

CHOCTAW UTILITIES, INC
WATER BOARD MEETING
APRIL 4, 2005

Tim Good called the meeting to order at 7:00 pm. Members present were Tim Good, Ernie Sparks, Terry LaPrise, Matt Dillon and Jerry Alcott. Also present was Mike Hexamer (CLPOA representative) and Jimmy Moran (Utility Manager).

Property Owners Time: None present

Minutes: The minutes were gone over. Ernie Sparks make a motion to accept the minutes. Matt Dillon seconded. All approved.

Election of Officers for 2005: Tim Good nominated Ernie Sparks for president. This was seconded by Matt Dillon. Nominations were closed. Ernie Sparks was elected president. Matt Dillon nominated Jerry Alcott for secretary/treasurer. Ernie Sparks seconded. Nominations were closed. Jerry Alcott was elected secretary/treasurer.

Financials: The preliminary 2005 Budget was handed out. Terry LaPrise had questions that were answered by Jimmy. Tim Good had a question regarding the property taxes. The amount was incorrect and the correction will be made to reflect on the budget. Jimmy requested a motion to accept the 2005 budget. Terry LaPrise made a motion to accept the 2005 fiscal budget. Tim Good seconded. A roll call vote was taken. Ernie Sparks – accepted. Tim Good – accepted. Terry LaPrise – accepted. Matt Dillon – accepted. Jerry Alcott – accepted. The 2005 fiscal budget was approved.

Mike Hexamer stated that the loan to the Association would probably take to 2007.

Old Business: Jimmy stated that he had contacted Attorney Don Gregory regarding the request to service water outside the lake. Attorney Gregory felt that at this point in time there would be no financial gain to service outside the lake. He also stated that the utility company is not part of the PUCO and cannot sell outside the Association. Tim Good felt that our water supply is sufficient now. He felt that if we would consider selling water outside the lake that water meters should be put in first and monitored before any decision is made. Terry LaPrise asked about the cost of meters. Jimmy stated that he has checked on the cost to install meters. It could be under \$100.00 per home for material. This cost could be passed on to the consumer. Mike Hexamer suggested maybe 10-12 meters could be installed around the lake in the future at different homes to monitor their usage.

Manager's Report: Jimmy reported on the water usage for 2004: Water usage was 91,716,900 gallons. July 04 usage 11,425,000 gallons. February 04 usage 6,925,000 gallons. The average per day was 25,279 gallons. He was running at 62% capacity. 114 gallons per person per day. Average water pumped – Well #1 30.6 million gallons, Well #2 32.6 million gallons, Well #3 27.6 million gallons. The maximum daily usage _____ and the minimum daily usage 182,000 gallons. There were 5 water taps done. Had 5 red water complaints. There were 6 service line repairs and 5 main breaks. The delinquency rate is about 2%. Mike Hexamer asked what the cost was to produce the water. Jimmy stated that he had researched this in the past but didn't have the figures with him.

Old Business: The Patterson delinquency was discussed. Jimmy stated that there is about \$600.00 in late fees. Bob Patterson said he would come in to pay if late fees were waived. At this time he has not paid anything. There is the option to turn off the water but Mr. Patterson could turn it on again. Carla stated that small claims are \$40.00 and a judgment debtor is \$200.00. Terry LaPrise made a motion to take Mr. Patterson to small claims. Tim Good seconded. All approved. It was agreed that Ernie Sparks or Matt Dillon would stop at the courthouse to get the paperwork. Jimmy stated that in the past the water bills have followed the lot. Carla reported that Attorney Hansgen stated that you couldn't collect on accounts that the property owner is in bankruptcy. Also on sheriff sales the court will release all liens if the paper work is done properly.

New Business: Mike Hexamer passed out Code of Ethics to be looked at. Mike also stated that the CLPOA Board would like you to consider any delinquency over \$100.00 or ninety days to be published in the Peace Pipe. Ernie Sparks made a motion that three (3) quarters in arrears or over \$150.00 be published in the Peace Pipe. Tim Good seconded. All approved.

Jimmy stated that on May 14, 2005 from 9:00am to noon there would be an open house at the water plant. Both boards will be attending. All employees will attend. This is an invitation to all property owners.

Jimmy reported that there were several discrepancies regarding the terms for the water board officers. In order to resolve this issue Tim Good made a resolution to start 3, 4 & 5 yr terms as follows: Ernie Sparks (5 yr term) expires 12/09. Matt Dillon & Tim Good (4 yr terms) expires 12/05. Terry LaPrise & Jerry Alcott (3 yr terms) expires 12/07. This will be effective 1/1/05. This resolution will be presented at the next CLPOA Board meeting. Ernie Sparks seconded. All approved.

Jimmy made a request that he be reimbursed his payment for his continuing education course to maintain his license. Jerry Alcott made a motion to reimburse Jimmy his expense. Matt Dillon seconded. All approved. Motion passed.

Terry LaPrise asked Jimmy what the status on the pipes and the system are. Jimmy stated that the distribution system has a 100-year lifetime and should be all right.

Jimmy listed some projected cost of things that he would like done. The total cost for improvements is \$100,000 to \$300,000 for priority items. They are as follows:

These could be needed within 3 – 7 years.

1. To update the electricity in the plant: \$25,000 - \$30,000
2. Engineering: \$20,000 - \$90,000
3. Replace generator in plant to be more efficient: \$50,000

Jimmy also gave figures on additional items.

Clear Well: \$80,000 - \$100,000

Regulatory Issues: \$20,000 - \$30,000

Iron Sediment Basin: \$60,000 - \$90,000

Pump Replacement: \$30,000

New Equipment Purchase: \$50,000

Emergency Procedures: No cost

Softening System: \$300,000 - \$500,000

Possibly another well: \$30,000 - \$45,000

Jimmy stated that 2 more people could be needed to run the Utility Co. within the next 5 – 7 years.

Being no further business Tim Good made a motion to adjourn. Terry LaPrise seconded. The meeting was adjourned at 9:00 pm.