

CHOCTAW UTILITIES, INC.
WATER BOARD MEETING
JANUARY 3, 2005

Tim Good called the meeting to order at 7:00 p.m. Members present were Tim Good, Ernie Sparks, Steve Blake, Jerry Alcott, and Matt Dillon. Also present was Jimmy Moran.

Property Owners Time: Bob Smith was present to discuss his 2 acres across from the west side entrance to the lake. He will be building 10 units (5 doubles), which will have 1200 sq. ft. on the main level with walkout lower levels. He is requesting that Choctaw Utilities consider selling him water. He would need a letter from Choctaw Utilities stating as such. Jimmy explained that the letter from the PUCO does not allow Choctaw Utilities to sell water outside the Association. Mr. Smith thanked them for their time.

Minutes: The minutes were gone over and Jimmy indicated the corrections that needed to be made. Ernie Sparks made the motion to accept the minutes with the corrections. Steve Blake seconded. All approved.

Financials: The financials were reviewed. The Patterson's delinquent water bill was discussed. It was agreed that something needs to be done regarding this matter. Jimmy will check to see if he is able to lock the curb box. A letter needs to be sent to Mr. Patterson. Jimmy told the water board that he would get a list of the foreclosures and bankruptcies. Jimmy reported that the CLPOA would be making quarterly interest payments on the loan.

Old Business: Jimmy stated that the water has been turned off on the property that was owned by Gary Stites. This will need to be fixed by the property owner. Tina Sabin would probably know what bank has the property now.

Managers Report: Jimmy reported that a Tier 3 violation from the EPA was received. This violation is a fail to monitor on lead and copper. Jimmy has sent a letter and the copy of his schedule for testing. He reported that June thru September 04 was missed for testing. A letter was printed in the Peace Pipe notifying the property owners of this. He will continue testing for copper. He will take his 10 copper samples during June thru September of 2005. Jimmy has to meet the requirements. He received mandated phosphate feed requirements on Dec. 29, 2004. Parameters are set at .8 minimum on the low side and 3 parts maximum on the high side. Our average was .64. We are required to meet these set parameters on Jan. 1, 2005. It will take 2 to 4 weeks to saturate the distribution system to meet the requirements of .8 minimum. I don't expect

to meet requirements until that time. Jimmy also states that there was some snow and ice damage on the new maintenance building. There were down spouts and chimney damage.

New Business: The matter of selling water outside the lake was discussed. Jimmy will contact Attorney Don Gregory to research this and to find out if it could be a possibility. It was mentioned that Candlewood Lake might sell water outside their lake. Jimmy mentioned that the Utility Co. could now be in a position to make money. Jerry's opinion was that he feels that things should be left the way they are now. Tim Good feels no decision can be made until it is completely researched. Tim Good suggested that they pay Don Gregory to research this matter. Ernie Sparks made a motion that they allocate up to \$3000.00 to research the possibility of selling water to an outside entity for a profit. Matt Dillon seconded. All approved. Tim Good asked Jimmy to let them know what kind of repairs might be expected in the next 5, 10 or 15 years. Jimmy also mentioned that the water rates should be looked at again in the near future.

Being no further business Steve Blake made a motion to adjourn. Ernie Sparks seconded. The meeting was adjourned at 8:15 pm.