

Granite Oaks Water Users Association
Board Meeting Minutes
Meeting of December 4, 2013

Approved January 22, 2014

BOARD MEMBERS

Jim Peoples, President Ken Mino, Vice President - absent John James, Treasurer John Monroe, Secretary Gerry Tumey, Director Gerry Garcia, Director

THOSE PRESENT

Contract Staff

Bob Busch, MDI Taxes & Acctg Allen Kaplan - Accountant Jim Muylle – Fann Environmental
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Dirk Stringham
Rusty Miner

The meeting was convened at 8:00 am by Jim Peoples. Director Ken Mino was absent.

1. Minutes of Previous Meetings

Meeting of September 25th :

Motion: John Monroe moved to approve of the Minutes of the September 25, 2013 Meeting with the corrections he noted (included in draft2 of the minutes). John James seconded. Motion carried.

Since Bill Weber of Webers Insurance was not present, Jim Peoples suggested moving on to the financial report.

2. Reports

2a. Financial Report

Allen Kaplan reported that thru September, the net income is 28k+, vs a budget of 19k. The fourth quarter is typically even on net income, so if that holds true this year, the company will be at 28k for year end vs a budget of 12k. Revenue is up about 3K and expenses are down by about 6k. Expenses this year are about 20k less than a year ago, primarily due to the amount spent last year with Granite Basin Engineering.

Bob asked which account was for the meter refunds due. Allen replied that they are in account 252-Advances in Aid of Construction. The remaining amount for refund is slightly over \$5,000, indicating that not many new accounts are being added, and that many accounts have passed the 10 year payback period and have been completely refunded.

Two CDs matured in November and two more are due to mature in December.

Allen explained that cash is down about 21k from the beginning of the year, mainly due to the capital program. Cash receipts are up about 6k from a year ago. He indicated October looks to be normal for receipts and expenditures.

John James reported that currently, there is \$23,409 in the Operating Account and \$60,298 in the Corporate Account, which includes the 2 - \$10,000 CD's that matured. He will add another \$35,000 when the 2 CD's mature this month. There was a suggestion that the CD's be put into the MaxSaver account until needed, even though it is only for a month or so. .

2b. Operator's Report

Jim Muylee handed out his Operator Report for November. He reported that water use has slowed down considerably last month. He reported that Empire Cat serviced and inspected all three generators. Bob reported that he received their inspection reports and nothing significant was recommended. Jim Muylle reported that wells have been winterized. He stated that he obtained prices for spare well meters at Post Oak and Deerfield. The Post Oak meter would cost \$877. The Deerfield meter would cost \$3,118. The Glenshandra spare meter head cost \$1,746 and is underway. The State MAP testing will be conducted tomorrow. They will be testing for Nitrates this year.

2c. Manager's Report

Bob reported that water loss for the past two or three months is more normal. Last month loss was negative. The past few months losses are significantly less than last year, however he was at a loss for an explanation.

Bob stated that the construction permit for the Capital Improvement Program Phases 2 & 3 has not been received yet. The County requested additional information from Granite Basin Engineering. The permit is expected in the next couple of weeks. The contract with Watkins has been signed and the contractor is ready to begin when the permit is received.

He reported that he has not received the revised model and report that GBE is to prepare, according to the agreement reached regarding CIP Phase 1. No additional billing has been received from GBE for Phases 2 & 3.

Bob noted that GOWUA received a proposal from Webers Insurance for a new policy from Alteris, a different company than the previous insurer. He stated that since the current policy expired on December 3rd, and the proposal was for similar coverage for about \$1,000 less, he polled the board via email and received a majority of responses in favor of locking in the new policy. He arranged to have Webers Insurance bind the policy.

He received the MIDCO Diving reports on the tank inspections, and forwarded to board members. He said he expects to receive the videos of the inspections in a few days. Only minor maintenance items were recommended in the report, mainly to tank entryways.

Bob indicated that he did prepare a 2014 budget, but neglected to send it with the board package. He will include it this month and include on the January agenda.

Jim Peoples asked about the items in the tank inspection reports concerning corrosion around the bolts. What should we do about that. Bob stated that MIDCO did not recommend any repair at this time, but that it should be reviewed periodically. Eventually, the tank should be drained and the bolts recoated for protection.

Jim Peoples then asked why the County would be holding up the construction permit for model information. Bob responded that he didn't know why the County wants the information. GBE didn't submit it with the application, but the County wants the review the data, so GBE is

supplying it. Bob then asked if the Board had any preference as to when the work should begin on Phases 2 & 3. It was the general opinion of the Board that the project should begin after the New Year.

3. Old Business

3a. Action Items -Outstanding Action Items:

The remaining action item is:

Action Item: Bruce will add email access and after hours cell phone on the message. Bob will add email address on the website.

4. New Business

4a. Dirk Stringham – Citizens Water Advocacy Group

Jim Peoples introduced Dirk Stringham, who is on the Citizens Water Advocacy Group. Dirk passed out brochures about the group and its mission. He indicated that one of the big concerns of the Group is reaching "Safe Yield". He reported that he is on the Science Committee. He mentioned that water levels are dropping about 2 feet per year, but in the Williamson Valley area it is more like 8 feet per year. About 15% of water use is by private wells. Private wells are not regulated. Water is being used at twice the amount of recharge. His committee is contacting small water companies to see what programs or activities they are using to conserve water.

He wanted to try to get answers to two questions:

What is the company doing?

What is preventing you from doing more?

There was a discussion about the programs that GOWUA had utilized in the past. Most of those programs are no longer being used. The company does send out monthly reports with bills that show how many customers are using various quantities of water. A program of offering water audits was used for awhile, but after some initial interest and audits, no one signed up and the program died. There was also a program of sending packets to new customers, which is no longer in effect.

Jim Peoples stated that GOWUA does have an obligation to educate its customers and the Company would do its part.

Jim Peoples thanked Dirk Stringham for attending and discussing with the Board.

4b. Consideration of filling Board vacancy created by resignation of Gene Zutell.

There was some discussion about the remaining term of the position, generally thought to be 2 years. (Note: It was later determined that the Board position term would expire in 2014) It was mentioned that the Board can appoint someone to the remaining term.

Motion: Gerry Garcia moved to fill the vacancy. Gerry Tumey seconded. Motion passed unanimously.

There was a discussion about how & where to find a candidate. Bob suggested that a notice soliciting candidates could be put in with the December billing.

Action Item: Bob will arrange to include a notice with December bills soliciting candidates for the Board position.

Jim Peoples asked if there was any further business. Bob asked that the Board approve purchasing the backup well meters for Deerfield (\$3,118) and Post Oak (\$877).

Motion: John Monroe moved that the purchase of the two meters be approved. Gerry Tumey seconded. Motion passed unanimously.

There being no further business, Jim Peoples asked for a motion to adjourn.

Motion: John James moved to adjourn the meeting. Gerry Garcia seconded the motion. It passed unanimously.

The meeting was adjourned at approximately 9:20 a.m.

Next meeting: Wednesday, January 22, 2013, 8:00am – Post Oak Site.

Minutes transcribed by Bob Busch

Submitted By:

Secretary