

SENIOR CANYON MUTUAL WATER COMPANY
REGULAR MONTHLY MEETING OF THE BOARD OF DIRECTORS
OCTOBER 17, 2008

Pursuant to due and official notice, the regular meeting of the Board of Directors of the Senior Canyon Mutual Water Company was held at the office of the District, 603 West Ojai Avenue, Ojai, California on October 17, 2008.

The President called the meeting to order at 3:10 o'clock P.M. There were present Directors Prather, Dougherty, Eaton and Chambliss. Directors Nightingale, Barnhart and Tantet were absent. Also present was the Company's Manager Larry Catlett and shareholder John Kertis.

Minutes of the meeting held September 19, 2008, were read and approved as corrected.

The Treasurer's report for the period ending September 30, 2008 was reviewed. Treasurer advanced the prospect that the company may need to terminate operations completely due to operating overhead expenses. Agenda item for next meeting.

On motion by Eaton, seconded by Chambliss and carried the Treasurer's report was accepted and ordered filed.

Check Numbers 6878 thru 6926 inclusive, along with supporting entries totaling \$30,567.04 were reviewed and discussed. On motion by Eaton, seconded by Chambliss and carried, these checks were considered in order and payment for same approved. In addition it was reported that as of the date of the meeting there was a Checking Account balance of \$40,100.00, and an Accounts Receivable balance of \$54,478.00 and an Accounts Payable balance of \$129,046.73.

Since the last meeting the following stock transfers have been made: None

The Manager reported that major leaks were repaired on McAndrew and Hendrickson Road. The leaks were due to age and condition of pipe. There is one final leak being scheduled to fix.

The tunnel flow is good. It is 100 G.P.M.

Purchased 57.5 acre feet. Produced 31.9 acre feet.

Reservoir is dry. Ag. Water from CMWD being supplied thru distribution system.

Per Casitas bill is \$179,000. Accountant report says \$108,000. Discrepancy questioned by Treasurer. Manager will determine.

President Paul Dougherty reported on Casitas payback strategy. Casitas sent letter requesting promissory note to address past due billing.

Board is concerned about the terms and ability to pay. Consideration of a Chapter 7 re-organization is advanced. President Dougherty will consult an attorney.

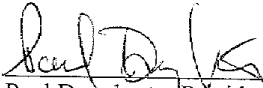
The Manager reported on abandonment of well #2. It is currently capped. Manager has 2 bids to repair. \$17K and \$3K. Chambliss moves Manager to enter the contract with Midway to cap well #2. Eaton seconds. Passed by vote of the board.

Executive session:

Next meeting will be November 21, 2008.

There being no further business to come before the Board, on motion duly seconded and carried, the meeting was adjourned at 4:35 P.M.

Attested to:



Paul Dougherty, President

Sam Eaton, Acting Secretary