

WINDERMERE OAKS WATER SUPPLY CORPORATION

Minutes of Open Meeting held January 09 2009 9:00 AM. **Action items are marked in yellow.** President Spradley called the Board Meeting to order at 9:09AM at the WOWSC Offices. Board members present were President Spradley Secretary/Treasurer Mulligan, Directors Earnest, Jackson and Martin, which constituted a quorum to conduct company business. Manager Burris was also in attendance with Mike Madden and Ed Parsons as members at large.

The minutes of the previous open meeting of November 21st 2009 were presented to the board. Director Jackson moved to accept the minutes and was seconded by Director Martin. The minutes were approved by a vote of 5-0.

Manager Burris presented his report for the month. He also submitted a signed agreement with Bob Wynne to enable WOWSC to install a grinder pump and tank on his property, and maintain the same. This should complete the retrofit of Center Cove III. **For future reference the aforementioned agreement is attachment number one to these minutes.**

Manager Burris also discussed the format of our current tariff for Water and Sewage at WOWSC. Apparently the water tariff includes references to sewer services but they are not specifically addressed. Burris is currently in contact with Zeppa and the TRWA to get some more specifics on this issue, so that we can devise a more comprehensive tariff for wastewater in the future.

Manager Burris's also discussed our meeting with LCRA regarding the proposed interconnection with Ridge Harbor and our expectation is that we will soon receive an interim agreement proposal regarding this (more detail in his report).

Secretary Mulligan read from the proposed 2010 5 - Year Strategic Plan and the board discussed and voted on the list for 2010. The final Plan will be presented at the Annual meeting. A number of items surfaced that would need funding in 2010, over and above the operating expenses, these were to be discussed during the budget portion of the meeting. Director Jackson made a motion to adopt the 5-Year plan; this was seconded by Director Martin and voted 5-0.

One item on the 5-Year plan was to investigate an upgrade to the tennis village sewer system. **President Spradley appointed a committee comprising Directors Martin and Earnest to investigate this and make a recommendation to the board during the February meeting.**

Manager Burris presented the proposed budget for 2010. He based his budget on our 2009 consumption (by the middle of 2009 we were on track to sell 20 Million gallons by year end, however the incredible response to our emergency water conservation plan by

the WOWSC community allowed us to reduce our 2009 consumption to approximately 17 Million gallons. Manager Burris based his 2010 budget estimates on a consumption of approximately 16 Million gallons and presented a balanced budget for expenses. It was determined that we had enough cash flow to fund the capital expenses required to complete 2010 portion of the 5-Year plan by using the depreciation portion of the operating budget. President Spradley made a motion to adopt the budget with minor changes; this was seconded by Secretary Mulligan and voted 5-0.

President Spradley read a resolution regarding our intention to participate in the Burnet-Llano county regional water facility planning study. We have committed \$500.00 in cash to the study and Manager Burris has already contributed a significant portion of this time towards this. President Spradley made a motion to adopt the resolution, which was seconded by Director Earnest and the vote was 5-0.

Manger Burris stated that member Ken Wynne is proposing to sue the LCRA regarding their actions, during and subsequent to the recent drought, and is looking for a plaintiff. The board decided that, although we applaud his efforts, it would not be in the best interests of WOWSC to get involved with this lawsuit.

President Spradley made a motion that he and secretary Mulligan be appointed to a committee to examine the issue of outstanding stand-by fees and make a determination as to which were valid. This committee will meet immediately after the close of this meeting. Director Jackson seconded the motion and it was carried 5-0.

There being no further questions from the floor and no further business to conduct, Director Martin made a motion to adjourn the meeting at 12:23PM and Secretary Mulligan seconded the motion. The vote was 5-0 to adjourn.

Secretary/Treasurer - Patrick J Mulligan.