

Oak Forest Water Supply Corporation  
5<sup>th</sup> Annual Meeting  
March 10, 2009

**Approved Minutes**

The agenda for the Annual Membership meeting is as follows:

1. Called the meeting to order at 7:02 pm by Presiding Director, Phil Suitt.
2. Credentials Committee: Phil introduced Russell Taylor, Holly Trotter and Richard Bailey. Russell, the Chairperson reported a Quorum was met (exceeded), consisting of 11 property owners, or OFWSC members, attending in person.
3. Reading and Approval of the previous Annual Meeting Minutes: Holly submitted 2008 Minutes. William Pruitt motioned for the minutes to be approved, Paul Gravett seconded.
4. Update Reports
  - A. Financial Report from Russell Taylor, Treasurer – Richard motioned for the report be approved, Paul Gravett seconded.
  - B. President's Report; Phil Suitt
    - 1) Our well is not adequate. Present second water source not permanent. Hays City requests we be off their system in 5 years.
    - 2) Water Sources
      - A) Re-develop our well (acidize) – water isn't there
      - B) Buy existing well – none in area
      - C) LCRA – not projected in the near future.
      - D) Buda- Cheap water, Large up front fee (\$2,500-\$3,000) and annexation with city taxation.
      - E) Drill well – complete in Edwards or Trinity formation-estimated cost of \$3,000 per home.
    - 3) Discussed the best alternative; to Drill our own well to get the amount of water we need.
      - A) Edwards – Current 7 Million + 2 Million Historical
        - a. Considered drilling on Williams, Pruitt and Dr. Moncrief Kali-Kate.
        - b. Piping too expensive.
        - c. No pumpage during Stage III drought
        - d. Only Class B Conditional Permits issued
        - e. No pumpage during Stage III drought
      - B) Trinity Well – Deeper formation
        - a. Not Glenrose 172 ft., but Cow Creek formation
        - b. Possibility of large pumpage allocation with no reduction during drought stages.
        - c. Joe Vickers will be meeting with BSEACD, to get commitment to Design a well (Double string or single string) (Sealing off Edwards before continuing to Trinity) Only need 60 gal a minute
        - d. One estimate for \$294,550.00 for double string getting other estimates for smaller well
        - e. Whisenant & Lyle and Geo Projects tomorrow - expecting estimates soon
  - 4) System totals February 2009
    - A) February Water from Hays City 113,500 gallons and 453,600 from our well. BSEACD fine if more is used.
    - B) February we paid 721.30 to Hays City for water, meter charge and BSEACD pass through. We paid BSEACD \$274.63 for water and \$372.25 for utilities. Professional Fees, Rent, and Accounting services \$1,904.02.
    - C) Income = \$2,979.63, Actual Costs = \$3,272.20, Total Loss = \$292.57

- 5) Well -Funding Sources
    - A) Banking institution – commercial institutions find our utility has no value
    - B) Grant – Our subdivision is not in a low enough income bracket
    - C) United States Department of Agriculture -Rural Development – Too many obstacles
    - D) Texas Rural Water Development Board – Receptive, and seems to be our best option
    - E) Save the money and pay cash
      1. Present tariff won't meet Hays City Deadline.
      2. OFPOA has said they intend to commit money but can't say how much at this point.
      3. A lump sum of \$2,500 to \$3,000 could be charged to each member
      4. or we can up the minimum monthly charge by \$50 for 5 years
  - 6) Conclusion: Our Well is not adequate, and the present tariff is not adequate to drill a well. The Board is investigating all options.
    - A) Where we might get help, with any of the aspects of the well.
    - B) Well Funding by borrowing or saving.
    - C) Best use of money generated by our utility, well cost, well location, which formation to use to complete the well and well production (+60 gallons per minute)
    - D) We are not rushing into any decisions and are investigating all possibilities. On hold until well size and cost questions are answered.
5. Vote on amendment to bylaws allowing for electronic voting by the Board of Directors. (See Handout) Reviewed the proposal, Russell motioned that we approve, Tony seconded – no votes against it.
  6. Nominations for Board of Directors: There are two retiring board members, Phil Suitt and Perry Watson. Nominations were gathered prior to the meeting, and shared with the members.
  7. Presiding Director calls for remaining ballots to be cast
    - A. Presiding Director directs that the Credentials Committee adjourn to tally ballots.
  8. Election Results Russell Taylor
    - A. Election results are announced - Phil and Perry are voted back onto the board, with votes from the attending members, and proxy votes.
    - B. Entertain protest of the election, if any – none were raised.
    - C. Re-counting of ballots was not necessary
  9. Open Forum – limit three minutes per member
    - Mrs. Pruitt thanked the board for their efforts.
    - Mr. McFerren spoke of his concern, regarding the monthly service fee – unresolved.
    - Annual Conflict of Interest policy form was signed by all board members, turned into Presiding Director on this date.
  10. Adjournment of Meeting was at 8:13 pm.
    - Phil thanked Margaret Williams, Bill & Emily Pruitt and Dr. Jack Moncrief for considering using part of their property to drill an Edwards Well.
    - Phil thanked Raul Martinez for hard copies of the agenda and amendment.
    - Phil thanked Randy Consford for the use of the church.
    - Phil thanked the Board members; Perry Watson, Russell Taylor, Holly Trotter, Tony Blazi, Richard Bailey, and Nelson Smith for their contributions to the board.
    - Phil thanked everyone for coming to this annual meeting.
    - The next annual meeting will be on March 9, 2010. The next monthly OFWSC meeting is scheduled for April 7<sup>th</sup>, 2009. Please feel free to join us!

Note\* There can be no motions heard for any issue not posted on the agenda.