

Regular meeting
May 27th, 2008

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

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 8:26 p.m. following the City Council meeting.

The following Directors were present and constituted a quorum:

Dion Avello
Cheryl Bannon
Jim Craig
George Arnold
Vaughn Nun
Jim Meidinger
Mark Staats
Chuck Warren
Charles Schwarz

Others in attendance:

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

Mr. Avello called the meeting to order.

APPROVAL OF MINUTES

MOTION: Warren moved to approve the minutes of the April 22nd, 2008 regular board meeting. Nun seconded.

VOTE: Avello yea, Craig yea, Meidinger yea, Nun yea, Warren yea, Schwarz yea, Bannon yea, Staats yea, Arnold yea, 9 yea, 0 nay, motion carried.

DECLARATION OF DIVIDEND

Jean Epperson, Secretary/Treasurer presented the staff report.

MOTION: Craig moved to adopt a resolution declaring and directing payment of a dividend for the month of April in the amount of \$3,472.15 to the City of Derby, Kansas, as the sole stockholder of the Company. Arnold seconded.

VOTE: Avello yea, Craig yea, Meidinger yea, Nun yea, Warren yea, Schwarz yea, Bannon yea, Staats yea, Arnold yea, 9 yea, 0 nay, motion carried.

DISCUSSION:

Mr. Craig stated he asked for summation of results of the water testing.

Mr. Swaney advised if you are looking at your report I will start at the top, which is the bacteria count. We take 260 samples a year, that is 20 every 4 weeks. For every sampling failure, you take an additional 3 samples. That is done by the El Paso Water Co. and tested by the State Board of Health. The second thing from the top is your THMs and Haloacetic acids. That is a disinfectant by-product and is suspected to be a cancer causing agent. We take full responsibility, and it's tested by the state. Stage 2 requires another 16 samples by the EPA. Those were taken by an independent lab that was State certified. Lead and copper every 3 years as long as you meet the criteria of less than 1.5 and 1.3 parts per million. If you fail that, you take 60 every 6 months until you get back in compliance. Regulated contaminants and secondary contaminants are all taken by the City of Wichita. In the case of when we take them, they are at the point of entry. Their THMs and lead and copper are all done in house for them by an outside laboratory in their own lab.

Mr. Craig stated that copper and lead – those are the two most common ones they look for.

Mr. Swaney replied that is correct, Wichita does the same testing. We take those and they are taken in a period of time when your sodder had a heavy lead base. We have to take them from homes built from 1978 – 1984/85 (don't quote me on that). We have to take them from homes that had sodder joint connections, not plastic plumbed. We have to keep taking them from that same location, I guess at least until the house burns down. If they had recent plumbing repairs, then we can get an exception and go to another location. We take 10 every month for 3 months in a row, which is 30, but we have 60 sites that the state has approved.

Mr. Craig advised there is a lot of concern about water and this is one of the things we keep track of very diligently and we have some of the best water around. He commended the water company for that.

Mr. Meidinger stated we do have a fiduciary responsibility to our stockholders and taxpayers. When we purchased El Paso Water we purchased a lot of water and some might say “blue sky”. He would like to see a written report from staff regarding what we are trying to do to sell existing water in our wells. Everything he has heard is hearsay and until it is in writing you don’t know what is happening. Water is our number one asset and we have to do something with it.

ADJOURNMENT

MOTION: Warren moved to adjourn at 8:34 p.m. Schwarz seconded.

VOTE: Avello yea, Craig yea, Meidinger yea, Nun yea, Warren yea, Schwarz yea, Bannon yea, Staats yea, Arnold yea, 9 yea, 0 nay, motion carried.

Jean Epperson, Secretary