

Granite Oaks Water Users Association
Board Meeting Minutes
Meeting of September 25, 2013

Approved December 6, 2013

BOARD MEMBERS

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| Jim Peoples, President Ken Mino, Vice President - absent John James, Treasurer John Monroe, Secretary Gene Zutell, Director - absent Gerry Tumey, Director Gerry Garcia, Director |
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THOSE PRESENT

Contract Staff

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| Bob Busch, MDI Taxes & Acctg Allen Kaplan - Accountant Jim Muylle – Fann Environmental |
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Bruce Eldredge – MDI Taxes
Davin Benner- Granite Basin Engineering

The meeting was convened at 8:00 am by Jim Peoples. Directors Ken Mino and Gene Zutell were absent.

1. Minutes of Previous Meetings

Meeting of July 24th : John Monroe noted that there was a paragraph under the Capital Improvement section that appeared to be from a previous meeting. There were also a couple of typographical errors to correct.

Motion: John Monroe moved to approve of the Minutes of the July 24, 2013 Meeting with the corrections made as discussed. John James seconded. Motion carried.

Jim Peoples suggested changing the order of business to next take up the Financial Services contract.

2. Financial Services Contract

Bruce Eldredge of MDI Taxes presented his proposal for a renewed contract for financial services. He indicated his basic rates would remain the same as existing. He did propose changes in other areas. He proposed moving the Annual Report to the AZ Corp. Commission-Utilities Division from routine services to non-routine services. The report is complex and requires hand entry. He stated his hourly rate is \$89.25. He would charge an hourly rate not to exceed \$350. Bruce stated that there is another report to the ACC, to the Corporations Division that is now in his contract, but Bob has been doing the report for the past few years. He proposed that MDI complete this report a part of routine services. Bruce also requested that a change be made in regard to the Manager's wages. He stated that because of Obama Care, if he offers insurance to his regular employees, he must also offer it to the Manager. He said that it could be handled one of two ways: the manager becomes a GOWUA employee, or the manager could become an hourly employee- less than 30 hours. There would be no difference in gross pay. Bob had no objection.

Jim Peoples stated that he had been contacted by a neighbor who said they had trouble contacting the office. Bruce responded that his office hours now are 10:00am to noon and noon to 3:00pm Monday through Wednesday and 10:00 to noon on Thursday and closed Friday. If the call was on Thursday, the call wouldn't be returned until Monday. Jim Muylle indicated that Fann Environmental gets billing questions on the emergency line because the customer is frustrated. Gerry Garcia also noted that she was contacted by a customer who had difficulty getting water service connected. In response to a question from Jim Peoples, Bruce verified that an answering machine is in use when calls are not answered. During a discussion about email access for customers, it was determined that email address is not a current option, but could be added.

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

Motion: Gerry Garcia moved to accept the MDI proposal as presented by Bruce Eldredge. John James seconded. Motion carried.

3. Reports

3a. Financial Report

Allen Kaplan stated that this is a mid-quarter report. The months of July and August were good financially, as usual. Net Income was almost \$17,000. Year to date net income is \$31,000. On the Balance Sheet, cash is at \$429,000, down from January by \$25,000. No expenditures were made in August for construction in progress.

There was some discussion about a new meter installation, which is likely to show on September financials.

John James reported that currently, there is \$23,409 in the Operating Account and \$47,493 in the Corporate Account.

3b. Operator's Report

Jim Muylee handed out his Operator Report for August. He reported that a relay failed at Glenshandra and was replaced. A new meter was installed at lot 69 on Glenshandra. A vactor was required to expose the meter box. Jim reported that MIDCO diving inspected and cleaned the tanks on August 30th. He stated that he purchased 10 new meters as only one remained in stock.

Bob inquired if the extra Glenshandra well meter could be repaired & recalibrated. Jim responded that he has contacted the vendor rep. and will be getting information on repair/recalibration. Bob explained that it was his recommendation that a spare meter be provided for each well so that meters could be recalibrated periodically. Without a spare, a blank has to be installed in place of the meter while the meter is being recalibrated. There presently is an extra meter for the Glenshandra well. He also explained that the meter at the Post Oak pump station is reading incorrectly. It has been determined that the location of the meter is not in accordance with the manufacture's specs. Jim Muylle has contacted a vendor to see if anything can be done to make it functional.

Action Item: Bob will work with Fann Environmental to get prices for spare meters for Post Oak and Deerfield.

3c. Manager's Report

Bob reported that water loss for the past two months is more nearly normal, approximately 3.5%.

Bob indicated that about a dozen people volunteered to serve as fire hydrant monitors since the past meeting. They have monitored the hydrants weekly for several weeks with no evidence of tampering reported. As a result, he reported he has discontinued the monitoring.

As Jim Muylle reported, MIDCO Diving did their work at the end of August. They were dumping the waste water onto Tumey's property. They were instructed to reroute the wastewater, and rerouted it down the driveway, causing erosion along the drive and at the culvert on the street. Bob notified MIDCO and they have asked for estimates to repair the damage. Bob is working with MIDCO to resolve the problem. In the meantime, we have not gotten the reports, but have not paid the bill.

4. Old Business

4a. Action Items -Outstanding Action Items:

All action items have been completed. None outstanding.

4b. Capital Improvement Program-Phases 2& 3. (from Old Business agenda)

Davin Benner indicated that Norco opted out of bidding on this package. Davin reported that Watkins has split from Mendoza, so the legal entity has changed from Watkins/Mendoza who placed the bid.

Davin recapped the bids: Watkins being the low bidder for the two phases by about \$20,000.

Bob asked about the number of new remote meters that were planned for the two phases. Davin responded that 11 new meters are being provided, in addition to one ordered in phase 1. Bob questioned whether it was worthwhile purchasing the remote reads at this time, or until a specific program is undertaken to change all meters to remote read. At 50 meters per year, it would take 10 years to convert the company. By then the meters we install now would be out dated. New handhelds are required along with an interface software.

There was some discussion about the timing of the work, cost of permitting and the engineering administration required for the job and insurance required. Davin indicated the administration for phases 2 & 3 would be in the \$2,000 range. Jim Peoples asked about how long the bids are valid. The response was, they are good for 30 days. Davin said he thought construction could be completed in 60 days. Davin stated that permits should be obtainable in three weeks.

There was some discussion about Watkins bid. It was agreed that the company could hire whichever contractor it chooses. It could ask Watkins to resubmit the Watkins/Mendoza bid. Davin called Duane Watkins and verified that the bid amount would remain the same as the Watkins/Mendoza bid.

Gerry Garcia stated that she had some concerns about proceeding before some issues with phase 1 were resolved.

There was a consensus to delay a decision to a later date. After some discussion about possible dates, it was agreed to meet on Friday, September 27, 2013 at 8:00 am.

5. New Business

5a. Next Meeting Date

Jim Peoples noted that the next scheduled meeting is the day before Thanksgiving. He suggested changing the date. After some discussion, it was decided to set the Date for December 4th.

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

Next meeting: Wednesday, December 4, 2013, 8:00am – Post Oak Site.

Minutes transcribed by Bob Busch

Submitted By:

Secretary