

AVRA WATER CO-OP, INC.
BOARD OF DIRECTORS
REGULAR MEETING MINUTES Wednesday, January 18, 2017
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 6:58 p.m.

2. ROLL CALL

Board Members present at the meeting included:

Doug Schneider, President	Colleen McDonald, Secretary
Jack Wheat, Treasurer	Greg Hamilton, Director
Micha Koeppel, Director	Keith Winans, Director
Camille Julin, Vice President	

Staff Members present at the meeting included:

Cathy Kuefler, Administrative Manager
Jeff Feasel, Operations Manager
Linda Paxton, Contract Bookkeeper

3. CALL TO MEMBERSHIP AND WELCOME TO GUESTS - There were no guests at the meeting.

4. REVISION AND ADOPTION OF THE AGENDA

MOTION: It was moved by Jack Wheat to approve the Agenda for January 18, 2017.

SECONDED
APPROVED

5. READING, CORRECTION AND APPROVAL OF PREVIOUS BOARD MINUTES

MOTION: It was moved by Micha Koeppel to approve the minutes from the Board Meeting on December 7, 2016.

SECONDED
APPROVED

6. OFFICER'S REPORT

PRESIDENT'S REPORT – The president had nothing to report this evening.

TREASURER'S REPORT – Jack reported that income was in excess of expenses and there were all “yes’s” on the financials for the month of December 2016.

MOTION: It was moved by Colleen McDonald to approve the Treasurer's report.
SECONDED
APPROVED

7. ADMINISTRATIVE MANAGER'S REPORT

DNP's – There were 14 disconnections due to non-payment in December which is considerably lower than average.

Water Theft/Damage – There was electrical theft going on at the home on Calvin and Orange Grove and the Sheriff's department did get involved. Ms. Yates was in a very serious accident days before she was supposed to be in court so that is postponed indefinitely while she goes through rehabilitation from the accident. Meanwhile her son came to the office to see about getting service and he was informed about what would be required to do that.

Bank Accounts/Loans – We received our CAP allocation funds and have a substantial amount of money in the bank. Cathy made a summary sheet of our accounts and loans to update the board. She will look into the best rates and where we can put the money to keep it within the \$250,000 FDIC insured maximum per institution.

Leak Adjustment Request – We approved our first Leak Adjustment. A customer had usage of 128,000 gallons which gave her a bill of \$515. She met all of the leak criteria and was given a discount of \$135.

Hook-up Fees Annual Report – The Hook-up Fee Report was completed and we collected \$45,375 for 2016 and that was high because of the 4" meter at the MUSD project.

ADWR – We submitted our 2nd Five-year update for our System Water Plan on December 20th. The director of ADWR adopted the 4th Management Period for the Tucson Active Management Area which requires the director to establish a program for additional augmentation of the TAMA's water supply. There will be new requirements for conservation, system distribution, and monitoring effective January 1, 2019.

Water Resource Research Center is having their annual conference at the U of A and this year they will discuss Irrigated Agriculture in AZ.

Positive Pay – The auditor had suggested the board look into Positive Pay at Chase to provide closer control of all disbursements that are made out of the bank accounts. Jack spoke with several reps and finally was told that our account has the highest security currently available and so Positive Pay would not be a benefit at this time. The other suggestions from the auditor were implemented and the Internal Controls Policy was updated and forwarded to Ullman & Co.

MOTION: A motion was made by Jack Wheat to approve the Administrative Manager's report.

**SECONDED
APPROVED**

8. OPERATIONS MANAGER’S REPORT

- New VFD motor controller installed at Rudasill Reservoir.
- Fire hydrant and piping replaced at PR park and a hydrant repair at community center.
- Dead end mainline flushing, easement/meter box maintenance, reservoir site clean-up, & quarterly samples. Brush burn at Orange Grove lot.
- One service repair in Section 1 due to meter replacement.
- 6” valve installation in Section 8 in preparation of future main and service line replacements.
- Wash out repair at Magee & Pro Rodeo.
- Hauled dirt to Pelto Path, North of Via Dichosa.
- Preliminary meeting with Westland & Smyth at Noel Reservoir to check wash(s), vegetation, surveying crew, etc. There were concerns with the wash and so it will be moved more to the east side of the lot. Trying to decide how to rund underground piping. There will be a structural support done on the existing reservoir after the new one is completed and that will be the second phase of Noel. We received an updated construction proposal from Smyth that increased approximately \$90k and had more exclusions. Staff will wait for the plans and then get other bids.
- A customer had contacted the office regarding the road issues in Picture Rocks. He suggested we work on becoming an improvement district and fuel taxes are not being distributed to our area evenly. Doug said those are HURF funds and they are no longer available. Becoming a district could be an option but that would require paying more taxes and getting the community on board. He suggested looking into more grants which taff has been doing and they will continue to repair the worst problem areas inorder to secure our system.

MOTION: A motion was made by Micha Koeppel to accept the Operations Manager’s Report.

**SECONDED
APPROVED**

9. UNFISHED BUSINESS –

Noel Reservoir – Discussed in Operations Manager’s report.

Roads in Service Area Discussion – Discussed in Operations Manager’s report.

CAP Allocation – Discussed in Administrative Manager’s report.

Conflict of Interest Policy & By-laws Discussion – The two policies were passed out and the board will review those and make a decision at the next meeting. In the meantime, the By-laws will be reviewed by several members and a list of recommended amendments will be discussed so that they can be approved at the same time.

Discussion Re: 6830 N Sandario (Well 9) & 11851 W Picture Rocks Rd – Doug made the offer for the property next door and it was countered at \$50,000.

MOTION: A motion was made by Micha Koepfel to approve the purchase of 11851 W Picture Rocks Rd for \$50,000 and to authorize the President to accomplish that.

SECONDED
APPROVED

Staff also asked about getting Well #9 (6830 N. Sandario) back on the MLS using the same parameters as when it was listed in 2015. Everyone was in agreement that should be done and we would use Treasure Realty for that as well.

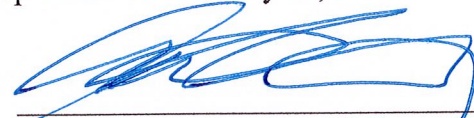
10. NEW BUSINESS –

There was no new business.

11. EXECUTIVE SESSION

The board did not go into Executive Session.

The Board adjourned at 8:42 p.m.
Respectfully submitted by,
Cathy Kuefler
Administrative Manager
Approved by the Co-op Board on February 15, 2017:



Colleen McDonald, Secretary