

Granite Oaks Water Users Association
Board Meeting Minutes
Meeting of November 28, 2018

Approved January 23, 2019

THOSE PRESENT

BOARD MEMBERS

Contract Staff

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| Jim Bricker, President Claire Hutt, Vice President John James, Treasurer Bonnie Pearson, Secretary Ken Nelson, Board Member Daryl Mathern, Board Member Gerry Garcia, Board Member |
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| Bob Busch, MDI Taxes & Accounting (absent) Bruce Eldredge- MDI Taxes & Accounting Allen Kaplan - Accountant |
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Guests: Matt Bornyasz, Granite Oaks Estates.

1. The meeting was convened at 8:58 am by President Jim Bricker. He changed the agenda to remove item 4c and add consideration to approve the Insurance Package from NFP Insurance, and ONE CALL NOW training, and consideration to cancel the December Board Meeting.

2. MINUTES BOARD MEETING OF OCTOBER 24, 2018.

President Jim Bricker asked if there were any comments on the draft minutes. He noted a duplicate paragraph under reports and a typographical error in paragraph 3a., Financial Reports.

There was a question about the entry in the minutes concerning the existence of a computer and printer at the MDI office. Matt Bornyasz stated that he determined that there was a computer and printer purchased for the MDI office and wondered what happened to it. After some discussion about the equipment, it was noted that a computer and printer were purchased in 2002. Bruce Eldredge stated that the equipment had been retired some time ago. The software does belong to GOWUA.

Action Item: Bob Busch will prepare and issue the necessary retirement paperwork.

There was also a question about the decision and intent regarding the MDI contract, whether it was to be a new contract or a modification of the existing contract. The contract documents prepared by Bob Busch are a new 3-year contract beginning in January 2019. Following some discussion, it was determined that the intent of the parties was to modify the existing contract to remove the management services and to establish the expiration date of December 31, 2019.

Action Item: Bob Busch will prepare documents to amend the existing MDI contract to remove management services and extend it to December 31, 2019.

Motion: Gerry Garcia moved to approve the minutes of October 24th with the changes noted. Claire Hutt seconded. Motion passed unanimously.

3. REPORTS:

3a. Financial Report

Allen Kaplan explained that this is a mid-quarter period and that he had prepared a summary report of the October financials. He asked for Board comment on the format and content. He stated that water sales of 192K are an increase of 5k from a year ago. He stated expense of 189k is up 24k from 2017. Year to date income is 7k, a decrease of 18k from 2017. Cash increased 5k from last month. A 50K CD from New York Bank was redeemed and 77k from the Compass Bank Money Market Account was moved to the Corporate Account.

It was the consensus of the Board that the format and information in the report is a good format for mid-quarter reports.

John James reported that the Corporate Account balance is \$62,531 and the Operating Account balance is \$12,007.

3b. Operator's Report

In Pat Carpenter's absence, Bob Busch stated that Pump Tech has reported that Pump Tech did preliminary sounding of the Deerfield well as a starting point to resolving the pump issues. We still do not have a schedule for the control panel changeout at Post Oak from Envirotech. The purchase order has been issued and the equipment has been ordered. Meter changeouts are underway. Training for the new system is scheduled for December 18th & 19th. A Quality has provided a quote for running a water line to Granite Oaks Estates and to Williamson Valley Rd.

Bob Busch commented that it is A Quality's intention that the January meter reading be done entirely on the new system. Bruce Eldredge stated that currently, the new meters are treated in the CORE system just like a new manual-read meter. They will be read manually until the system change over. Bruce stated that as of now 106 meters have been changed. Bruce expressed some concern about the need to run the systems in parallel until the conversion. He said he will try to address that with Master Meter.

Allen Kaplan asked about the retirement of the old meters and the depreciation adjustment that will be made. Bob Busch indicated he planned to issue a lump retirement, probably at year end. It will be based on the cost of a new manual meter and the CPI indexes in December and the CPI index in 1989, the year of installation. Some of the labor will be capital and some will be cost of removal. There was discussion about when the bill for installation will be received. After discussion, it was agreed that the installation labor amount would be accrued. Bruce Eldredge indicated that he will bill the MDI cost of conversion in January.

3d. Managers Report

Bob Busch reported that the spare motor quoted by Phoenix Pump will fit on the existing chassis. The cost of the motor is about \$1,600 and freight will cost about \$400.

He stated he provided cost data on air conditioning costs for units at Post Oak for the Board to consider.

Ken Nelson stated that the information provided on telecommunication services was helpful and he was satisfied with the information.

Bob Busch reported that there is a problem with the Mission Control antenna that sends alarms to the operator. He stated that the antenna would be replaced. (NOTE: It was subsequently determined that the problem is actually with the SD card in the unit. It apparently is 2g technology, and needs to be upgraded to 4g technology now to work properly. Cost will be about \$100). Bob reported that he included a draft 2019 budget in his report. It is on the agenda. He also reported that GOWUA does not have an actual credit card with Empire Cat. GOWUA obtains services from Empire Cat, who bills Cat Commercial, and GOWUA sends payments to Cat Commercial, which looks like payment for a credit card company.

4. OLD BUSINESS:

4a. Action Items:

Action items:

1. *Bob Busch will verify that a 20hp motor will work with the existing chassis. The motor will fit on the existing chassis.*

Motion: Claire Hutt moved to approve purchase of the spare motor. Daryl Mathern seconded. Motion passed unanimously.

2. *Pat Carpenter will provide a quote to place a water line to the property (GOWUA) with a yard hydrant.*

Bob Busch stated he received a quote for \$11,986.74 for 375ft of water line, 2 meter boxes, one at Granite Oaks Estates and one at Williamson Valley Rd and all asphalt repair. Bob stated that he didn't think the information on the quote was adequate and asked for a more detailed breakdown of costs to determine the share of costs to GOWUA and the HOA. He said A Quality estimated about 80% of the cost would be GOWUA's and 20% to the HOA. Bob reported that the cost did not include the GOWUA application fee or meter deposit.

Action Item: Bob Busch will prepare documentation with cost breakdown and a sketch or drawing showing what is to be done and send to Board Members and Matt Bornyasz.

3. *Allen will investigate whether expenses could be shown in graph form.*
Allen determined that his system is not capable of showing information in graph format.

4. *Ken Nelson will investigate the telephone services and report back to the Board.*
Ken commented that he reported on this earlier in the meeting.

4b. Discussion/approval of quote for water line to property at Granite Oaks Drive See item 4a(2) above

4c. Review/approval of insurance package presented by NFP. (new agenda item)

There was some discussion about the cost of the package. Bob Busch stated that a bill for the liability package was received in early November, and he had approved it for payment. Bruce Eldredge contacted his office and determined that the invoice was for \$7,186, In addition, there is the Workers Compensation insurance of \$286 and a Board Fidelity Bond of about \$400.

Motion: Gerry Garcia moved to accept the NFP insurance policy package. Ken Nelson seconded. Motion carried.

4d. ONE CALL NOW Training

Jim Bricker, Bob Busch, Claire Hutt and Bonnie Pearson all should be scheduled for training on the system. Bruce Eldredge stated that a laptop will be needed to operate the system. Each person should have a laptop at the training. Phone apps don't work very well.

Action Item: Bruce will provide two or three alternative dates for training at the MDI office.

4e. December Meeting

It was the consensus of the Board to skip the December meeting. The next Board meeting will be in January 2019.

5. NEW BUSINESS:

5a. Discussion/approval of 2019 capital & expense budget.

Bob Busch briefly covered the assumptions he used in preparing the draft budget. There was discussion about the Glenshandra well repair project. It was decided to budget for a replacement of the pump and motor as part of the Glenshandra project. The budgeted cost for the project would be \$50,000, with ½ to capital and ½ to expense. The installation cost for the meter replacement would be put in January. Allen Kaplan suggested that, based on the last year or so, the water sales amount be increased to \$225,000. He noted that this is budget reflects a negative cash flow, and advised caution.

Action Item: Bob Busch will revise the 2019 budget including the changes discussed, and forward to Board Members for approval via email.

5b. Possible Glenshandra Well Rehab

Matt Bornyasz stated that he was concerned about possibly reconditioning the Glenshandra well before the issues with Deerfield are resolved. He cautioned that appropriate planning be done to avoid a prolonged process as has been experienced with Deerfield. He said he was uncertain of all the costs associated with Deerfield. He said he believed the salvage of pipe and wire issues have not been resolved. Ken Nelson and Gerry Garcia responded that the salvage issue has been resolved, and Gerry Garcia read from the report explaining the resolution. Matt Bornyasz said he wondered if the company paid twice for putting the well in service, since A Quality had to do a lot of work getting it on line. Matt asked if Pump Tech had agreed in writing to fix the pump. Bob Busch stated that Bill Roberts had sent emails indicating Pump Tech would investigate and replace the pump. There follow an extended discussion concerning the process and problems in getting the Deerfield project satisfactorily completed, and the need to properly plan the Glenshandra project..

Action Item: Bob Busch will prepare a summary of Deerfield costs and a schedule for remaining work to be done and forward to the Board by December 15th.

Claire Hutt reported she had been approached by an individual who has a well about a mile north of GOWUA territory with an offer of selling it to GOWUA. The well produces about 80 gallons per minute. She indicated she wanted to determine if the Board would be interested in purchasing the well. After some discussion about the location of the well, the cost to connect it and the capacity of the well, it was the consensus of the Board that GOWUA would have no interest in purchasing the well.

It was the consensus of the Board to continue to look into the possibility, including determining the cost and possible location of additional storage tank capacity.

There being no further business, President Jim Bricker declared the meeting adjourned at 10:50 am..

Next meeting will be Wednesday, January 23, 2019 at Post Oak, 9:00 am.

Minutes transcribed by Bob Busch

Submitted By:

Secretary