

Granite Oaks Water Users Association
Board Meeting Minutes
July 23, 2008

Minutes approved: 8/2/08

THOSE PRESENT

Board Members

Dirk Stringham, President
Jim Peoples, Secretary
Ken Adkins, Director
John James, Treasurer
Rusty Miner, Director

Contract Staff

Bob Busch, MDI
Alan Kaplan

Shareholders

Duane Gann

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

1. Minutes of Previous Meetings

The minutes of the April 23, 2008 Meeting were discussed.

Motion: Jim Peoples moved that the minutes of the April 23rd meeting be approved; seconded by Ken Adkins; motion carried.

The minutes of the June 3, 2008 special meeting were then discussed. One correction was noted: The recording of the motion regarding the installation costs for the generator was corrected as follows:

“Ken Adkins moved that the board authorize installation of the generator on a time and material basis, not to exceed \$10,000.”

Motion: Jim Peoples moved that the minutes of the June 3rd meeting be approved as corrected; seconded by Ken Adkins; motion carried.

Action Item: In the future Bob will create a pdf file of approved minutes and forward to the secretary for permanent file.

2. Election of Officers

The board welcomed Rusty Miner to the board. It was noted that all officers are elected each year for one year terms. After some discussion concerning various directors' willingness to serve in various officer positions, the following motions were put forward:

Motion: John moved that the board unanimously elect Rusty as Secretary; Ken seconded; motion carried

Motion: Ken Adkins moved that the board unanimously elect Jim as Vice President; John seconded; motion carried.

Motion: Ken Adkins moved that the board unanimously elect John as Treasurer; Jim seconded; motion carried.

Motion: Ken Adkins moved that the board unanimously elect Dirk as President; John seconded; motion carried.

The officers for 2008-2009 are:

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

John noted that Jim Peoples will need to be added to bank account signature authorizations to replace former vice president, Jeff Deming.

Action Item: John will check with the bank to determine documentation required for approval signature changes.

It was noted that for several of the past few years, the board's actions were taken in the form of resolutions, but that for the past 2 or 3 years, no resolutions have been adopted, the board passing motions instead. Board discussion favored having actions recorded in resolutions.

Action Item: Bob will review records and prepare resolutions recording actions taking during the past 2-3 years for the board to consider ratifying at the next meeting.

3. Financial Report

Alan presented the financial results for the end of the 2nd quarter 2008.

Revenues:	YTD \$109,660
Expenses:	YTD \$ 78,411
Income :	YTD \$ 31,248
Interest & Other Income :	YTD \$ 3,775

Revenues are under YTD budget by about \$8,000. Expenses are about \$9,000 less than budget, mostly due to lower repairs & maintenance. Revenues are about \$7,000 less than last year, and expenses are up about \$3,000. Net income is about \$10,000 lower than last year. The company's cash increased by \$42,505 so far in 2008.

Allan reported that \$2,555.61 was added to capital accounts so far this year(landscaping work at Glenshandra).

3. Operators Report

Since a representative from Fann Env. was not present, Bob reported that during the first weekend in July, the Post Oak pump failed to start. Fann called the electrician, who determined that the motor saver had tripped out, and that the motor saver does not have voltage protection. The motor savers at the Glenshandra and Deerfield sites have voltage protection. It was estimated that a new unit with voltage protection at Post Oak would cost about \$800. Bob is arranging to have a new unit installed.

Jim mentioned that recently he has occasionally heard what sounds like a large valve slamming shut in the vicinity of the Post Oak site.

Action Item: Bob will pass the information to Fann for investigation.

4. Managers Report

Bob reported that water use is down about 10% compared to last year. This is consistent with the lower revenue YTD. One customer called to complain about a \$400 water bill due to a leak occurring while the customer was out of town, and asked the company to forgive some of the cost. Bob explained the company policy to the customer, but indicated he would discuss it with the board. After some discussion, the board reaffirmed its policy not to reduce customer bills due to reported water leaks. The board discussed whether or not the company should attempt to contact customers with what appears to be abnormally high use. It was agreed that, as a water conservation matter, the company should attempt to call the customer when readings are abnormally high to avoid wasting water.

Action Item: Bob will arrange to have MDI contact (call) the customer where water use is abnormally high for the month as judged by MDI.

All anti-backflow device testing has been completed for the year. Approximately 40 customers has signed up for the AutoPay plan. Eight customers have signed up for Water Use Consulting. No feedback from the consultant has been received regarding consultations completed.

Action Item: Bob will follow up with the consultant to get feedback prior to the Annual Meeting on Saturday.

Water Quality reports were mailed to all customers at the end of June. The back up generator installation project at Post Oak is underway. Site work and concrete pad are complete. The generator is scheduled to arrive in Phoenix August 8th. It will be sent to the site the next week. Exact schedule date will be worked out when the generator arrives at Gentec in Phoenix. The estimated installation cost will likely be between \$11,000 & \$12,000.

Motion: Ken Adkins moved to increase the authorized amount for the installation of the generator from \$10,000 to \$12,000: seconded by Rusty; motion carried.

5 Old Business

a. Review of Action Items

The following action items remain open:

Action Item: Bob to check into the need to own his own LLC for proper insurance coverage.

Action Item: Bob will contact Wolf Insulation to see if he can obtain a quote for insulating the building.

Action Item: Bob will investigate GOWUA tariffs to determine if additional charges may apply to disconnect/reconnect situations – and report back to the board.

The Clay valve at Glenshandra has been reinstalled, but needs to be tested and recalibrated.

Action Item: Bob will discuss the matter with Fann and arrange to have the valve tested and recalibrated.

b. Landscaping Improvements – Glenshandra

Duane Gann reported that landscaping for the summer is complete. He is waiting for additional plants to be donated by Watters, and the remaining work will be done at that time. The board

thanked Duane and Ed for all their effort and creativity in the landscaping work they accomplished.

The matter of placing screening around the trailer mounted generator when it is placed at Glenshandra. The board felt that the matter should be evaluated after the generator is in place to see if screening for sound or aesthetics is needed.

Action Item: Bob will place the issue on the agenda for the next board meeting.

c. Operator Contract

Jim reported that his committee had reviewed the question of renewing the contract with Fann. Fann has indicated a desire to renew at the existing rate for three years. Jim reported that the committee has been satisfied with Fann's services and recommended renewing the contract. The committee also recommended a meeting be scheduled with Fann to discuss board liaison, reports to be presented to the board and other administrative details.

Action Item: Bob will coordinate scheduling a meeting among the committee & Fann sometime in August or September.

d. Annual Meeting

The Annual Meeting will be held at 9:00am, Saturday, July 26th at Gann's RV garage (8855 N. Live Oak Dr.). The tentative agenda is:

Introduction of the Board
Financial Report
Operator Report
Manager Report

6. New Business

a. Meeting Frequency

A discussion took place concerning frequency and dates of meetings. Meeting every other month was discussed, meeting in odd numbered months. Since some board members had already planned around the 2008 schedule, it was suggested to start any change beginning January 2009. The matter will be considered again with the October meeting.

b. High Water Users

Dirk read an email from Ken Mino, suggesting the board consider some action to focus attention on the higher users. The monthly use flyer sent along with bills doesn't seem to have had any affect on water use. The board discussed various ways to enlist cooperation from the high users. It was pointed out that similar previous actions have not been successful, and that the company risks driving high users to drill a well and leave the system. The board agreed to take no action on this matter.

c. County Elections

Dirk read another matter from Ken Mino's email pointing out that new and pending water issues will be affected by the outcome of the upcoming elections. Furthermore, since some Republican candidates are running virtually unopposed in the general election, the primary election will essentially determine the outcome. He suggested that the company include a notice in with monthly bills to remind and encourage customers to vote in the primary elections. After some discussion it was generally agreed that the company should not take action on the issue, but that Dirk should cover this item at the Annual Meeting on Saturday.

Motion: John moved to adjourn; Jim seconded; motion carried.

The meeting was adjourned at 10:45a.m.

Next meeting: Wednesday, October 22nd, 8:00am – Post Oak Site

Minutes recorded by Bob Busch

Submitted By:

Secretary