

Granite Oaks Water Users Association  
**Board Meeting Minutes**  
October 22, 2008

Minutes approved:

THOSE PRESENT

Board Members

Dirk Stringham, President  
Jim Peoples, Vice Pres.  
Rusty Miner, Secretary  
John James, Treasurer  
Ken Mino, Director

Contract Staff

Bob Busch, MDI  
Alan Kaplan  
Mike Young, Fann Environmental  
Jim Muylee, Fann Environmental

Shareholders

Ed Tumey

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The meeting was convened at 8:00 by President, Dirk Stringham. Directors Balin Strickler and Ken Adkins were not present

**1. Minutes of Previous Meetings**

The minutes of the July 23, 2008 Meeting were discussed. It was pointed out that board members had approved the July 23<sup>rd</sup> minutes via email on August 2<sup>nd</sup> in order to take the approved minutes to the bank and change signers on the account.

The minutes of the Annual Meeting were discussed.

**Motion: Jim Peoples moved that the minutes of the July 2008 Annual Meeting be approved; seconded by John James; motion carried.**

**2. Financial Report**

Alan presented the financial results for the end of the 3rd quarter 2008.

Revenues:	YTD \$179,571
Expenses:	YTD \$ 118,950
Income :	YTD \$ 60,621
Interest & Other Income :	YTD \$ 4,233

Revenues are under YTD budget by about \$10,000. Expenses are about \$12,000 less than budget. Net Income is down about \$18,000 from last year, mostly due to lower revenue, which is down due about 13% less use than last year.

The company's cash increased by \$32,000 so far in 2008, even considering the approximate \$40,000 spent for a new backup generator.

Allan reported that \$968.56 was added to capital accounts during the third quarter.(landscaping work at Glenshandra).

**3. Operators Report**

Mike Young reported that the new generator at Post Oak has been installed and tested. The generator moved from Post Oak to Glenshandra has been taken off the trailer and hard wired. Maintenance servicing on the Glenshandra and Deerfield units will be done by Gen Tech this Friday (October 24<sup>th</sup>). Mike reported that the onsite time spent by Fann personnel in connection with the generator installations was done at no charge by Fann.

Meter verifications are continuing in the northwest portion of Granite Oaks. About 45 meters have been verified so far this year.

The clanging noise at Post Oak was discussed. According to Ed Tumey, the noise is due to the tank level indicator, and has been noticeable for years. It is not a maintenance concern and no action is required.

#### **4. Managers Report**

Bob reported that nine water use consultations have been completed and billed, with another 8 awaiting scheduling and completion. A shortage of consultants has caused a long wait for requested consultations. The board discussed continuing the program through the fall months, and there was general agreement to continue.

*Action Item: Bob will arrange to contact those on the list to advise them of any delays in scheduling.*

A total of 71 customers have signed up for the Auto Pay Plan as of September.

Insulation of the interior at the Glenshandra building was completed during the summer at a cost of under \$450.

The contract committee met with Mike Young and agreed on minor contract changes. The contract was subsequently approved and executed. The new contract was effective October 1<sup>st</sup>.

*Action Item: Bob will send copy of executed contract to board members.*

**Motion: John James moved to adopt a resolution ratifying the approval of the new, three year contract with Fann Environmental for Operator Services. (The new contract is at the same rate as the previous contract.) Ken Mino seconded the motion; Motion carried.**

The number of delinquent accounts seems to have increased during the last few months. Three delinquent notices and 3 disconnect notices were sent in October. A couple of those were accounts that had large bills because of water leaks during the summer.

*Action Item: Bob will check to determine if the billing software is capable of generating delinquent notices automatically.*

A discussion took place concerning efforts to notify customers who have water leaks. MDI is now attempting to contact customers with abnormally high use. Fann Env. representatives check the area when there are signs of a leak, or extremely high use. Because of seasonal fluctuations, it is sometimes difficult to determine high usage from comparing to last month. Usage needs to be compared to same period last year to see if usage is abnormal. No additional action was recommended by the board.

Bob reported that a \$50.00 fee is permitted by tariff for emergency reconnection of service following a disconnect. In the past 2-3 months, at least one customer has been charged the fee.

Bob announced that a newsletter was being prepared that would hopefully be mailed with bills sometime next week. Any suggestions for articles or contributed articles need to be in before next Monday.

## 5 Old Business

### a. Review of Action Items

All action items have been completed.

### b. Landscaping Improvements – Glenshandra

The board discussed further additions to the landscaping/building at Glenshandra. Ed Tume mentioned that original plans were to extend the roof line over the generator and add screening around the sides. The board generally agreed with the plan. A building permit may be needed to extend the roof.

*Action Item: Board will consider additional improvements at Glenshandra based on an estimate to be provided by Ed/Duane.*

Ed indicated that additional plants are being donated by Harold Watters (Watters Nursery) and will be planted in the next few weeks.

### c. Change in signers on Operational Bank Account

John James reported that Gerry Garcia is still listed as a signer on the Operational Checking Account at National Bank. The Bank needs the change reflected in Meeting Minutes. It was directed that the Minutes include the following:

**John James is to be added as signer on the Operational Checking Account at National Bank, replacing Gerry Garcia.**

## 6. New Business

### a. Surplus Equipment

The board discussed the possible disposition of the power recorder purchased several years ago. There was general agreement that if such a device is needed, APS has recorders available to check incoming power. The recorder can be used to check 480v lines, and should only be used by a professional, probably not by GOWUA representatives.

**Motion: Jim Peoples moved to adopt a resolution declaring the power meter surplus and to obtain offers to purchase. Rusty Miner seconded the motion; motion carried.**

The board then discussed possible disposition of the trailer, formerly carrying the 100kw generator now at Glenshandra. It was agreed the trailer was no longer of use to GOWUA.

**Motion: Jim Peoples moved to adopt a resolution declaring the trailer surplus and to advertise the trailer for sale via bids in the upcoming newsletter with a minimum bid of \$1,200. Ken Mino seconded; motion carried.**

**Note: Mike Fann indicated that if no bids above the minimum bid of \$1,200 were received, Fann Environmental would purchase the trailer for \$1,200.**

### b. Appreciation for Duane/Carol Gann

Dirk Stringham noted that a gift certificate for \$100 would be presented to Duane & Carol Gann for the use of their RV Garage for the Annual Meeting.

### c. Resignation of Board Member

Dirk indicated that Balin Strickler had offered his resignation from the board due to his heavy travel schedule and inability to attend board meetings.

**Motion: Ken Mino moved that the board accept Balin Strickler's resignation. John James seconded the motion; motion carried.**

*Action Item: Bob will include an article in the newsletter announcing the board vacancy and asking for volunteers.*

The board discussed record keeping requirements. Jim Peoples noted that official company minutes are now stored at Post Oak in a non-fire proof cabinet. John James mentioned that bank records and cancelled checks are stored at Post Oak in a non-fire proof cabinet. There was some speculation that there may be duplicate sets of records, both stored at Post Oak.

*Action Item: Rusty Miner, John James, Jim Peoples and Bob Busch will review record filing at Post Oak and filing requirements and report back to the board.*

#### **d. Certificate of Deposits**

John James reported that a \$30,000 CD matures at the end of October. He has researched several alternatives for renewal/replacement. There was discussion of the nearly \$98,000 in M&I Bank and whether the total amount was needed for reserves.

**Motion: Ken Mino moved to adopt a resolution authorizing the Treasurer to take up to \$50,000 from M&I Bank and combine it with the expiring \$30,000 CD from Washington Mutual and to invest it in an insured CD at the best interest rate for a period of up to two years as determined by the Treasurer. Motion seconded by Rusty Miner; motion passed.**

#### **e. Corporate Resolution**

The board considered a draft resolution ratifying motions and actions by the board from January 2006 to present.

**Motion: Jim Peoples moved that the board adopt the proposed resolution 2008-2; Ken Mino seconded; motion carried.**

#### **f. Board Meeting Schedule**

The board discussed the present quarterly meeting schedule and whether it should consider meeting more frequently. Some members indicated that a quarterly schedule made it difficult to maintain continuity. Some felt that monthly was too frequent, and that there is not enough business to meet monthly. The possibility of meeting every other month was explored. Quarterly financial reports would be more than 30 days old for meetings held in May and September, and no report would be available for March and November.

**Motion: Jim Peoples moved to adopt a resolution that the board should meet every other month beginning in January 2009, on the 4<sup>th</sup> Wednesday of the month. John James seconded; Motion carried.**

#### **g. Accounts Receivable Audit**

Alan Kaplan reported that an Accounts Receivable Audit has not been done in the past two or three years. The audit consists of sending letters to a number of accounts and requesting verification of billing amounts. The board agreed that the audit should be conducted for 2008.

**Motion: Ken Mino moved to adopt a resolution approving an increase in the hourly rate for Alan Kaplan's services to \$75.00 beginning January 1, 2009. John James seconded; Motion passed.**

**Motion: Jim Peoples moved to adjourn the meeting. Ken Mino seconded; Motion carried.**

The meeting was adjourned at 10:15a.m.

**Next meeting: Wednesday, January 28th, 8:00am – Post Oak Site**  
Minutes recorded by Bob Busch

**Submitted By:**

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**Secretary**