

Granite Oaks Water Users Association
Board Meeting Minutes
Meeting of March 26, 2014

Draft 2
Approved 5-28-14

BOARD MEMBERS

THOSE PRESENT

Contract Staff

John James, Treasurer John Monroe, Secretary Gerry Tumey, Director Gerry Garcia, Director Jim Peterson, Director Neil Tewes, Director
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Bob Busch, MDI Taxes & Acctg Allen Kaplan – Accountant Jim Muylle – Fann Environmental
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The meeting was convened at 8:00 am by John Monroe. Jim Peoples was absent.

John welcomed the new Board members and introduced himself.

1. Minutes of Previous Meetings

Meeting of January 22, 2014 :

Motion: John James moved to approve draft2 of the Minutes of the January 22, 2014 Meeting. Gerry Tumey seconded. Motion carried.

2. Reports

John Monroe changed the order of business to allow Jim Muylle to make the Operator's Report first.

2a. Operators Report

Jim Muylle explained the there are three operating wells in the system: Post Oak, Glenshandra and Deerfield. He reported that all wells operated without trouble during the month, all coliform samples were taken, and there were no violations reported. He referred to his written report, handed out to all present, and cited the run times and gallons pumped for each well. He reported that that ADWR had taken water level readings at Post Oak and Deerfield. The readings were 312.9ft. for Post Oak and 221.7 ft. for Deerfield. He referred Board members to the well graphs of the two wells taken from the ADWR website, which he included with his report.

Jim Muylle reported that during the month, booster pumps 1 thru 4 were lubricated, the chlorination system line was repaired and landscape work was done at Glenshandra. Fann also blue staked Royal Oak Ct. for Watkins Construction in preparation for phase 3 of the construction project, and that Fann assisted with the tie-in and bleeding air from new lines in phase 2. He also reported that he had attempted to sound the Glenshandra well after Del Rio Drilling reported the tube was clear, but encountered a blockage at about 200ft. He stated that Grand Canyon Pump and Supply was due to be on site this morning to replace a seal in booster pump #3.and to troubleshoot a phantom alarm on pump #1.

Jim Muylle reported that new meters have been ordered for the 3 wells, and that the Deerfield meter had not yet arrived. All well meters will be replaced when it arrives.

There was some general discussion about the unaccounted for water experienced each month. There still does not seem to be a source of the discrepancies. Unaccounted for water was at 6.56% for February and 5.73% for January. The occasional spikes on the pumping chart were also discussed, noting the times of day or night and the discontinued fire hydrant monitoring, which yielded no suspect. Bob asked Jim Muylle if it were possible to monitor the distribution pumps to see if the pumps were actually running during the spikes. Jim responded that some type of recording would be needed to see if the pumps were running. He suggested that he check with the technician today, to see if there might be an answer to the spiking.

2b. Financial Report

Allen Kaplan reported that since this was not a quarterly reporting period, a full financial report was not prepared. He did report the year to date billing was \$1,300 ahead of a year ago. Expenses are consistent with last year, and net income is up about \$3,000 from a year ago at this time. He reported that depreciation expense numbers are preliminary, until MDI completes the tax return for 2013, however the adjustment should not be much, since there was little additions to capital in 2013. He noted that MDI had been including postage as an MDI extra, but were now including it as an Office Expense, which seems more appropriate.

John James reported that there is \$71,634 in the Corporate Account and \$16,002 in the Operating Account.

2c. Manager's Report

Bob reported that construction on phase 2 of the Capital Improvement Project (Bard Ranch Ct.) is essentially complete. There is still surface work and paving repair work to be done, and the contractor will complete the paving of phase 2 & 3 at the same time.

He reported that GOWUA has received two Change Orders, one for slurry back fill for phase 2 and new valves, for \$7,623.32. The slurry backfill was required by the county, but bids were submitted prior to the County's requirement. The additional valves were required because the owner supplied valves have the wrong sleeves. The contractor thinks they can be used on Phase 3.

As second Change Order was just received, for Phase 3, for slurry backfill in the amount of \$13,634.37. Phase 3 is longer than Phase 2. The total of the two Change Orders puts the project about \$1,200 over the contract bid (including the \$20,000 allowance). The contractor has reported that the final contract should be under the bid amount because there is a credit due for several items (abandoned line rather than removal, and reuse of valves from Phase 2)

Bob noted that the current payment application is for \$65,524.11 and John James may have to make transfers to the Operating Account to cover it. An additional amount of approximately \$80,000 will be needed at project completion, which could be by mid-April.

Bob stated that a plant retirement would be needed for the abandoned plant in both phases. He reported that he has prepared the retirement, and will forward it to MDI when all the new lines are put in service. Alan confirmed that the retired plant would have been that originally placed by the developer, and not plant added by GOWUA.

Bob reported that he had Del Rio Drilling clear the sounding tube for the Glenshandra well. The encountered a blockage at 10-15 ft and cleared it, but Fann subsequently encountered the

blockage at about 200ft. Bob said he then contacted Pump Tech, who sent a crew out and made several attempts to clear the blockage, but could not get past the 190-200ft range. Bill Roberts of Pump Tech estimated about \$900-\$1,000 in material and about the same amount of labor to pull the pump and install a new sounding tube. There was a general discussion about the necessity of being able to sound the well now. Bob reported that the current pump was placed in 2007 or 2008 after a power surge knocked out the old pump. The current pump could run another 7 or 8 years before it fails, or it could fail tomorrow. After discussion, it was the consensus of Board Members not to pull the pump and install a sounding tube at this time.

Bob then reported on the current status of the engineering credit due for Phase 1 of the Capital Improvement Project. Per the agreement with Granite Basin Engineering, GOWUA was to receive credit for several invoices for GBE work on Phase 1, plus credit for the design fees for Phase 1. That design fee credit was not determined at the time. Bob indicated he has spoken with Davin Benner of GBE, and the GBE is reviewing the matter and will offer GOWUA a credit amount for the design fees. At the present time, Bob is holding about \$5,500 in billing from GBE, pending resolution of the Phase 1 credits.

In discussion with GBE regarding remaining Phase 1 commitments, the engineer agreed to retest the fire hydrants affected by Phase 1 to confirm fire flows. They have not retested as yet, awaiting the Board's decision on whether to conduct the test in view of the amount of water required. A general discussion ensued, which included: the desirability of confirming the hydrant fire flow per the model; the desire to confirm the engineer's model; the concern for the amount of water required to run the test; the concern that the first test was essentially useless, as GBE was checking for an incorrect fire flow, since the 8" line is already in place. It was the general consensus of the Board that the test should be conducted.

Action Item: Bob will contact GBE to arrange a time for the test and advise Board members.

Bob reported that Ken Mino had sent a memo to Board Members on January 23rd, following a meeting with MDI. The meeting resulted in MDI committing to 40 hour work week in which phones for GOWUA could be answered. The schedule would be 7:30 am to 6:00 pm Mon-Thurs, with no service on Friday.

3. Old Business

3a. Action Items -Outstanding Action Items:

John Monroe went through all open action items. All are complete except:

Action Item: Bob will check and report on cyber liability coverage carried by MDI.

4. New Business

4a. Consideration of letter to new customers.

Jim Peterson inquired whether GOWUA sent letters to new customers with information helpful to people new to the area. Some information might be helpful in understanding the need to conserve and provide an understanding of the water system. Jim offered to draft a letter for consideration.

Action Item: Jim Peterson will draft a letter intended for new customers.

There being no further business, John Monroe asked for a motion to adjourn.

Motion: Gerry Garcia moved to adjourn. Gerry Tumey seconded. It passed unanimously.

The meeting was adjourned at approximately 9:15 a.m.

Next meeting: Wednesday, May 28, 2014, 8:00am – Post Oak Site.

Minutes transcribed by Bob Busch

Submitted By:

Secretary