

**BARTONVILLE WATER SUPPLY CORPORATION
MINUTES of the BOARD OF DIRECTORS MEETING
THURSDAY, FEBRUARY 4, 2010 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 7:01 P.M. on Thursday, February 4TH, 2010, 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, Secretary-Treasurer

Staff in Attendance:

Jim Leggieri, General Manager

Consultants in Attendance:

Virginia Moore, Attorney

Others in Attendance:

No one Present

2. Mr. Kaufman announced that the Board would go into Executive Session at 7:01 P.M.

The Board reconvened into regular session at 8:31 P.M.

3. Discussion and Action in All Personnel Matters.

The Board was informed of a \$3659.15 loss of cash in the Billing Operations. Motion was made by Paulson, seconded by McDonald, and unanimously approved to authorize a contract with Mr. Hanson to do a Forensic Accounting Investigation of the loss, effective from January 11, 2010, for up to 200 hours at the current billing rate. At Ms. Moore's request, Mr. Hanson will prepare a report of his findings for Ms. Moore to review and determine legal recommendations to the Board for subsequent action. Motion was made and approved to file a complaint with the District Attorney Office for the three persons of suspect and to file with the Bond Company, as well as to authorize the hiring of a Polygraph Company to work with the 3 suspected employees that had direct access to the cash. Volunteers were taken to form a Personnel Committee which include Patrick McDonald, David Moore and Larry Kaufman, with Gracie Egan as alternate, to review the organizational structure.

4. Discussion and Action on Recommended Adjustments to the 2009 Financial Statements.

Mr. Hanson discussed with the Board the results of the examination of the books and records of the Corporation. He has identified approximately \$7,000.00 in additional expenses, including the lost cash noted above, that were not recorded in the 2009 financials. Updated financial statements were provided with these adjustments included. These expenses were primarily bank charges that were not processed during the recording of banking activity for 2009. Motion made by Paulson and seconded by McDonald to approve the Updated Financial Statements provided to the Board. Motion passed unanimously.

5. Discussion and Action on Authorizing and Setting the Extension Period of Mr. Lloyd Hanson's Accounting Services Contract.

No action taken at this time. This item is to remain as a Future Agenda item.

6. Discussion and Action on Setting the Time and Location of the BWSC 2010 Annual Meeting.

Motion made and approved to check with the CrossRoads Church for available dates. If available, the BWSC Annual Meeting will be held on April 19, 2010 with April 22, 2010 reserved for a back up date. Item is to remain on Future Agenda for further discussion of dates.

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7. Review Future Agenda Items, Activities and Announcements.

Proxies for the Annual Meeting, Extension of Mr. Lloyd Hanson's Accounting Services Contract, Personnel Matters, Executive Session, Report from Personnel Committee, Report from Attendees at TRWA Conference, and Update on Annual Meeting dates. Next Board Meeting is set for February 15th, 2010.

8. Adjournment

Motion by Wilkinson and second by Moore to adjourn. Motion approved unanimously. Meeting adjourned at 9:20 P.M.

TRANSCRIBED BY THREASA BROWN

CERTIFIED BY MICHAEL PAULSON, SECRETARY-TREASURER