

Granite Oaks Water Users Association
Board Meeting Minutes
July 22, 2009

THOSE PRESENT

Board Members

Dirk Stringham, Vice President
Rusty Miner, Secretary
John James, Treasurer
John Monroe, Director
Dave Kramer, Director

Contract Staff

Bob Busch, MDI
Alan Kaplan
Jeff Deming, Fann Environmental

Not in Attendance

Ken Mino
Jim Peoples

The meeting was convened at 8:00 by President, Dirk Stringham.

1. Election Results/Election of Officers

Dirk opened the meeting and asked for election results. Bob reported that with the resignation of Ken Adkins, three directors were elected. Jim Peoples and John James were elected for three-year terms and John Monroe was elected for the one-year unexpired term of Ken Adkins position. 118 votes were cast.

Dirk then opened nominations for officers. He stated he would not be willing to serve another term as president, but had discussed the with Jim Peoples the possibility of Jim serving as president.

Motion: Dirk moved that Jim Peoples be unanimously elected as president for the upcoming year. Rusty seconded: Motion carried.

Since Jim was absent, Dirk continued to direct the meeting, calling for nominations for vice president.

Motion: John James moved that Dirk Stringham be unanimously elected as vice president for the upcoming year. John Monroe seconded; motion carried.

Since Jim Peoples was absent, Dirk continued to run the meeting as Vice President.

Dirk called for nominations for Treasurer.

Motion: Dirk moved that John James be unanimously be elected as Treasurer for the upcoming year. Rusty seconded; Motion carried.

Dirk then called for nominations for Secretary

Motion: John James moved that Rusty Miner be unanimously elected as Secretary for the upcoming year. John Monroe seconded; Motion carried.

The Officers for the 2009-2010 term are:

President:	Jim Peoples
Vice President:	Dirk Stringham
Secretary:	Rusty Miner
Treasurer:	John James

2. Minutes of the Previous Meeting

Dirk pointed out that the March minutes had been reviewed by all, but were not approved in the May meeting. He asked for a motion to approve the March Minutes.

Motion: Rusty moved to approve the Minutes of the March, 2009 Board Meeting; John James seconded; motion passed.

Dirk then asked for a review of the May meeting minutes. Bob pointed out that the board received two versions, one in the May Board package, and an updated version with additions for a motion to authorize an expenditure for the Southwest Groundwater Study. The version sent with the July package is the most current version – that the board should consider. Dirk entertained a motion to approve.

Motion: John James moved to approve the Minutes of the May 27th Board Meeting as included with the board report package; Rusty seconded; Motion carried.

Jeff Deming asked if the report by Southwest Groundwater required any action by Fann Environmental, ie testing or other monitoring. Bob responded that the SWG report was submitted to ADEQ, and no action is required until a response is received from ADEQ.

3. Financial Report

Alan made a brief financial report of the first half of 2009. Revenue was down about \$17,000 against the budget. Water use is down about 13 acre feet or about 13% and revenue is off by about 14%. Net income is about \$3,000 less than budgeted.

Cash has increased about \$21,000 for the year. Three CD's will mature in November 2009. There is \$5,512 in Work in Progress (fencing at Post Oak). Bob reported that it is complete and should be placed in Plant in Service. Allan questioned the \$4,200 listed as the retired amount for the trailer.

Action Item: Bob will investigate to determine the correct amount of the retirement.

The Post Oak fence that was removed should be retired.

Action Item: Bob will determine the amount to be retired for the fence and arrange for the retirement from Contributions in Aid of Construction.

There was some discussion about the higher than expected cost of testing. Although Fann Environmental is required to take additional samples and also test for Nitrates, the cost still seem high.

Action Item: Bob will check on the costs and report to the board.

In a discussion about when assets were placed, a Dave posed a question whether megger tests have been conducted on motors in the system. He suggested that motors should be checked periodically and the results graphed so that motor insulation can be tracked. After further discussion about who might perform the work, it was agreed that Fann Environmental should be responsible to the tests and use Dave Kramer as a resource.

Action Item: Fann Environmental will be responsible for arranging for checking motors periodically and graphing the results to help determine when motors are susceptible to failure.

In discussing pump performance, Jeff indicated that very little corrosion has been evident in the system. When the Deerfield well was completely refurbished, the new pump's performance was only slightly better than the old pump that had been in place for more than 20 years.

4. Operator Report

Jeff reported that power failures over the previous weekend caused generators to operate. The Glenshandra generator had an alarm, but restarted after Jeff reset it.

Bees have been a big problem this summer. Four customer meters had to be estimated, and an exterminator called to remove the bees. Several other meters had bees but Fann Environmental was able to read those meters.

Fann recommended that a Rubber-Maid storage shed be purchased for storing chlorine at Post Oak.

Motion: Dirk moved to adopt a resolution (# 2009-6) authorizing Fann Environmental to spend up to \$1,000 for a shed to store chlorine containers at Post Oak; Dave seconded; motion carried.

Jeff also reported that Fann Env. suggested installing a block wall south and east of the Post Oak generator to lessen sound impact of the generator. The generator runs twice per week under test, and maybe more often if a power failure occurs. The board discussed the possible impact of a block wall and it was agreed to postpone further discussion until Jim Peoples returns and can participate in the discussion. It was also suggested that a committee be formed to discuss the situation with neighbors to see if an acceptable solution can be found.

Action Item: Dirk will suggest to Jim Peoples that a committee be established to deal with the issue and recommend a solution to the board.

5. Managers Report

Bob reported that Backflow testing has finally been completed. Water is down about 13 acre feet from a year ago, about 4 million gallons. Weather has been cooler and wetter. Annual meeting notices were sent out.

6. Conservation Committee Report

Dirk reported that no committee meetings have been held, but one flyer has been sent out and another will go out this month. He suggested they be sent out every other month, as we may not have enough material to send out each month.

Rusty contacted 15 of 17 customers who had previously had consultations completed. He presented a summary of his contacts. About half the people contacted said they had made some changes. All those contacted were happy with Charles Hildebrandt. There were two unfavorable comments about consultations performed by someone other than Charlie. Most people responded that they did not get anything in writing from the consultant. The committee has been working on this with Charlie.

The Conservation Committee will meet again and bring recommendations back to the board.

7. OLD BUSINESS

7a. Review of Action Items: All pending action items have been completed.

John James reported that he has checked the other banks in Chino Valley (Chase and Summit Bank). Summit Bank has the best deal. They charge a one time set up of \$25, plus a monthly fee. The monthly fee is based either on a template at \$15.00 per month or a full

electronic transfer at \$40 per month. Plus they pay interest on the balance in the accounts. John estimated that the company would save about \$540 per year with Summit Bank (using the full electronic transfer method). John recommended the electronic method, as the template method would require MDI to enter each customer's bill amount each month, requiring additional MDI time and expense and also creating opportunity for error.

Motion: John Monroe moved to adopt a resolution (# 2009-7) to transfer bank accounts to Summit Bank; Rusty seconded; motion carried.

Action Item: John James will make arrangements with MDI to transfer the accounts to Summit Bank.

7b. Annual Meeting

Annual meeting arrangements were discussed. The meeting will be in Ken Mino's garage (2650 W. Mesa Oak Ct.) at 9:00am. Jim Peoples will conduct the meeting. Charles Hildebrandt will attend and discuss conservation and the consulting program. About 20-25 members are expected again this year.

Rusty asked about timing required to post information on the website. Bob explained that only a few days were needed. Minutes are not posted until approved by the board, so May minutes are not on the website yet. Website is up to date, except for posting of the agenda for today's meeting.

8. NEW BUSINESS

8a. Backflow Prevention

Dirk briefly reviewed the draft backflow prevention policy prepared by Jim Peoples. The full board has not yet received a copy of the draft. The draft includes an explanation of the types of devices that would be approved for well owners and a recommendation for landscape systems. The board discussed the requirement for well owners to have a backflow devices whether or not the well is equipped or connected. Previous board's have decided the issue, but it may need to be reviewed at this time.

The board discussed the types of devices that would be approved or recommended. Jim's document refers to devices approved by the University of Southern California Foundation for Cross-Connection Control and Hydraulic Research, but a \$120 membership is required to access their website. The proposed policy does not name specific devices, but refers to a list that doesn't yet exist. Members felt that more information is needed to create the approved list. The list could then be maintained on the website, separate from the policy. The board discussed means to obtain information about approved devices.

Action Item: Rusty will contact several of the certified backflow testing firms to obtain a list of single check and double check approved devices.

This issue will be discussed at the next meeting.

Motion: John James moved to adjourn the meeting. Rusty seconded; Motion carried.

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

Next meeting: Wednesday ,September 23rd, 8:00am – Post Oak Site

Minutes recorded by Bob Busch

Submitted By:

Secretary