

**JONESTOWN WATER SUPPLY CORPORATION
BOARD OF DIRECTORS MINUTES
JANUARY 11, 2011**

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1. Meeting called to order at: 7:00 pm by President Billy Carter.

Board Members Present: Billy Carter, Ron Sherrill, Mike Hilsabeck, Jim Roberts, Mark Rogalski, Jim Linton, Nadia Wills and Raul Palacios.

Board Members Absent: Toni Sharp.

Staff Members Present: John Tichi, Susan Barnett and Karissa Kornegay.

Members Present: Joe Aaron, Jeri Lyn Hilsabeck, Dean Kornegay.

Others Present: Heather Bonham, North Lake Travis Log

1B. Date of Next Meeting: February 8, 2011.

2. Members and/or Public Comment:

None.

3. Approve Minutes:

a) Regular Meeting minutes of December 14, 2010.

A motion was made to approve the regular meeting minutes of December 14, 2010.

Motion made by Mark Rogalski.

Seconded by Nadia Wills.

The motion passed unopposed.

4. Financial Matters:

a) Secretary's Treasurer Report.

Secretary/Treasurer Mike Hilsabeck reported the interest rates dropped on the NOW accounts to .05% in December. These accounts have been changed from the fed fund effective rate to a fixed rate of .25%. Our Capital One representative will continue to monitor the rates.

The Investment Funds accounts were not affected by the drop and still remain at .45%.

b) Approve bills, invoices and other payables.

A motion was made to approve bills, invoices and other payables.

Motion made by Mark Rogalski.

Seconded by Raul Palacios.

The motion passed unopposed.

c) Discuss/Approve Budget Amendment(s).

None.

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5. Presidents Report Concerning Corporate Affairs:

President Billy Carter reported that mediation for the Newman lawsuit has been scheduled for January 17, 2011 and asked if any of the Board members will be able to attend. Nadia Wills and Ron Sherrill volunteered to attend the meeting.

President Billy Carter asked for payment consideration or removal of the decanted water discharge from Betty Jo Carter's land to be placed on next month's agenda.

6. Staff Report Concerning Operations and Management:

a) General Manager.

General Manager John Tichi gave a brief summary of his report. (see attached) He also reported that he had contacted TCEQ concerning the contact information listed for Buchanan Lake Village, Inc. TCEQ informed him that the information is taken from a general database and would correct the information removing JWSC phone numbers and address.

A discussion followed concerning John Tichi's use of the JWSC truck for Buchanan Lake Village, Inc. and for personal use. John Tichi informed the Board that he has only driven the truck to Buchanan Lake Village, Inc. 4 times in the past year. President Billy Carter explained he had authorized the use of the truck and that John does not use the truck for personal use. He informed the Board that he had allowed John to drive the truck to East Texas over the Thanksgiving holidays so he would be able to return to Jonestown if there was an emergency within the system. He further stated that John will not be driving the truck to Buchanan Lake Village, Inc. in the future.

7. Old Business:

a) Discuss/Approve Committee to Review By-Laws.

A discussion took place over various concerns with the By-Laws, conflict of interest policy and personnel manual. The discussion of possible By-Law changes included term limits for board members and/or officers, stipends for board members and enforcement of director attendance requirements. The discussion also included all trucks and the backhoe needing JWSC signs; board approval for outside employment; conflict of interest policy being reviewed and signed by board members and employees every 3 years; personal use of company vehicles and IRS compliance if going to be allowed; and the possibility of a perceived conflict of interest arising from John Tichi's employment by Buchanan Lake Village, Inc. It was concluded by a majority of the Board that the By-Laws do not need to be changed and that the areas of concern can be addressed in the Personnel Manual and Conflict of Interest policy.

A motion was made to appoint a committee to review personal use of company vehicles and board approval for outside employment in the personnel manual and necessary Conflict of Interest policy changes with Mike Hilsabeck, Mark Rogalski and Ron Sherrill to serve on the committee.

Motion was made by Nadia Wills.

Seconded by Ron Sherrill.

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The motion passed unopposed.

A motion was made to establish term limits.

Motion was made by Nadia Wills.

Motion withdrawn by Nadia Wills.

8. New Business:

- a) Discuss/Approve Negotiating with the City of Jonestown to lease space to the City for their windmill project.

This item was tabled after Alderman Joe Aaron informed the Board that all locations have already been designated at this time.

- b) Discuss/Approve Annual Meeting Procedures.

A motion was made to approve the Annual Meeting Procedures.

Motion was made by Ron Sherrill.

Seconded by Mike Hilsabeck.

The motion passed unopposed.

9. Adjournment:

A motion was made to adjourn.

Motion made by Mike Hilsabeck.

Seconded by Jim Roberts.

The motion passed unopposed.

Meeting adjourned at 8:17 p.m.

Minutes taken by Susan Barnett.