

**Regular meeting
January 23rd, 2007**

**APPROVED MINUTES OF REGULAR MEETING OF THE BOARD OF
DIRECTORS
Of
EL PASO WATER COMPANY, INC.**

January 23rd, 2007

The regular meeting of the Board of Directors of El Paso Water Company, Inc. convened in the City Council Chamber, 611 Mulberry, Derby, Kansas at 8:55 p.m. following adjournment of the City Council meeting.

The following Directors were present and constituted a quorum:

Dion Avello
Cheryl Bannon
Charlie Schwarz
Chuck Warren
Loren Johnson
Jim Meidinger
Jim Craig
Ken Mulanax

Others in attendance:

Kathy Sexton, Chief Executive Officer
Pat Swaney, President
Phil Alexander, Vice President
Jean Epperson, Secretary-Treasurer

Mr. Avello called the meeting to order.

APPROVAL OF MINUTES

MOTION: Bannon moved to approve the minutes of the December 12th, 2006 board meeting. Warren seconded.

VOTE: Craig yea, Meidinger yea, Johnson yea, Warren yea, Schwarz yea, Mulanax yea, Bannon yea; 7 yea, 0 nay, motion carried.

DECLARATION OF DIVIDEND

Jean Epperson, Secretary/Treasurer advised the amount of the dividend for the month of December and explained that would leave a \$250,000 balance in the cash account at the end of the year.

MOTION: Warren moved to adopt a resolution declaring and directing payment of a dividend for the month of December in the amount of \$116,973.46 to the City of Derby, Kansas, as the sole stockholder of the Company. Mulanax seconded.

VOTE: Craig yea, Meidinger yea, Johnson yea, Warren yea, Avello yea, Schwarz yea, Bannon yea, Mulanax yea, 8 yea, 0 nay, motion carried.

Council Member Bannon stated that an attorney was scheduled this evening to discuss items with the water board but he is not present.

MOTION: Bannon moved to consider an off agenda item to schedule a special meeting of the board of directors immediately following adjournment of the special city council meeting on January 30th, 2007 for the purpose of conducting an executive session for consultation with attorneys for the company on matters privileged in the attorney client relationship. Warren seconded.

Ms. Sexton, CEO pointed out to those at home watching the meeting that there will be no public aspect to the special meeting on January 30th.

VOTE: Craig yea, Meidinger yea, Johnson yea, Warren yea, Avello yea, Schwarz yea, Bannon yea, Mulanax yea, 7 yea, 0 nay, motion carried.

MOTION: Warren moved to adjourn at 9:00 p.m. Schwarz seconded.

VOTE: Craig yea, Meidinger yea, Johnson yea, Warren yea, Avello yea, Schwarz yea, Bannon yea, Mulanax yea, 8 yea, 0 nay, motion carried.

Jean Epperson, Secretary

