

CHOCTAW UTILITIES
WATER BOARD MEETING
OCTOBER 3, 2005

The meeting was called to order at 7:00 pm. Members present were Ernie Sparks, Jerry Alcott, Tim Good, Terry LaPrise. Also present were Jimmy Moran, Carla Dye and Rich LaRowe.

Property Owners Time: None present.

Minutes: The minutes were read and approved. Motion was made to accept by Tim Good and seconded by Jerry Alcott. All approved.

Financials: The financials were gone over. Jerry Alcott questioned the \$11,000 charge. It was explained that this was for the sewer. Jimmy reported that Terry LaPrise is renting the house from the utility company for a couple of months.

Old Business: Rich LaRowe was present to discuss the meeting he had with the accountants regarding the new tax laws and budgets. Rich explained that special projects should be set up with separate bank accounts. He stated that the regular assessments can only be saved for 1 year and then would have to pay taxes on this money. He would like to propose 5 separate categories for special projects. They would be dam, roads, facilities (additions or renovations), equipment (ex: cars, mowers, computers) and Choctaw Utilities. A special assessment could be collected and donated to the utility company for any major projects (ex: \$25.00 per property owner collected and earmarked for utility company). Rich would like the utility board to think about this so that at the next property owners meeting he would be able to explain the breakdown of the assessments. Jimmy then reported on his findings regarding the meter project. Jimmy stated that 845-meter units would be needed at a cost of about \$126,021.95. The installation package cost is \$28,227.50. Permits would be around \$22,000.00. Installation package is \$63,750.00, which is about \$284.00 per house. Currently a lot with service is paying \$16.66 per month for water. The communities that Jimmy contacted have a meter service charge. They are about \$5.00 per month. Most have a minimum charge for 2000 gallons and then a graduated rate. We average 225,000 gallons a day divided by 845 homes equals 265 gallons per day times 30 days equals 7920 gallons per home per month. The rates are either in gallons or cubic foot, which is 7.5 gallons. Jimmy stated we could spend about \$300,000.00 now or in the future it could cost \$1,000,000.00 at the plant for updates to have the capacity needed. Jimmy stated that the equipment needed would be a meter inside the house or a monitor on foundation wall, which you could drive by and scan. Choctaw Utilities would incur extra expenses because an additional employee would be needed at \$15,000 per year. The office expense could be about \$5,000.00 and postage would increase \$3,200.

Terry LaPrise asked Jimmy for some sample rates he had received. Samples he gave were \$8.00 per 1000 gallons, \$.50 per 100 gallons up to 3400 gallons, \$.70 per 100 gallons up to 10,000 gallons. Jimmy also has examples of other surrounding communities. Rich LaRowe stated that fire protection is an issue here and that possibly having fire hydrants could be an incentive for having meters installed. Jimmy stated that fire hydrants would cost an estimated \$4,000.00 each. Rich also stated that the loan could be paid back sooner if it was needed. Tim Good stated that if the utility company would want to sell water outside the lake we couldn't do it the way we are set up now. Terry asked what the top three priorities would be for the next 5 years. Jimmy stated that the pumps need updated, electricity updates and new generator. Terry states that if we keep it fair for the property owners that installing meters is something that needs done. Tim also feels it is necessary. Ernie stated that he feels that a special meeting to go over all the information is necessary. A special meeting is set up for Monday October 17, 2005 at 7:00 pm. Carla reported that the certified letters were sent and all paid in full except the Robinson's. She also reported she received 2 more bankruptcies this week.

Manager's Report: Jimmy reported that the copper and lead testing has been completed. He has met the requirements for this year. Jimmy stated he had a water leak due to the sewer on Huron Dr. The county has been billed for this repair. He also had a service line leak that has been repaired. The plant generator is not in yet. He said that he is getting ready to paint at the plant. Jimmy reported that our tap fee is \$1,000.00 and the average is \$2,000.00 in other areas. Jimmy would like to determine a new rate for our taps.

New Business: The board went into executive session at 8:45 pm. Returned at 9:10 pm. Jimmy's 5-year contract was discussed. The contract will be from 2006 thru 2010. He will receive an increase of \$1,500 per year. A maximum of \$75.00 per month for cell phone and any overages would be paid by Jimmy. A car allowance of \$2,500 per year. There is an addendum regarding insurance. All were in favor. Jimmy stated that the contract with the lake needs to be redone at the next meeting. Jimmy reported that the lake is paying \$1,500 per quarter interest on the loan. This is due to be paid back in 2007.

The next meeting is January 9, 2006.

Tim Good made a motion to adjourn. Terry LaPrise seconded. Meeting was adjourned at 9:20 pm