

AVRA WATER CO-OP, INC.
BOARD OF DIRECTORS
REGULAR MEETING MINUTES
Wednesday, June 17, 2015
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

Jack Wheat, Treasurer

Micha Koeppel, Director

Warren Thompson, Director

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 present.

4. REVISION AND ADOPTION OF THE AGENDA

MOTION: It was moved by Warren Thompson to approve the agenda for the meeting on June 17, 2015.

SECONDED

APPROVED.

5. READING, CORRECTION AND APPROVAL OF PREVIOUS BOARD MINUTES

MOTION: It was moved by Warren Thompson to approve the minutes from the Board Meeting on May 20, 2015.

SECONDED

APPROVED

6. OFFICER'S REPORT

PRESIDENT'S REPORT – The president reported that he had been in contact with John Kmiec, Utility Director, from the Town of Marana regarding our CAP allocation. Refer to Unfinished Business for specific information.

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

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

SECONDED

APPROVED

7. ADMINISTRATIVE MANAGER & OPERATIONS MANAGER'S REPORT

Tohono O'odham 12% Gaming Grant – Two grant requests were submitted to the T.O. Nation on June 11th. Requests were sent for the Service Area Road and Erosion Repair Project for \$19,960 and the MXU Program requesting \$17,200. We should have a response by September 1, 2015.

Water Quality Report – The report is almost completed and will be posted on the website prior to the July 1st deadline. This is required annually by the Arizona Department of Environmental Quality.

Hoover Power Update – We are on the APA's preliminary report for an allocation of 100 KW. There is a Public Comment meeting on July 1st and we hope to receive more information at that time.

Community Development Block Grant – It looks like we are on the preliminary list to receive funds to continue our Aging Meter Program. HUD did change the income levels to qualify for this grant and so we must be able to verify that 51% of the target area is low to moderate income. Administration is working on contacting our members in sections 3, 9, and 11 to get this information.

Internal Controls Process Policy – This was updated with the reported deficiencies from our accountant's office. Heather Gordon reviewed the update and said it "looks great". We will continue to update when there is a change in staff or procedures and continue to use this annually for our audit.

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

SECONDED

APPROVED

Monthly Update – Jeff Feasel reported that there were three scheduled services replaced this past month, two service line leaks, two scheduled service repairs and the operations team continues to do meter change-outs whenever time permits.

Tula Place – Work continues on this project. There is approximately 380 feet of pipe now installed. This will continue as time permits as well.

Fire Permit - A permit was obtained from the fire department to burn off the brush/debris pile at the Orange Grove property just west of the canal. The debris builds up from easement clearing.

Well #11 Motor - On May 28th, the motor at Well #11 was returned, installed, and then pulled again because it was still making noise. The bearings have been replaced and it was re-installed on Tuesday the 16th. It continues to make noise but is better. Weber seems to think the noise is coming from down in the hole and has left it in and told us we can use it in the meantime. Let them know we need it fixed and are waiting to see what steps they will take next.

Gate Security – Central Alarm came and finished the job on the driveway gate. It now chimes in the offices so that we are aware of vehicles or individuals that come in or out the back lot.

Sensus Training – We had a training with our Sensus rep on the new equipment we received from Sensus. They installed some new MXUs in Section 16 and then made sure they were reading and coming up on the software for billing.

SCADA – There has been a problem with our SCADA system staying on. Our IT consultant has had to get it back on-line twice now. We are waiting to hear what he thinks could be the problem. In the meantime, Jeff has been going out and manually shutting the system on or off.

MOTION: A motion was made by Micha Koeppel to approve the Operations Manager's report.

SECONDED

APPROVED

8. UNFINISHED BUSINESS

Well #9 – Jack Wheat reported that based on the By Laws, Article V, Section 5, we are not able to have Colleen list the Co-op property at 6830 N. Sandario Rd. Cathy will contact Greg or Josh Matison regarding listing the property.

MOTION: A motion was made by Warren Thompson to list the property at 6830 N. Sandario with Picture Rocks Realty.

SECONDED

APPROVED

Employee Handbook – The Employee Handbook had been reviewed and approved by the board based on any changes the attorney recommended. The attorney made a few minor changes after reviewing the handbook and the Travel, Drug and Alcohol Abuse, and Tuition Reimbursement Policies.

MOTION: A motion was made by Micha Koeppel to approve the changes to the Employee Handbook.

SECONDED

APPROVED

CAP Allocation – John Kmiec with the Town of Marana has received positive feedback from his council and will need a motion from the town council to move forward in obtaining our 808 acre foot allocation should the board decide to relinquish it. Doug would like to discuss with them the possibility of an inter-connect with the right to purchase water from the TOM to supplement our system with a fee crafted or something along those lines. This could mean a means in the future to get water directly back from the allocation. Magee Road is the boundary line for our service area and the Town's planning boundary. This will be discussed further in the near future.

MOTION: A motion was made by Warren Thompson to have Doug Schneider and Jack Wheat move forward with the Town of Marana regarding our CAP allocation.

SECONDED
APPROVED

9. NEW BUSINESS

2015-16 FY Budget – A rough draft of the budget was passed out to the board. This will be reviewed and more thoroughly discussed at the next meeting. Revenue was reduced by \$50,000 based on 2014-15 actuals and average over last three years. Travel and training was reduced significantly as was payroll/health benefits. The overall net income is a gain of \$50,000 and that leaves \$257,000 for capital improvements.

10. EXECUTIVE SESSION

MOTION: A motion was made by Jack Wheat to adjourn to the Executive Session at 7:50 p.m.

SECONDED
APPROVED

MOTION: A motion was made to return to the Regular Board Session by Jack Wheat at 8:01 p.m.

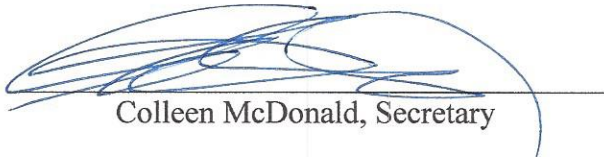
SECONDED
APPROVED

MOTION: A motion was made by Warren Thompson to adjourn.

SECONDED
APPROVED

The Board adjourned at 8:01 p.m.
Respectfully submitted by,
Cathy Kuefler
Administrative Manager

Approved by the Co-op Board on July 15, 2015:


Colleen McDonald, Secretary