

Granite Oaks Water Users Association
Board Meeting Minutes
Meeting of July 27, 2016

Approved September 28, 2016

BOARD MEMBERS

Gerry Garcia, President Matt Bornyasz, Vice President John James, Treasurer Jim Peterson, Board Member Claire Hutt, Board Member Jim Bricker, Board Member

THOSE PRESENT

Contract Staff

Bob Busch, MDI Taxes & Acct'g Allan Kaplan – Accountant
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1. The meeting was convened at 8:00 am by Gerry Garcia. Larry Dorrell was absent.

Bob Busch announced that Jim Muylle of Fann Environmental had been to the meeting room earlier, but got an emergency call-out and probably would not return. He left copies of his report for the Board.

Gerry Garcia stated that the first item of business was the election of officers for the next year.

She began with the office of Treasurer. John James volunteered to continue as Treasurer. Board members were in unanimous agreement.

She next asked for nominations for Secretary. Larry Dorrell's name was offered. The members were unanimous in their vote.

Matt Bornyasz then volunteered to serve as Vice President.

Jim Peterson then nominated Gerry Garcia for President. All members concurred.

The slate of officers for the next year, beginning immediately are:

Gerry Garcia, President
Matt Bornyasz, Vice President
Larry Dorrell, Secretary
John James, Treasurer

Minutes of May 25, 2016

**Motion: Minutes Jim Peterson moved to approve the minutes of the May 25, 2016 meeting
Seconded by Matt Bornyasz. Motion carried unanimously.**

3a. Financial Report

For the benefit of new members, Allan Kaplan reviewed his responsibilities in reviewing and reporting financial results for the Company. He reported the actual revenues year-to-date is about \$5,000 ahead of budget. Expenses are about \$9,000 under budget. Net income is about \$15,000 above budget. Revenue year to date is about \$7,000 higher than 2015. Expenses are about \$1,000 higher and interest received is about \$1,500 higher than last year, making net income about \$7,000 higher than last year through June.

Allan reported that cash is about \$5,000 higher than last year. He reviewed the details of cash accounts which as of June 2016, totaled \$335,583.

Bob Busch explained the two checking accounts with Foothills Bank. The Corporate Account is where all deposits are received from customer billing. The Company Treasurer is in charge of this account. He makes transfers periodically to the Operating Account, which is used by MDI Financial to pay all expenses for the Company.

The maturing CD with Compass Bank was renewed at 1.14% with Compass Bank.

John James reported that current balance in the Operating Account is \$22,607. The Corporate Account has \$49,572. The Money Market account has \$130,642. He asked whether the Board wanted to do something with some of the Money Market funds. It was the Board consensus that John invest \$100,000 in a CD that would mature in 2018.

3b. Operator Report

In Jim Muylle's absence, Bob Busch reviewed the Operator Report. He noted that Fann reads all customer meters and well meters within a 5 hour period to minimize water pumped vs water sold differences.

Matt Bornyasz asked about the reported water pumped amounts on the Operators Report vs the Monthly Comparison Report. The two reported numbers are not in agreement. Bob Busch commented that the amounts shown on the Operator's Report may be calendar month figures, where the Comparison Report shows data from meter readings taken for billing purposes.

Action Item: Bob Busch will look into the discrepancy and clarify.

Bob reviewed the well sounding data on the report, commenting that the sounding tube at Glenshandra is now operational and data on recent soundings is listed. He commented that the recent problem at Glenshandra (failed check valve) has been repaired and the well is back in service. The cost is expected to be about \$5,000.

Fann Environmental has completed the tank control wiring replacement.

Matt Bornyasz asked if there is life span data available on major equipment that could help predict when replacements could be anticipated.

Action Item: Bob Busch will work with Fann Environmental to prepare a list of major equipment items and life spans for use in developing a replacement forecast.

Claire Hutt asked about the distribution pump run times. Pumps 1 & 2 show all the runtime, with 3 & 4 showing little or no runtime. Bob Busch commented that pumps 3 & 4 are fire pumps and do not run, except in case of fire or very high demand period.

Action Item: Fann Environmental will report at next meeting on distribution pump sequencing.

The Operator's report listed responding to low pressure complaints at two customer locations. Both were the result of problems on the customer side of the meter.

3c. Manager's Report

Bob Busch reported that usage during June was one of the highest on record. Only five times has monthly usage exceeded 9 million gallons, one of them exceeded 10 million gallons in 2007.

Bob reported on election results:

Here are the results: 99 valid ballots cast (3 void ballots- 1 blank, 1 voted all five candidates, one had phony name write in)

Gerry Garcia 73 votes
Jim Bricker 66 votes
Claire Hutt 54 votes
Greg Valenti 46 votes
Bob Freund 34 votes

There were 38 proxies returned giving the Board of Directors voting power, two gave the vote to others.

3c. Conservation Committee Report

Jim Peterson reported that ohn Monroe reported that the committee has not taken additional actions. Letters to new users are being sent, inviting them to tour & inspect the facilities.

4. Old Business

4a. Review of Action Items:

All action items have been completed.

4b. Annual Meeting

Gerry Garcia reported that she has a phone list for new customers in the past 12 months. She intends to call each of them and invite them to the annual meeting.

Bob Busch reported that the agenda for the meeting is about the same as last year. Now that the Board is set for the upcoming year, he will update the agenda and forward to the members.

The Annual Shareholder Meeting will be Saturday, July 30th, at 2025 W. Seven Oaks.

5. New Business

5a. Consideration of Action Concerning Unaccounted for Water

Bob Busch reported that he forwarded to Board Members a quote for leak detection services. The quote is for \$6,484, based on an estimated 13 miles of line. Matt Bournasz commented that after reviewing the proposal, he did not feel it would be cost effective. No action was taken on the proposal.

5b. Interest in GOWUA Property

Bob Busch stated that he had an inquiry from a neighbor of the Glenshandra well, concerning the Board's possible interest in selling the property. There followed a discussion about the restrictions for dividing the property, the fact that the Company does not need to sell, and possible use of the property for additional storage tank(s). It was the Board consensus not to pursue a possible sale.

Claire Hutt questioned the amount of storage for fire protection we actually have. The issue of water storage tanks was discussed. Questions about how much is required, how much fire protection do we actually have, and what would additional storage cost were posed.

Gerry Garcia thanked the outgoing Board Members, Gerry Tumey and John Monroe, for their time, effort and service on the Board.

Motion: John James moved to adjourn. Matt Bournyasz seconded. It passed unanimously.

The meeting was adjourned at approximately 9:30am.

Next meeting: Wednesday, September 28, 2016, 8:00am – Post Oak Site.

Minutes transcribed by Bob Busch

Submitted By:

Secretary