

AVRA WATER CO-OP, INC.
BOARD OF DIRECTORS
REGULAR MEETING MINUTES
Wednesday, December 17, 2014, 2014
7:00 p.m.
Avra Water Co-op, Inc.
11821 West Picture Rocks Road
Tucson, Arizona 85743

1. CALL TO ORDER

President Doug Schneider called the meeting to order at 7:00 p.m.

2. ROLL CALL

Board Members present at the meeting included:

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|--|-------------------------------|
| Doug Schneider, President | Camille Julin, Vice President |
| Colleen McDonald, Secretary | Jack Wheat, Treasurer |
| Eugene Boettcher, Director (via phone) | |

Staff Members present at the meeting included:

Cathy Kuefler, Interim Office Manager

3. CALL TO MEMBERSHIP AND WELCOME TO GUESTS

No guests were present.

4. REVISION AND ADOPTION OF THE AGENDA

MOTION: It was moved by Warren Thompson to approve the agenda with the following additions to Unfinished Business: a discussion regarding the Water Pipe Study and the General Manager's Position.

SECONDED
APPROVED.

5. READING, CORRECTION AND APPROVAL OF PREVIOUS BOARD MINUTES

MOTION: It was moved by Warren Thompson to approve the minutes from the Special Meeting on November 25, 2014.

SECONDED
APPROVED

6. OFFICERS REPORT'S

PRESIDENT'S REPORT

The president suggested that there was a reasonable amount of work to do regarding policies and hopefully will organize the board to see how they would craft some policies and review the Employee Handbook.

TREASURER'S REPORT

Jack Wheat reported that income was in excess of expenses for November and there was only one "no" on the financials for the month.

MOTION: It was moved by Warren Thompson to approve the Treasurer's Report.

SECONDED

APPROVED

7. INTERIM OPERATIONS AND OFFICE MANAGERS' REPORT

Electrical/Generator Project for Main Office – The electrical work is under way on the front office and should be completed by the end of January. The new generator has been ordered to go up at Noel with a comparable warranty of five years from Gentech and the Noel generator will be moved down to the offices.

Well #11 – The well has been having some vibration issues for some time. We received a quote to have it pulled and evaluated by Weber at an estimated cost of \$12,490 plus \$600 for each piece of inner column that may be knocked out. (There are 30 pieces.) There was \$30,000 budgeted for this.

CNH Case Backhoe Lease – We also received an estimate to lease a new Case Backhoe from Titan Machinery. The total cost would be \$95,206.38. If we included the last two payments due from our existing lease, the new estimated lease payment would be \$1,098.96 for a 48 month term with a \$41,000 purchase option or \$1,005.31 with a 60 month term and \$36,900 purchase option. If we do not include the last two payments and pay the last two payments to CNH directly, the payments would be \$1,054.07 and \$968.38 with the same terms. We could also extend our current lease for one additional year and pay a \$300 one-time extension fee and payment of \$1,007.06 in February '15 and then the monthly payment would be \$1,088.63. The new maturity date would be 2/28/16 with a residual of \$28,523.65.

System Mapping – The operations department will send updated information to Westland Resources to add to our system map and then they will give us an estimate to produce new maps for the co-op. We should have that information in January.

E-mail Addresses – After speaking with our IT representative, any board members who are interested in obtaining an email address will get one using the avrawater.net address.

Hoover Power – Staff will continue to go to the Arizona Power Authority meetings to keep up on the status of obtaining Hoover Power in 2017 when the new contracts begin. Currently, we are waiting for them to begin the applications process and determine what they are going to do about the transmission of this power.

CDGB Aging Meters Project – We contacted Pima County regarding our grant for \$38,954.00. They are running behind getting the contracts out, but as soon as that is received we can purchase the 300 meters for the co-op. Our responsibility for the grant is to purchase 100 MXUs. Assuming the prices remain the same, we will need approximately \$27,500 to complete the project. There is \$14,833 in the capital budget, which leaves just under \$13,000 additional funds to complete the project.

MOTION: A motion was made by Warren Thompson to extend the lease on the current backhoe for another year and discuss it at that time.

SECONDED
APPROVED

MOTION: A motion was made by Warren Thompson to accept the estimate for Well #11.

SECONDED
APPROVED

MOTION: A motion was made by Doug Schneider to approve the CDBG contract and the additional \$13,000 that was not budgeted for the grant.

SECONDED
APPROVED

MOTION: A motion was made by Warren Thompson to approve the Interim Operations Manager's Report and the Interim Office Manager's Report.

SECONDED
APPROVED

8. OLD BUSINESS

Travel Policy – The board reviewed the travel policy that was distributed last month and determined that it was thorough and covered all aspects of our travel issues. Per diem checks will be issued for conferences to make the process simple and clear. The Office Manager/Administrative Assistant will be responsible for booking all travel and ensuring a Travel Reimbursement Request Form is completed. A copy of that form will be presented to the board at the next meeting.

Employee Handbook – Camille Julin and Eugene Boettcher will go through the Employee Handbook and policies with Cathy Kuefler and suggest changes or additions to go over with the board at the next meeting.

MOTION: A motion was made by Warren Thompson to accept the Travel Policy as presented.

SECONDED
APPROVED

9. NEW BUSINESS

Chase Accounts - We need to act on our accountant's advice and look into other institutions to place the co-op's funds. As we stand now, because all of our accounts are at the same institution and under the same tax ID number, we are only insured for \$250,000 total. Staff will get a listing of all the accounts and balances and review this at the next meeting. Jack Wheat can also look into some other institutions to set up accounts.

Automatic Security Gate for Front Office Driveway – Jack Wheat suggested that staff get some estimates for an automatic gate to secure the back of the

co-op. All areas are secure except where the trucks come in and out, so that will be addressed and discussed at the next meeting.

MOTION: A motion was made by Colleen McDonald to enter into Executive Session at 8:16 p.m.

SECONDED
APPROVED

MOTION: A motion was made by Jack Wheat to adjourn the Executive Session at 8:55 p.m.

SECONDED
APPROVED

MOTION: A motion was made to have Jack and Warren establish a review panel to review the General Manager position as discussed in the Executive session.

SECONDED
APPROVED

MOTION: A motion was made to have Doug proceed with an agreement as discussed in the Executive Session.

SECONDED
APPROVED

MOTION: A motion was made to authorize Doug to complete a letter to our Auditor as discussed in the Executive session.

SECONDED
APPROVED

MOTION: A motion was made by Jack Wheat to adjourn.

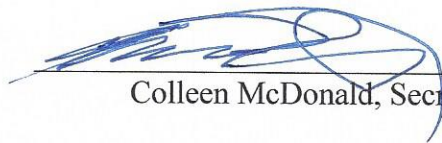
SECONDED
APPROVED

The Board adjourned at 9:09 p.m.

Respectfully submitted by,

Cathy Kuefler
Administrative Assistant

Approved by the Co-op Board on January 21, 2015:



Colleen McDonald, Secretary