

**Oak Forest Water Supply Corporation
Special Meeting 310 Woodland Oaks Drive
August 17, 2009**

Approved Minutes

Opened Meeting at 6:36 PM

Board of Directors attended – Richard Bailey, Clover Clamons, Russell Taylor, Holly Trotter, Nelson Smith, Phil Suitt and Perry Watson

Guests: Raul and Thelma Martinez, Paul Gravett, Mike Lossau, William McFerrin

Reports

1) Southwest Engineer - Clarence Littlefield presentation on the well bids received

A) Joe Vickers – Clarence substituting for Joe: shared/discussed 3 options, and 3 bids – Key Issue is our water rights – rules aren't formalized yet, but all involved parties need to follow them

Team opened bids on 13Aug09 – limited response – 3 bids brought forward

<u>Company Name</u>	<u>Option 1</u>	<u>Option 1A</u>	<u>Option 2</u>
Davenport Drilling	\$339,796	\$356,871	\$232, 179
CenTex Pump and Supply:	\$342,005	\$368,085	\$312,035
Alsay Incorporated	\$405,000	\$390,000	\$320,000

Option 1: the most appropriate option, 12" casing 360 feet down, 8" the rest of the way

Option 1a: would use 14" casing to 360 feet

Option 2: single string, based on no major caverns, least expensive – due to lower risks

B) John Mikels – Hydrologist representing Elliott Ranch POA:

– Reminds us that we will be the pilot test for this type of deal - Elliott will follow our lead, based on the success of our endeavors

- Phil and Nelson will attend the BSEACD meeting with Clarence and John, "bids" letter to be constructed prior to the meeting

New Business

1) Loan Update – Nelson Smith: CRG loan discussion - \$250,000 as a maximum loan request – must be 75% of total construction cost (must be greater than \$332K)

- Need to factor in all additional costs: Electrical service, upgrade service into the building, 480 volt, step down transformer, fence rebuilt, additional piping, new well head, and engineering costs (even though already paid)

- Reminder that our OFPOA members will no longer need to pay any costs up front – the loan will be paid off based on our OFWSC monthly income

- Clover raised the need to post our progress in a public statement/notification

- 2) Vote on selection of drilling company. After a clear description of each option, Phil motioned to choose Option 1, and Holly seconded – motioned carried

Notes and Workflow Permitting Process:

- Phil will contact Holly Baker at the bank - Nelson needs water rates/records
- Perry and Nelson need to get signatures from neighboring sites, on easement extension
- Holly to get the Insurance cover letter to Nelson on Wednesday (took to Phil Wednesday afternoon)

Workflow of Permitting Process:

TCEQ approval to proceed, has already approved 7Aug09, to be followed by Production Permit

BSEACD needs to receive Permit Request – John will send 1st of next week

Need to publicize in Hays Free Press- Clover reiterates the importance of public notification

Contingency and Drought permits need to be reviewed internally – can amend our old one, or re-do,

Informal review (administrative) followed by Formal review

- 3) Next Regular meeting September 8, 2009.
- 4) Closed Meeting at 8:05

*There can be no motions made for any issue not posted on the agenda