

**BARTONVILLE WATER SUPPLY CORPORATION**  
**MINUTES of the BOARD OF DIRECTORS MEETING**  
**MONDAY, May 24, 2010 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 7:00 P.M. on Monday, May 24, 2010, at the Bartonville Water Supply Corporation offices, 1911 E. Jeter Rd, Bartonville, TX 76226.

**Directors in Attendance:**

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

**Staff in Attendance:**

Jim Leggieri, General Manager

**Consultants in Attendance:**

Virginia Moore, Attorney

**Others in Attendance:**

Mr. & Mrs. Bill Wilkinson

**4. Mr. Kaufman announced that the Board would move to Agenda Item 4.**

- a) The Board recognized Bill Wilkinson for six years of service. An award was given to him honoring him for perfect attendance for the two terms he served on the Board.
- b) The Board took a 10 minute recess to thank Mr. Wilkinson for his services and reconvened at 7:13 p.m.

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

No one was in attendance.

**2. Mr. Kaufman announced that the Board would go into Executive Session at 7:14 P.M.**

The Board Reconvened into Regular Session at 8:06 P.M.

**5. Approve the Minutes of the March 22<sup>nd</sup> and April 22<sup>nd</sup>, 2010 Board Minutes**

Motion by Patrick McDonald and second by Gracie Egan to approve the minutes of the March 22 meeting. Ms. Egan indicated that it should be noted that she arrived approximately 30 minutes after the start of the meeting. Motion approved unanimously.

Motion by Mike Paulson and second by David Moore to approve the minutes of the April 22 meeting. Motion approved unanimously.

**6. Approve the March and April 2010 Disbursement and Financial Report**

Motion by Mike Paulson and second by David Moore to approve the March and April 2010 Financial Reports. Mr. Hanson gave details of the financial statements and answered questions. Mr. Hanson also provided details on past due balances, receivables due from Lantana on CCN purchases, and a preliminary Buy-in Calculation for review by the Board. Motion approved unanimously.

**7. Consulting Engineer's Report**

No report as the Engineer was not available. Mr. Leggieri answered questions from the Board in Mr. Maroney's absence.

**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 - Repair Status / Report of Change Order Execution, Bonds and Recordation**

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No action taken. Mr. Leggieri updated the Board on the cleaning of the tank, repair and reinstallation of the pump and motor, testing of the water, and work to put the well into production.

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

No action taken. Finalizing design work.

**c. FM/Briar Hill/Justin Road – In Progress**

No action taken. Highland Village to provide water for our customers during construction; we will be purchasing water from Highland Village and billing our customers.

**d. Elevated Tank Site #2 / Star Gate Well – In Progress**

No action taken. Progress to obtain the Town of Bartonville's approval is moving ahead. No design work has been undertaken pending review by the Town of Bartonville.

**e. 2010 Capital Project Improvements – In Progress**

The Board requested an update on 2010 capital projects for the next meeting. No action taken.

**f. Orchid Hill Lane / Chinn Chapel Rd. / Infrastructure Modifications**

Movement of our water lines and work to reconnect the customers on Orchid Hill is underway. Chinn Chapel cost to be borne by Denton County.

**g. Employee Health Plan Deductible/Findings/Report**

The Board reviewed the history of the deductible for health care and took no action

**h. Added Office Security Measures/Findings/Report**

No action taken. Mr. Legierrri reviewed the current security measures in the building and will be discussing security measures with a security company in June and provide an update at the next Board Meeting.

**9. Discussion and Action on All Matters Concerning Approval For Biggs & Mathews Engineering Firm To Design The Hawk/Porter Rd. Water Line Loop Project Plans.**

Motion by Patrick McDonald and second by Mike Paulson to approve Biggs & Mathews Engineering to design the Hawk/Porter Road Water Line Loop Project Plans. Biggs & Mathews has done surveys of the proposed project area and provided background for obtaining easements for purchase. The remaining easements should be obtained by the next Board Meeting in June. The Board discussed various open issues about the easements related to this project. Motion approved unanimously.

**10. Discussion and Action on All Matters Concerning the Conditional Use Permit for an Elevated Water Tank.**

No action taken.

**11. Discussion and Action on TXDOT/Simmons Rd./407 Elevated Tank Site Property Offer.**

Motion by David Moore and second by Patrick McDonald to reject the offer from TXDOT and send a counter offer to include the cost of land, plugging and abandoning of the well, covering the cost of water use from alternate sources for the next 20 years, and the depreciated value of the wells and other costs as determined by Staff. The Board directed the Attorney to review the counter offer. There is also the consideration of the agreement with Double Oak that may need to be amended. Motion approved unanimously.

**The Board went into Executive Session at 8:56 p.m. and reconvened into regular session at 8:58 p.m. and moved to Agenda Item 14**

**14. Discussion and Action on All Matters Regarding Adding Features to the inHance Billing and Accounting System.**

Mr. Hanson recommended that the Corporation add online billing and online payment of invoices to their services offer to the customer. The Board discussed that a web site privacy policy be established prior to moving ahead on these features and asked that this item be added to the agenda for the June meeting. No action taken on adding online billing and payment of invoices.

**15. Discussion and Action on All Matters Regarding the Renewal of CDARS Investments.**

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Mr. Hanson reviewed the investment policy of BWSC, options available to the Corporation for investments to consider, recommendation to update our BWSC Investment Policy, and answered questions from the Board. Motion by Patrick McDonald and second by David Moore to roll the expiring CDARS investment for addition 30 day periods pending further review of options for investments options for BWSC. Motion approved unanimously.

**13. Discussion and Action on Filling an Open Board Position**

Mr. Hanson resigned at 9:37 p.m. in order to be considered for the open Controller position at the Corporation. The Board accepted the resignation. Filling the open position will be added to the June Agenda for consideration.

**12. Discussion and Action on Personnel Matters Including Setting A Rate Of Compensation According To Section 5.02 Of BWSC Personnel Policies.**

The Board went into Executive Session at 9:38 p.m. and Mr. Hanson was excused from the meeting. The Board reconvened at 9:48 p.m. and discussed a rate of compensation for the Controller position. Motion by Pat McDonald and second by David Moore to approve hiring a Controller with the compensation set as recommended by the General Manager. Motion approved unanimously.

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

Items to include in the June Agenda

- a. Review results of changing Billing to 1<sup>st</sup> of Month and changing financials accordingly
- b. Create a Security Policy for our web site – BartonvilleWater.com – to enable us to implement iWeb and other inHance features
- c. Update Board on Investment Options including recommendations on renewal of CDARS, investment in TexPool, and other approved investments
- d. Update and advise Board on Capital Expenditures budgeted for 2010-2012
- e. Present results of counter-offer to TXDOT on purchase of property at Simmons/407
- f. Review BWSC By-Laws on Proxy, compare to model language from TWC Section 67.007, and present proposed changes and timeframe to Board – Staff and Mike Paulson
- g. Develop Inventory of Cost Savings Programs in place and proposed for communication to members
- h. Provide update on Hawk Road water line including final results on easement, development of plans for completion of water line loop by Biggs & Matthews, cost estimate, and proposed start and completion dates
- i. Update on Elevated Water Tank in Bartonville
- j. Review of Healthcare Deductible Policy for Employees

**18. Adjournment**

The next meeting was set for June 21, 2010 at 7 p.m. Motion by Mike Paulson and second by Gracie Eagan to adjourn at 10:09 p.m. Motion approved unanimously.

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TRANSCRIBED BY LLOYD HANSON, CONTROLLER

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CERTIFIED BY PATRICK MCDONALD, SECRETARY-TREASURER