

Granite Oaks Water Users Association
Board Meeting Minutes
September 28, 2011

Approved Nov 30, 2011

THOSE PRESENT

Board Members

Jim Peoples, President
Ken Mino, Vice President (absent)
John James, Treasurer
John Monroe, Director
Gerry Tumey, Director
Gene Zutell, Director (absent)
Dave Kramer, Director (absent)

Contract Staff

Bob Busch, MDI Taxes & Accounting
Jim Muylle, Fann Environmental
Allan Kaplan

Guests

The meeting was convened at 8:00am by Jim Peoples. Four board members were present: Ken Mino, Gene Zutell and Dave Kramer were absent.

1, Minutes of Previous Meeting

Jim Peoples asked if there were any comments or corrections to the Minutes of the July 27th meeting. Bob indicated that on page 2, "Ed Zutel" should be "Gene Zutel" and on page 4 under action item, the reference to the next meeting should read "September 28th" rather than "September 21st".

Motion: John Monroe to approve the minutes of the Meeting of July 27th as modified. John James seconded. Motion carried.

John James asked about accepting the minutes of the Shareholder meeting. Jim Peoples indicated that there was no quorum present and it was an informal meeting. After a brief discussion:

Motion: John Monroe moved to accept the minutes of the Annual Shareholder Meeting of July 30, 2011. John James seconded. Motion carried.

2. Financial Report

Allan Kaplan reported that net income for the last two months was about \$9,000 each month. Revenues are up about \$2,000 over last year. Net income is down about \$7,000, due to the tank painting and the insurance bill received in January 2011 vs December 2010. Allan expects net income for end of year will be approximately \$38,000. Cash on hand is up about \$18,000 since June. He noted that expenses are running about \$14,000 per month. Only special repair items like tank painting increasing that amount

John James reported that as of September 27th, the balance in the Corporate Account was \$87,102 and the balance in the Operating Account was \$29,924.

Since Jim Muylle had not arrived yet, Jim Peoples called for the Manager's Report.

3. Manager's Report

Bob reported that water pumped in July and August was almost the same, about 7.3 million gallons. Water sold in August, exceeded the amount pumped by 221, 000 gallons. In looking at the two months (July & August), there was 14,689,800 gallons pumped vs 14,515,260 sold. Unaccounted for water for the two months was 174,540 gallons or 1.2%. Jim Peoples asked Jim Muylle if Fann flushed any of the water lines. Jim reported that he has not flushed any lines since he flushed Mesa OaK Ct. He said he does some flushing when taking water samples.

Delinquent account balance as of Sept 13th was \$1,158, however all were new delinquent accounts, with no carryovers from last month. Bob expects these delinquent accounts will be paid.

There were 55 high users (over 30,000 gallons used) in July and 58 in August. These accounted for nearly half the water sold for the months. Jim asked how much the water bill would be for the highest user. Bob roughly calculated that the monthly bill for August would be approximately \$750.

Bob reported that he received the annual insurance questionnaire sent out in advance of policy renewal. There were only minor changes needed to last year's responses. He reported that the Glenshandra and Deerfield sites had just recently been mowed and the sites look good.

He reported that we are having difficulty with one of the meter reading handhelds. The unit for route 1 & 2 is scrambling data. It can't be corrected, making meter reading difficult. The units are Psion Workabouts, that have not been manufactured for some time. Bob was referred to a vendor by CORE Utilities (the billing software vendor). That supplier indicated that their handheld cost about \$5,000. Bob checked with another vendor who has a handheld available for about \$1,500. However, this handheld is not compatible with CORE software. CORE is investigating whether programming could be done. In the meantime, Bob checked with RVS Software who programmed the existing Psion units. They will still provide programming for the Psion Workabout. Bob expects that Psion Workabouts could be purchased through Ebay for less than \$500. With programming of \$200 each, we could have two functional units with one being a backup.

It was the board's consensus that this was a good approach and it was within Bob's authority to proceed with the purchase.

Action Item: Bob will purchase two handhelds and arrange to have software installed.

4. Operator Report

Jim indicated that there are no violations to report. He reported that a new mother board and UPS/surge protection was installed on the Mission Control alarm callout unit. It is now up and running as designed.

He reported that the original quote for the additional booster pump was for a small pump rather than a fire pump which what is open on the pump skid. The cost for a new fire pump and installation would be an estimated \$12,200. There was some discussion as to the size and use of this pump. It would be a larger, fire pump, used primarily as a backup for the existing pump. *(the board adjourned briefly to the pump room to examine the pump configuration an get an explanation of the system from Jim Muylle.)*

Bob suggested that adding the pump be part 1 of a 2 part project. He indicated that the pipe size from the booster station to Post Oak needed to be increased in order to handle the flow from an additional fire pump. It was part of a Civiltec report done when the VFD pumps were installed. There was some discussion about timing of the work and making it all one project.

Jim Muylle stated that drawings don't show all the piping around the pump house. We will need to somehow identify it.

Motion: John James moved to authorize Fann Environmental to purchase pump, and estimate the cost of upsizing the line to the street. The new fire pump would be installed with the work to upsize the line. Gerry Tumey seconded. Motion carried.

Jim Muylle reported that a chlorine pump was replaced for about \$600. Jim Peoples asked whether no chlorine was added to the water when the pump was down. Jim Muylle reported that the pump was leaking, making noises, but some chlorine was being added.

Gerry Tumey asked when the landscape maintenance would start. Jim Muylle reported that it would begin in October. Jerry reported that the tree at Glenshandra was a rare specimen (she did not recall the name).

5. Old Business

5a. Action Items

Bob reported that all action items were completed except:

Action Item: Bob will schedule GenTech to make the remaining repairs and have the manifold shipped to GOWUA.

Action Item: Dave, Bob & Jim Muylle will verify that surge protection is provided and what the estimated cost would be to install.

Jim Muylle presented an estimate from Summit Controls to install upgraded surge protection at all three sites at a cost of \$6,465 plus tax. After a brief discussion:

Motion: John Monroe moved to accept the Summit Controls proposal and to proceed with the work. John James seconded. Motion carried.

6. New Business

6a. Operator Contract.

The current Fann Environmental contract expires September 30th. As discussed in the last meeting, Jim Muylle presented the three year new contract signed by Fann Environmental. John Monroe asked about the landscaping maintenance. Jim Muylle indicated that it is covered in Exhibit B.

Motion: John Monroe moved to approve and execute the new three year contract with Fann Environmental. John James seconded. Motion carried.

Jim Peoples read a letter from Jim Peterson, a GOWUA resident, offering to provide assistance in maximizing GOWUA investments. John James mentioned that there are some restrictions in GOUWA bylaws as to what or where investments can be made. After some additional discussion, Jim stated he would contact Mr. Peterson and advise him of bylaw restrictions and offer to send him a copy of the bylaws. He would also invite Mr. Peterson to a future board meeting.

There was some discussion about the next scheduled meeting. The 4th Wednesday in November is the day before Thanksgiving. November 16th was suggested as an alternate. Financials may not be available for a meeting at that time. November 30th was then suggested, as the financial

report for third quarter would be available. It was agreed to schedule the next meeting for November 30th.

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

Motion: John James moved to adjourn the meeting. Jerry Tumey seconded. Motion carried.

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

Next meeting: Wednesday, November 30, 2011, 8:00am – Post Oak Site

Minutes transcribed by Bob Busch

Submitted By:

Secretary