

WINDERMERE OAKS WATER SUPPLY CORPORATION

Minutes of Open Meeting held May 07 2009 4:00 PM. **Action items are marked in yellow.**

President Spradley called the Board Meeting to order at 4:00PM at the WOWSC Offices. Board members present were Kerry Spradley, Bill Earnest, Ewell Jackson and Doug Strain, which constituted a quorum to conduct company business. Pat Mulligan was absent for the first part of the meeting and Director Earnest was appointed temporary secretary to take the minutes. Manager Burris was also in attendance.

The minutes of the previous open meeting of March 7th 2009 were presented to the board. Director Strain moved to accept the minutes and was seconded by Director Jackson. The minutes were approved by a vote of 4- 0.

President Spradley [put the meeting] into executive session at 4:07PM to report on the meeting of the standby committee with Manager Burris and discuss the status of the delinquent standby fees. The following items were discussed.

- Summarized the status of standby accounts from Manager Burris' report.
- Updated present liens (22) to reflect updated past due amounts.
 - Liens are dated Feb 1st 2008 and need to be updated every two years (next date is Feb 1st 2010).
 - Only a few accounts to add that are over \$500.00
- Manager Burris reviewed the exception report with the committee
 - Reviewed follow up adjustments
 - Burris will investigate loose ends
- Decided to get the advice of counsel on the following.
 - pros and cons of foreclosing
 - past due policy and contents of past due notice
 - statute of limitations of # of years on leins

The Board came out of executive session at 4:35PM.
Secretary Mulligan arrived at 4:40PM and assumed the task of taking the minutes.

The board discussed the letter received from Darrin Barker of LCRA. Requesting an emergency interconnection between Ridge Harbor and Windermere Oaks for the purpose of us supplying water to Ridge Harbor on an emergency basis. After discussion it was agreed that we would consider an interconnect only if it was a full two way interconnect with us providing wholesale water to Ridge Harbor and LCRA treating our waste and charging at a wholesales rate. In

addition the LCRA should pay for and arrange all rights of way and engineering. Director Earnest made a motion to go to counsel and have them draft a letter. This was seconded by Director Strain and was approved 5-0.

We discussed the request by Jim McAllister to grant permission to supply water to his proposed development. It was agreed that although we would not be opposed his request we were bound by our Tariff and the TECQ to follow a specific procedure. Secretary Mulligan made a motion that we have counsel prepare a letter that Manager Burris could present to McAllister outlining the correct procedure.

Manager Burris presented his report (enclosed) that also included a proposal to repair the dilapidated lower lift station in Center Cove III and bring the sewer system into compliance at a cost of approximately \$27,000. Secretary Mulligan made a motion to approve the proposal and to give written notice to the owners of the homes that will be affected by the construction. Also to have our counsel prepare a reply to Mr. Wynne's counsel explaining the situation and why we believe that in addition to replacing seriously dilapidated system we are also taking care of a public health issue. Director Jackson seconded the motion and it was carried by a vote of 5-0.

The board reviewed the Financials presented by Manager Burris and Director Strain made a motion to approve them this was seconded by Director Jackson and carried by a vote of 5-0.

There being no further questions from the floor and no further business to conduct, President Spradley made a motion to adjourn the meeting at 6:27PM and Director Jackson seconded the motion. The vote was 5-0 to adjourn.

Secretary/Treasurer

Patrick J Mulligan.