

Granite Oaks Water Users Association

Board Meeting Minutes

October 25, 2005

Board Members

Gerry Garcia - President
Jeff Deming - Vice President
Bruce Bleeker - Treasurer
Ed Tumey – Secretary (absent)
Chuck Faust – Director
Ken Mino - Director
Dirk Stringham

Contract Staff

Bob Busch
Allen Kaplan
Debbie Muse
Mike Young

Shareholders

Duane Gann

The meeting was called to order at 8:00 a.m. by President, Gerry Garcia.

Motion by Chuck Faust to approve the September Board meeting minutes, seconded by Bruce Bleeker; passed unanimously.

1. FANN ENVIRONMENTAL REPORT (Fann)

The Fann Report was presented by Mike Young and made part of the October Board meeting minutes.

Mike reported that Fann will begin providing monthly water usage reports (same format used by EBS) by email when the Board does not meet, and a manual report for the scheduled Board meetings.

The transition from EBS to Fann has gone well. EBS has been available to answer questions during this transition period.

Fann was able to rebuild the chlorine pump, so a new pump will not need to be purchased.

2. MISCELLANEOUS DEDUCTIONS, INC. (MDI)

Manager's Report and MDI Reports were presented by Bob Busch and made part of the October Board meeting minutes. Bob reported that he will continue to send monthly business reports when the Board is not scheduled to meet.

Operations Contract – The operations contract with Fann Environmental, Inc. has been signed.

Glenshandra Building – The walls and roof are now in place, awaiting final framing inspection. It was the consensus of the Board to discontinue renting the fence (which has not been very secure).

Meter Replacements – Jeff Deming reported that they retested four meters that were scheduled to be replaced and they do not need to be changed out. However, he noted that a couple more need to be tested.

Jeff recommends that we check meters every 10 years and do a random check test on 12-year properties. Fifty per year over a 10-year period would be a good cycle and provides adequate time to replace if needed.

Tools Purchased – Jeff Deming purchased tools for GOWUA at cost of \$431.49 and they have been accounted for on our inventory list.

Emergency Operations Plan (EOP) – Fann is reviewing our current EOP and will prepare a revised plan (if needed).

Site Sampling – Fann is reviewing the status of our site sampling plan and will determine if updates are needed. If revised, the plan will be sent to ADEQ for review.

Backflow Prevention Compliance – The Board was in agreement to consult our attorney (once again) on customer non-compliance with the GOWUA Backflow Prevention Policy. Some board members felt that there should be no exception to the policy that customers be required to install a device whenever a well is drilled on the property, whether or not it is connected.

Motion by Bruce Bleeker to reaffirm the original Backflow Prevention Policy which reflects state regulations and to move forward to correct the situation with customer non-compliance; seconded by Chuck Faust; motion passed.

Action Item – An Ad Hoc committee consisting of Bruce Bleeker, Ken Mino, Dirk Stringham, Chuck Faust, and Bob Busch will meet to address the Backflow Prevention Compliance issue and consult with our attorney.

2006 Budget – The Board discussed the 2006 proposed budget and made a few adjustments under hydrants, credits, and insurance.

Motion by Ken Mino to approved the proposed 2006 Budget with adjustments, seconded by Chuck Faust; passed unanimously.

3. FINANCIAL REPORT

Allen Kaplan reported third quarter financials, which showed a \$50,847 net profit. All financial reports and comparisons are made part of the October Board meeting minutes.

Total Operating Revenue	\$174,258
Total Operating Expenses	\$125,058
Total Other Income/Expense	\$ 1,646

4. NEW BUSINESS

Insurance – Mr. Weber attended the Board meeting to provide an overview of the GOWUA insurance policies (General Liability and Directors & Officers Liability). It was the consensus of the Board to provide defense outside the policy limits.

Motion by Bruce Bleeker, to provide defense outside our insurance policy limits at a rate of 15% increase in cost to our current policy; seconded by Ken Mino; passed unanimously.

Rate Increase for Auditor – Allen Kaplan asked the board to consider a rate increase from \$50 to \$65 per hour.

Motion by Chuck Faust to increase the auditor’s hourly rate from \$50 to \$65, seconded by Ken Mino; passed unanimously.

2006 Board Meetings – The Board will meet quarterly. The 2006 schedule is as follows:

January 25 April 26 July 26 October 25

Motion by Chuck Faust to adjourn the October Board meeting, seconded by Ken Mino; passed unanimously.

The meeting was adjourned at 10:10 a.m. Meeting minutes were recorded and transcribed by Debbie Muse.

