Reconsider Catastrophic Water Loss Adjustment.

Kaufman clarified that the word "Normal" should be removed from all documentation to include the calculation from the letter to the members. Hicks assured the Board that this would be removed immediately.

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6. Approve the Minutes of the August 17th, 2009 Meeting

Motion by Wilkinson and second by Egan to approve the minutes of the August 17th, 2009 Board Meeting.
Motion approved unanimously.

7. Approve the August 2009 Disbursements and Financial Report

Motion by Hanson and second by Wilkinson to approve the Disbursements and Financial Reports for August 2009. Hanson advised Hicks that the Board needed to see current month, budget and year to date data. Motion approved unanimously.

8. Consulting Engineer's Report

Maroney reported BWSC received the approval from TCEQ on the plans for the Cross Timbers Well. The Stonewood Well is currently in the final stages of developmental pumping to clear the water prior to testing. Maroney has to get approval from TCEQ before this well can be used for a public water supply.

9. 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**

Covered in Consulting Engineer's report.

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

Leggieri advised that this project should commence this month, the county has secured the necessary easements. The main problem is the contractor that bid this job last year gave a bid of \$27,000 but he is no longer working in the area. Leggieri acquired new bids and the one from Pro's Backhoe Utilities is \$49,140. This project will require flag men due to the location. Leggieri advised the Board that this project may take a week to complete the bore and perform the required pressure testing. Motion by Hanson and second by McDonald to authorize the Pro's Backhoe Utilities bid for \$49,140. Motion approved unanimously.

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

Leggieri advised that it is moving along, and there is nothing new to report at this time.

d) **Ground Water Conservation Districts**

Leggieri advised the Board of a meeting with the Ground Water Conservation Group, they invited the 3 new directors that had been appointed to the district. Leggieri reported that it may take a few years to get this group organized as there is much work to do.

e) **Elevated Tank Site #2 / Stargate Well**

Maroney reported that the Stargate well site had adequate space for the Elevated Tank and he would recommend putting a Variable Frequency Drive on that well to move water into distribution once the well is in service. The drilling of the Stargate Well is scheduled to start in 30 days. Motion by Moore and second by Hanson to authorize staff to begin the process for permitting and design for the elevated tank. Motion approved unanimously.

f) **TX DOT ROW Acquisition**

No discussion or action.

g) **Update on Remote Read Meter Upgrade**

Leggieri advised the Board that staff has preformed another 104 transponders being swapped out.

h) **2009 Capital Project Improvements**

1. Variable Speed/Frequency Motors/Pumps at Copper Hill Pump Station

Leggieri advised the Board that the motors would be running at 60 htz, that's 100% of their horsepower all the time. Leggieri spoke about the expected savings in regard to utility cost. With estimates the corporation would recover the cost over 6 or 7 years with the expected cost of \$25,000. Motion by Hanson and second by McDonald to approve the purchase of the 2 Variable Frequency Drive motors with cost not to exceed \$25,000. Motion approved unanimously.

10. Discussion and Action on all Matters Regarding the Capitalization and Expense Policy for BWSC.

Hanson discussed the asset Capitalization Policy with the Board and reviewed the changes that staff requested. Leggieri reviewed this with other water districts in the area regarding the capitalization dollars for buildings, water lines, equipment etc. and BWSC's would be comparable to other districts. Motion by Hanson and second by McDonald to approve the

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Capitalization Policy with staff amendments. After discussion Hanson and McDonald amend the motion to reduce the water lines and related equipment including wells to a \$5,000 threshold. Motion approved unanimously.

11. Discussion and Action on All Matters Concerning the BWSC's Line of Credit with NorthStar Bank.

Motion by Hanson second by McDonald to approve the renewal of Modification # 8 on the Line of Credit with NorthStar Bank. 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 the modifications to Tariff Section B, C and E. Moore stated opposition regarding the express right to remove a fire hydrant. Motion by Hanson and second by Egan to amend the motion to remove Section B from motion and approve Section C and E. Motion approved unanimously. Section B of Tariff will be addressed as a future Agenda Item.

13. Discussion and Action on All Matters Concerning BWSC's Proposed Elevated Tank.

This item was discussed during the General Manager's Report.

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

Hicks requested the Board allow her to meet with President Kaufman and Mr. Hanson and resubmit the Budget for 2010 at the next meeting.

Leggieiri requested that the Board move back to the General Managers Report to address a 2009 Capital Project Improvement. Kaufman advised that the Board would move back to the 2009 Capital Project Improvement.

h) 2009 Capital Project Improvements

Right of Way Purchase for the Cummings Property

Motion by Hanson and second by McDonald to approve and authorize the staff to purchase a private easement for the Cummings property. Motion approved unanimously.

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

The next Board Meeting is set for October 12th. Future Agenda Items should include Budget, Section B and F of the Tariff, update status of permits for Stargate, Mr. & Mrs. Craig Irwin's request.

16. Adjournment

Motion by Egan and second by McDonald to adjourn. Motion approves unanimously. Meeting adjourned at 9:57 P.M.

TRANSCRIBED BY ROBIN KERN

CERTIFIED BY LLOYD HANSON, SECRETARY-TREASURER