

Granite Oaks Water Users Association
Board Meeting Minutes
March 28, 2012

Approved April 25, 2012

BOARD MEMBERS

THOSE PRESENT

Contract Staff

Jim Peoples, President Ken Mino, Vice President John James, Treasurer (absent) John Monroe, Secretary Gerry Tumey, Director Gene Zutell, Director Dave Kramer, Director (absent)
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Bob Busch, MDI Taxes & Acctg Allan Kaplan, Accountant Jim Muylle, Fann Environmental
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The meeting was convened at 8:00am by Jim Peoples. Five board members were present: Dave Kramer and John James were absent.

1, Minutes of Previous Meeting

Jim Peoples asked if there were any comments or corrections to the Minutes of the January 25, 2012 meeting. There were none..

Motion: John Monroe moved to approve the minutes of the Meeting of January 25, 2012. Ken Mino seconded. Motion carried.

2. Engineering Report- Civiltec Engineering.

Bob stated he sent Rick Shroads an email confirming the meeting and asking for a call if Civiltec could not attend. Jim Peoples decided to skip this item and move on to the financial report

3. Financial Report

Allan Kaplan reported that since the quarterly period ends next month, he did not prepare a full report. February year to date shows net income of \$5,400 loss. This doesn't include current year depreciation & amortization which usually is not computed until the tax return is prepared. So, the net income is overstated about \$2,500. In addition, revenue is overstated by about \$250 due to a new meter installation being booked as revenue. Bruce Eldredge is making that adjustment. We are running ahead of last year. Allan asked about an expense to Account 620, to Fann Env. For \$1,498. He asked if that was for the generator manifold. Bob and Jim Muylle agreed that it was the cost of installing the new customer meter. The manifold cost about \$500.

Allan indicated that MDI has changed the listing of assets for the year. He stated that \$18,310 is shown separately in Account 101 as Capital Equipment. Allan indicated that it was for \$3,800 for a handheld, \$5,000 for a second handheld and \$9,500 for the fire pump. Bob questioned the \$5,000 for the handheld, indicating he thought that both handhelds cost about \$3,800. After some discussion, it was determined that the \$5,500 paid to Summit Controls was for electrical 3-phase protection equipment.

4. Operator's Report

Jim Muylle reported that his report for March won't be complete until the end of the month, so he was reporting on February activity. He said there were no violations to report for February. He stated that ADWR measured static levels at Post Oak and Deerfield during the month. Post Oak measured 311.7 ft., about the same as last year. Deerfield measured 209.7ft., down from 202.1 last year. He reported that the new booster pump project is complete. The new pump is in place and programmed. A new meter was installed on Twin Oaks Ct. The new manifold for the backup generator arrived and has been placed in inventory. The old manifold was welded and reinstalled and is still holding.

5. Manager's Report

Bob reported that January water use was slightly lower than a year ago (2.1 Million gallons vs 2.3 million gallons) and February was higher than a year ago (2.8 million gallons vs 2.35 million gallons). The percentage of unaccounted for water was about the same as last year; around 7%.

A new account was added in February . The property previously had a well and the new owner requested service from the company. No meter box had previously been installed. Fann had to locate the line stub and install a meter box and meter. Ken Mino asked if a backflow prevention device was required. Bob responded that a backflow device had been installed by the new customer and Bob had a copy of the test results.

Bob reported that he mailed annual notification letters to those customers with backflow prevention devices, (11 customers not counting the new customer) requesting backflow device annual test results.

The annual report to the Department of Revenue was mailed this month.

Bob reported that in January a customer who currently lives out of state decided to temporarily disconnect service. Company policy calls for prorating charges based on usage. This customer had no usage in January, so would be charged zero for the month of January, even though she was a customer for nearly 3 weeks. He read the following portion of the Company Policy:

Meters shall be read at the time the customer disconnects service

- a. Water bills shall be prorated, based on the following:
 1. The ratio of gallons used to the 1000 gallon minimum charge: For example; for 300 gallon use the charge would be $300/1000 \times \$20.00 = \6.00 .
 2. If customer use is over 1000 gallons, the \$20,00 minimum monthly fee is not prorated."

He stated he wanted to report the matter to the board to see if board wanted to reconsider the policy. Gene asked if there was a fee for disconnecting and reconnecting. Bob stated that there is no fee to disconnect, but there is a \$25.00 fee to connect or reconnect. Jim Muylle commented that when the meter is read for disconnect, a lock is installed on the meter. It is removed on reconnect. Bob indicated that the no charge situation only occurs if a customer has no usage during the last month. For any other month with no usage, the customer is charged the \$20.00 minimum. After some discussion, it was the consensus of board members that the current policy did not need to be changed.

5. Old Business

5a. Action Items

Bob reported that all action items were completed except:

Action Item; Bob will check with Fann to determine feasibility. (Use of moisture sensor in connection with meter reading to help spot leaks).

There followed a discussion about the feasibility of using a moisture sensor. John Monroe indicated that it was a suggestion to help identify water loss. There was concern that it would be very time consuming to use in connection with meter reading. Bob stated the it would probably only be used in connection with a customer with a high meter reading. Jim Peoples stated that a sensor would only be effective for the top few inches of soil. Jim Muylle stated the it was usually evident when there was a leak around the meter. Most "leak" occur on the customer side of the meter and that doesn't contribute to water loss. It was a consensus that the use of a moisture sensor probably was not practical in connection with meter reading. This action item is closed.

Action Item: A review and discussion of maximum bank account balances will be put on the agenda for the next meeting. Each board member will review the section of the Policy Book prior to the next meeting.

Jim Peoples stated that John James could not attend today's meeting, and that John had asked that the board not take any action on the banking issues until he could be present. Jim Peoples suggested that if these items were not pressing, that they be postponed to the next meeting. He suggested that the board could schedule a meeting for next month to discuss these items. Ken Mino commented that the Chase proposal was not likely time sensitive and would still be honored later. Jim Peoples asked Bob how critical MDI viewed the matter. Bob said that he suspected MDI would prefer sooner rather than later, but it was not critical that a change be made immediately.

There followed a general discussion about the matters to be discussed at a future meeting. It was agreed that the Treasurer should be party to discussion about banking and banking policy. The issues in question involve whether to change banks, the policy concerning the amounts to be maintained in the accounts and the placement of funds in CD's or investments.

After some discussion, it was agreed to hold a meeting on April 25th to consider changing banks, changing banking & investment policy as well as discuss the Civiltec proposal.

Ken Mino asked if it were possible to obtain a competing engineering proposal. Bob stated that he could attempt to get another proposal by the April 25th meeting.

Action Item: Bob will contact another engineering firm to determine their capability to prepare a report and attempt to obtain a competing proposal.

There was some discussion about the items listed in the Civiltec proposal. Bob stated that most of the items stemmed from his onsite visit with Civiltec representatives and a discussion of items for possible consideration. Jim Peoples asked what "potential new sources" and "tank safety" referred to in the proposal. Bob indicated that the first referred to a possible new well, but was not certain what "tank safety issues" referred to.

UPCOMING MEETINGS:

There was consensus that the next meeting would be on April 25th at 8:00 am

The May board meeting will be held on May 16th at 8:00 am.

6. New Business

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

Motion: Ken Mino moved to adjourn the meeting. Gerry Tumey seconded. Motion carried.

The meeting was adjourned at approximately 9:00a.m.

Next meeting: Wednesday, April 25, 2012, 8:00am – Post Oak Site .

Minutes transcribed by Bob Busch

Submitted By:

Secretary