

Granite Oaks Water Users Association
Board Meeting Minutes
Meeting of July 22, 2015

Approved Sept 23, 2015

BOARD MEMBERS

Gerry Garcia, President John James, Treasurer John Monroe, Secretary Matt Bornyasz, Board Member Larry Dorrell, Board Member

THOSE PRESENT

Contract Staff

Bob Busch, MDI Taxes & Acct'g Allan Kaplan – Accountant Jim Muylle - Fann Environmental Gary Regnier - Fann Environmental

The meeting was convened at 8:05 am by John Monroe. Board Members Gerry Tumey and Jim Peterson were absent. Gerry Garcia arrived during the financial report.

1 Minutes of May 27, 2015

John Monroe asked if all were in favor of approving the minutes of the meeting of May 27, 2015. The members agreed unanimously.

2a. Financial Report

Allen Kaplan reported that net income for the month was almost \$7,300 about \$3,000 more than budget. Expenses are about \$9,000 under budget for the year.. Water sales are lower this year compared to last year. He questioned why revenues are down about 9% from 2014 yet water sold is down about 18% . Bob explained that there is a fixed component to billing. Customers are charged a minimum of \$20 per month, so the percent decrease in water sales won't track directly with lower revenue billed or received. Responding to a question from John Monroe, Bob stated that last month, there were six customers with no usage- billed the minimum.

Larry Dorrell commented that property taxes are less than a year ago. Allan commented that they have been slowing dropping for the past few years. Bob responded that utility property taxes are based on assets in service, not just real estate, but was not sure why they would be declining.

A \$27,000 CD matures in August. After a short discussion, it was generally agreed that it would be placed in the Money Market account.

Cash is \$308,000 as of June. John James reported that the Operating Account currently has approximately \$17,780 and the Corporate Account balance is \$71,780.

Larry Dorrell questioned what the company would do if it had a major expense that would exceed our cash. Where would we get the money. There followed a general discussion about the kind of

expense that could occur and where the company could get the money. Bob commented that the Water Infrastructure Finance Authority (WIFA) offers low interest loans to water utilities for various purposes. He stated he was unaware of the procedures or requirements for a loan. He also explained that the ACC has recently announce a plan to fund an agency that funds emergency expenditures to replace failed infrastructure of small utilities

There was some discussion about the insurance coverage carried by GOWUA. Many damages would be covered by the company insurance.

2b. Operator Report

Jim Muylle reported that there was no damage from the heavy storm the occurred over the weekend.

He reported that the annual THM/HAA samples for carcinogenic compounds we clean as usual. Triannual lead and copper sample tests were also in compliance. Jim explained that the lead and copper samples are taken from customer premises, ie a customer's kitchen faucet.

Gary Regnier reported that most of the control modifications are completed. He said that up to now, whenever an operator at Post Oak wanted to see if a generator at one of the other sites was running, he had to physically go there to see if it was running. Now, the operator can flip a switch turning on a yellow light on the panel to call for the generator, then wait a couple of minutes (for the system delay) and get a green light indicating that the generator is running.

The alarm dialer, now (on Verizon) is much more reliable. In addition to alarms (high/low tank level, power outage and booster pump failure) the system provides daily status information such as tank levels, pump status and run times.

Jim Muylle reported that during this process, it was determined that the Post Oak well is running with the Glenshandra well, but not with the Deerfield well. Both Glenshandra and Deerfield produce about the same gpm. There was some discussion about the desirability of running Post Oak with one or both of the other wells. It was the general agreement that Fann's recommendation to run Post Oak with both Glenshandra and Deerfield was a good idea.

Bob noted that the Glenshandra generator ran twice as long as the other generators in June. Jim Muylle replied that it was due to the flooding incident in early June. Gary Regnier reported that the water was at the height of the window sill when he first arrived. Water was above the height of the electrical panels. GOWUA was very fortunate the problem was not MUCH worse.

Jim Muylle stated that a vent was installed in the building near the floor level following the incident.

2c. Manager's Report

Bob Busch reported that there were still three customers who have not completed testing of backflow prevention devices. An initial letter was sent to all customers with a device, then a follow up letter to those who had not completed the test by the initial deadline. Then, two of the three remaining customers with incomplete tests were sent a disconnect notice via certified mail with return receipt. Board members discussed the matter, and concluded that a door hanger notice should be placed at the property, and if no response is received, the account should be disconnected.

Bob reported that the third customer, (Tretton) is a new customer whose backflow prevention device was installed incorrectly. She has indicated that she has engaged a vendor to correct the problem and test the device. He will continue to follow up.

Bob reported that 44 customer have signed up for email bills. Larry Dorrell asked some questions regarding the sample bill. Will sewer service show on the bill? It is on the sample. Can the actual gallons be shown on the bill? The sample shows "units" which isn't meaningful.

Action Item: Bob will investigate to determine if "gallons used" can be shown on the bill.

Larry suggested that the Customer Report information be reviewed to see if the information can be made more informative.

Bob reported that the first attempt to email bills will be made next week. We can't generate a test bill and email it within the CORE system. We will be testing it live next week.

Bob noted that he received two letters from customers concerned about water use- one of which he previously forwarded to Board Members. Larry Dorrell indicated he has had conversations with several customers concerned about the same thing. He said he expects some of those people to be at the annual meeting. There followed a discussion about possible responses to those concerns.

Gerry Garcia asked if it was possible to get a list of new customers with phone numbers to possibly contact prior to the annual meeting.

Action Item: Bob will provide Gerry with a list of new customers from the past year with phone numbers.

3. Old Business

3a. Review of Action Items:

Action Item: Bob will obtain prices to install a new sounding tube. (Glenshandra well)

Bob Busch reported that he contacted Pump Tech regarding the cost to install a sounding tube. Bill Roberts stated that about \$1,000 for labor and \$1,000 for material would cover installing a new sounding tube. He (Roberts) recommended using the more expensive (\$100-\$200 more) material for the sounding tube as it is easier to disassemble and not prone to line jams.

Motion: John Monroe moved to proceed to install the new sounding tube when summer usage drops off in October. Larry Dorrell seconded. Motion passed unanimously.

Action Item: Bob will prepare a document for property owners to cosign on rental accounts.

Bob handed out a draft service application including a question asking if the applicant is the property owner or a tenant. If the applicant is a tenant, the property owner must co-sign the application and agree to pay any unpaid bills. It would be used going forward with new service applications.

Matt commented that maybe the email bill option should be included in the application.

Gerry Garcia suggested that the AUTO PAY option also be included in the application.

Action Item: Bob will add the option to receive email bills and pay with AUTO PAY to the application.

3b. Annual Meeting

Larry Dorrell stated that he expects several people to want to discuss and suggest ways to deal with individuals' high use. Matt cautioned that lower use may prevent the company from meeting expenses. He suggested that the Board think about how to approach the issue.

Bob suggested that the Board invite a consultant familiar with dealing with water company rate cases and issues. There was a general consensus by Board Members to invite a consultant even if GOWUA had to pay for their time.

Action Item: Bob will invite a consultant to meet with the Board to discuss rates/conservation/rate cases.

The was discussion about the agenda.

The meeting starts at 8:30am. Gerry asked for help about 8:00 am to set up.

Attendees will be invited to tour the GOWUA facilities following the meeting.

4. New Business

4a. Backflow Prevention - possible service disconnects

(Action taken earlier in the meeting)

4b. Co-signing of rental applications

(Action taken earlier in the meeting)

Meeting Announcement is scheduled to be sent with June billing - the last full week in June.

5. Election of Officers

There was discussion about a slate of officers for a vote. All current officers agreed to serve another year. Larry Dorrell agreed to serve as Vice President.

John Monroe moved that the slate of officers be approved. The motion carried unanimously without a second.

President -	Gerry Garcia
Vice President	- Larry Dorrell
Secretary	- John Monroe
Treasurer	- John James

Motion: Gerry Garcia moved to adjourn. Matt Bornyasz seconded. It passed unanimously.

The meeting was adjourned at approximately 9:50 a.m.

Next meeting: Wednesday, September 23 2015, 8:00am – Post Oak Site.

Minutes transcribed by Bob Busch

Submitted By:

Secretary