

CHOCTAW UTILITIES, INC.
WATER BOARD MEETING
APRIL 1, 2002

Steve Blake called the meeting to order at 7:02 p.m. Members present were Steve Blake, Ernie Sparks, Jerry Alcott, Tim Good and Bill Laney. Also present was Jimmy Moran. Jimmy Moran at this time welcomed Tim Good.

Property Owners Time: None present.

Bill Laney: Bill stated that at the CLPOA Board meeting it was noted that a motion was made that would prohibit sitting on both boards. One member from the CLPOA board would sit on the Water board. Bill reported that the CLPOA representative would be Steve Blake.

Bill Laney presented to the Utility Board a CLPOA motion that is still on the records from March 1992. This motion states that the CLPOA will trade 3 of their lots for 3 of the Ross', which were lots #345, 346 and 347 after which Choctaw Utilities would then purchase these lots from the CLPOA. The motion also states this was done in order that the Utility Company would have the easement required by the EPA for the well head protection. The EPA approved the location of the well with the 300' easement. Bill Laney said that the overall picture should be looked at and then it be determined who would be best to own these lots now. Bill stated that for the past 10 years the CLPOA has had to maintain these lots and also pay taxes on them. Jimmy stated that he would go through the past Water Board minutes to see if he could find any information regarding this transaction. At this time Ernie Sparks thanked Bill for sitting on the Utility Board.

Election of Officers:

President – Steve Blake nominated Tim Good. Jerry Alcott seconded. Nominations were closed. All approved. Tim Good elected President.

Secretary/Treasurer – Ernie Sparks nominated Jerry Alcott. Steve Blake seconded. Nominations were closed. All approved. Jerry Alcott elected Secretary/Treasurer.

Minutes: Minutes were read and Ernie Sparks made a motion and Jerry Alcott seconded to approve the minutes. All approved.

Financials: The fiscal budget for 2002 was gone over. Ernie Sparks made a motion to accept and Steve Blake seconded. A roll call vote was taken as follows: Ernie Sparks, yes; Steve Blake, yes; Tim Good, yes; Jerry Alcott, yes. Budget was approved.

Old Business: Jimmy reported on the copper corrosion and that he is in the 4th month of doing the testing and sampling. He had doubled the dosage on the phosphates. He will be taking preliminary samples starting tomorrow. Jimmy stated that if all this doesn't work we could need a softener plant.

Maintenance Facility – Jimmy brought up the subject of building a new maintenance facility. Discussion was had on the need for this project. Jimmy reported that Nationwide Insurance Co. came out and he has received a letter stating they required repairs on the old building. He reported that he had 45 days to comply. Jimmy called then and stated that the Utility Co. may be erecting a new building and at that time the Insurance Company stated they would give an extension on the repairs. Jimmy stated that he is buying chemicals in 55 gal drums that we need to store. There are also other chemicals that need stored. Jerry questioned why we were having this discussion again when at a prior board meeting Jimmy said we could possibly

wait 10 years. Jimmy stated that the old shed is 20' x 24' and he would like to replace this shed with a new building that would be 40' x 54'. Jimmy has a quote for approximately \$31,000, which is just the building shell (includes exterior completed, doors and windows). Tim Good suggested that a cement floor be put in and also rough in plumbing for restrooms. Jerry Alcott questioned the easement at the water plant and could a new building be erected on this spot. Jimmy said he would check into this. Ernie Sparks made a motion to put up the shell, floor to be concrete, insulated, rough plumbing and electrical installed. Jerry Alcott seconded. All approved. Jimmy stated he would also advertise for additional bids for the building.

Manager Report: Jimmy gave the statistics for 2001.

Well #1 pumped 23.3 mg. High month was July at 3.9 and the low month was Feb. at 2.4

Well #2 pumped 23.6 mg. High month was Aug at 3.6 and the low month was Feb. at 2.4

Well #3 pumped 24.7 mg. High month was July at 3.9 and the low month was Dec/Mar at 2.6

Maximum daily usage – 384,900 gallons in July. Minimum daily usage – 87,600 gallons in April. Total gallons for 2001 – 72,204,900 gallons this is down from 2000 by 5,397,700.

Average gallon per person per day is 123 gallons (this is according to the 2000 census of 1600 people living here). The estimated waste water return was 68.7 million gallons per year.

Jimmy reported that there was no sprinkling ban. He had 4 water taps, 5 service line repairs, no main repair, and reduced red water complaints to only 5. Jimmy reported that a write off of about \$1500 was due to bankruptcies. Delinquencies are less than 2% of the income. Jimmy stated that he had one positive bacteria sample in October but the resample was fine. Jimmy stated that he has been within the budget for the 17th year.

New Business: Jimmy reported that an addendum had to be written for the insurance company regarding the indemnity. Don Gregory wrote the letter. Ernie Sparks made a motion to accept the resolution. Steve Blake seconded. All approved.

Jimmy reported that he has purchased a new chlorine detector and a new chlorine regulator.

Jimmy reported that he has also purchased a new high service pump. It is on order now.

A motion to adjourn was made by Ernie Sparks and seconded by Jerry Alcott. All were in favor and the meeting was adjourned at 8:50 p.m.