

Granite Oaks Water Users Association
Board Meeting Minutes
Meeting of November 15, 2017

Approved January 24, 2017

THOSE PRESENT

BOARD MEMBERS

Gerry Garcia, President Matt Bornyasz, Vice President John James, Treasurer Claire Hutt, Secretary Jim Bricker, Board Member Bonnie Pearson, Board Member Ken Nelson, Board Member
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Contract Staff

Allan Kaplan – Accountant Pat Carpenter- A Quality Water Co. Bruce Eldredge, MDI Taxes & Accounting Bob Busch, MDI Taxes & Accounting
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The meeting was convened at 8:00 am by President, Gerry Garcia.

Pat Carpenter of A Quality Water Co. introduced himself to all the members.

1. Minutes Board Meeting of September 27, 2017

Since members did not receive copies of the minutes in their packet, this item was tabled until the next meeting.

The President changed the Order of Business to allow Bruce Eldredge to discuss credit agency reporting.

Bruce handed out a report listing the requirements for reporting to each of three credit agencies. He commented that the agencies either require many more accounts than GOWUA has, and/or the monthly charges are prohibitive; \$50 to \$100 for the least expensive bureau. They also require reporting by social security numbers, which GOWUA does not currently record. He recommended that the Board not pursue reporting to credit agencies.

Bruce then commented that GOWUA rarely has disconnected a service for non-payment. However, there are frequent late payers with delinquency charges. He noted that from January thru October, 70 late notices and late fees were billed. He presented a handout showing the amount of late fees collected and the associated cost to bill, mail and collect those charges. The billed late fees totaled \$175.00, with \$154.82 collected. The cost of billing the late fees was \$422.30, leaving a loss of \$267.48. He suggested that GOWUA consider increasing the late fee to at least cover the costs.

Bob Busch commented that the current tariff calls for late fees to be 1.5 % of the owed amount. There followed a lengthy discussion about the costs, benefits, risks and associated implications. One of the issues discussed was the current cash balance and the advisability to establish a capital replacement or improvement plan to utilize the cash. Matt Bornyasz suggested obtaining an application to determine what is required to file a rate case.

Action Item: Bob will obtain the application from the ACC website and forward to Board Members.

There was additional discussion about the possibility of developing a plan for use of capital funds. It was suggested that the equipment list provided by Fann Environmental several months ago be used as a basis for the plan.

Action Item: Bob will review the equipment list and work with Pat Carpenter to develop a recommended plan for replacement of equipment.

2a. Financial Report

Allen Kaplan handed out the financial report for the period ending 9/30/17. He noted that net income is ahead of budget by about \$7,000 even though revenue is about \$8,000 less than forecast. Expenses are about \$16,000 less than budgeted thus far. He stated that total assets are up about \$35,000 from December 2016, due to a positive cash flow of about \$25,000 since December.

John James reported that the Operation Account balance is \$31649. The balance in the Corporate Account is \$71,461. He stated that the \$50,000 Amtrust CD matures on November 17th. It was the consensus of the Board to accept John's recommendation to invest in the one year CD (which permits withdrawals and closing).

2b. Operator's Report

Pat Carpenter thanked the Board for the opportunity to operate the Granite Oaks system. He summarized basic operations conducted by AQuality Water Co. during October. He reported that two non-functioning meters were discovered during meter reading. Both were replaced. He reported that AQuality is using a higher concentration of chlorine solution than the previous operator, which should be less costly. He also reported that some of the connections in the chlorine feeder lines are brass and will decay over time. They were being replaced with non-corrosive pvc. He reported that the run time hour meter for the Glenshandra backup generator is not functioning and should be replaced. The Board concurred. Pat then suggested that an audit of meters be performed. He commented that one of the replaced meters had registered over 1 million gallons, and was 22 years old. He stated the an audit would identify the mfg, age and registered gallons of every meter, and provide a basis for determining those that should be replaced, either due to age or non-gallon register. After some discussion, it was the Board's consensus to have the audit performed.

Action Item: Pat Carpenter will arrange to have an audit of meters conducted.

Pat also suggest that GOWUA consider replacement of meters with radio read meters, allowing for a direct upload of data to the CORE billing system. A discussion of the possible costs and potential benefits ensued.

Action Item: Pat will arrange for a manufacturer's representative to attend the January meeting to discuss various proposals for radio reading meters.

2c. Manager's Report

Bob Busch reported that in the past 13 months, GOWUA has written off 5 past due accounts with a total of \$143.74 written off as uncollectable.

Bob reported the difference between billed and pumped water for September was 5.4% and October was 8.55%. The 12 month running average through October is 5.56%.

He summarized the high user reports for September and October, commenting that for both months, 36 customers used over 30,000 gallons each for the months.

He reported that the website is now registered in the name of Granite Oaks Water Users Assn.

3. Old Business

3a. Action Items:

Not reviewed

3b. Curtailment Tariff Revision

No action taken

3c. One Call Now Policy

Bob Busch asked the Board how it wanted to handle the release of announcements via One Call Now. After discussion, it was the Board consensus that in event of emergencies, an general announcement would be prepared and release by the Board President. If the President is not available, then it would next be the Vice President's responsibility, followed by the Secretary.

Action Item: Bob Busch will arrange for One Call Now training for the three Board Members, and prepare a proposed revision to the Policy Manual.

4. New Business

4a. Reporting to Credit Agencies

No action taken. See above.

5b. Meter Route Sequencing

Pat Carpenter stated that the current meter reading sequencing could be streamlined. It is based on reading first one side of the street, then the opposite side, more time consuming than one side at a time. Resequencing would reduce meter reading time and would be done without cost to GOWUA. An additional hour or so of MDI time would be required to input the resequencing into the system. By consensus, the Board approved of resequencing meter reading routes.

5c. Amendment #2 to Bylaws

A revised draft of amendment #2 was discussed by the Board. The amendment would change the time of election of board members to follow the annual meeting, rather than precede it. Election of Officers would take place at the first meeting of the newly elected Board.

Motion; Gerry Garcia moved to approve Amendment #2 to the Bylaws. The motion carried unanimously without discussion.

5d. Empire Cat- Backup generator service contract proposals

The Board discussed the proposal covering the annual servicing and load testing of the three backup generators. There was a discussion about what the servicing included, whether the frequency was appropriate, and whether Empire Cat was required to service the generators. Pat Carpenter responded, indicating that the generators should be serviced by generator service people, because they have more expertise, and AQuality Water Co. insurance coverage could be problematic. Board member requested additional information from previous service and inspections.

Action Item: Bob Busch will forward inspection reports to the Board.

Motion: Gerry Garcia moved to approve the service contract with Empire Cat. The motion was carried without a second with no opposition.

5e. Midco Diving proposal for tank inspection

Bob Busch reported that the tanks were inspected three years ago, with only minor items noted and with very little sediment in the tanks. No further action taken on this item.

5f. Operating budget for 2018

Bob Busch reported that the proposed budget changed very little from the current 2017 budget. Revenue projections changed a bit and most expense items changed very little. No capital items are included in the 2018 budget.

Motion: Gerry Garcia moved to adopt the 2018 budget as presented. The motion carried without a second.

5g. Insurance quote for 2018 insurance

Bob Busch reported that he contacted several agencies to obtain comparative quotes. All but one other company declined, one stating that they could not compete with our current coverage and pricing. One other firm processed an application and requested additional information, then dropped out at the last minute, leaving Weber-NFP as the only quote.

There was discussion about the cost. There are three sections to the quote, package liability & property, "cyber threat" and terrorism coverages. The total cost would be about \$7,000.

Motion: Gerry Garcia moved to approve the proposal, including all three sections, package liability & property, cyber threat, and terrorism option. The motion carried without a second. Matt Bournasz opposed, citing he opposed the cyber threat coverage.

There being no other business...

Motion: John James moved to adjourn. Motion carried without a second.

The meeting was adjourned at approximately 11:30 am.

Next meeting will be Wednesday, January 24th at Post Oak, 8:00 am.

Minutes transcribed by Bob Busch

Submitted By:

Secretary