

AVRA WATER CO-OP, INC.
BOARD OF DIRECTORS
REGULAR MEETING MINUTES Wednesday, January 16, 2019
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:

Doug Schneider, President	Greg Hamilton, Director
Jack Wheat, Treasurer	Keith Winans, Director
Micha Koeppel, Director	

Staff Members present at the meeting included:

Cathy Kuefler, Administrative Manager
Sal Madrid, Interim Operations Superintendent
Linda Coronado, Administrative Assistant

3. CALL TO MEMBERSHIP AND WELCOME TO GUESTS – No guests were present.

4. REVISION AND ADOPTION OF THE AGENDA

MOTION: It was moved by Micha Koeppel to approve the agenda for January 16, 2019.

SECONDED
APPROVED

5. READING, CORRECTION AND APPROVAL OF PREVIOUS BOARD MINUTES

MOTION: It was moved by Keith Winans to approve the minutes from the Regular Board Meeting on December 19, 2018.

SECONDED
APPROVED

6. OFFICER'S REPORT

PRESIDENT'S REPORT – No report.

TREASURER'S REPORT – The Treasurer reported that expenses were in excess of income for the month of December and there was one “no” on the financials for the month.

MOTION: It was moved by Micha Koeppel to approve the Treasurer's report.

SECONDED
APPROVED

7. ADMINISTRATIVE MANAGER'S REPORT

Annual Audit –The audit was completed. The letter to the board and internal controls recommendations was given to the board for review. Cathy has updated the internal controls procedures as recommend by the accountant, and a copy of the update will be given to Heather and the board at next month's meeting.

Pima County/CDBG Grant Sub-Recipient Fiscal Monitoring –We received a letter from Pima County that we are now compliant with their policy concerns. The policies in question were the Conflict of Interest and Whistleblower policies.

Fuel Usage – We average about \$9,500 on fuel annually. There are fleet cards where you can save on the price per gallon, but the savings would not be much greater than using our credit card and receiving statement credits based on our annual average.

Chase Credit Card – Our Chase rep came out to set up our check scanner and brought information on a new Chase Ink Business Rewards card that would give us unlimited 1.5% cash back on every purchase. He also recommended adding a Proxy so management could speak with customer service if a card is compromised or needs to be updated/added.

501(c)12 Exempt Organization Determination Manual – Discussed in unfinished business.

Employee Handbook Review – On January 10, 2019 all staff reviewed the changes to the employee handbook and updated policies.

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

SECONDED
APPROVED

8. OPERATIONS MANAGER'S REPORT

- We had two service line leaks this month: Orange Grove and Blue Blvd. Finished up the black top repair on Rudasill.
- The hydro tank located at the office lot was removed and we severed the mainline and installed a DVA. We also removed the conex box at the office lot and added shelving to relocate supplies under the shade port. Rock from Noel was moved to the office lot and spread out under the shade port.
- The generator heater at Garcia was replaced. Created SOP for C12 calibration so that we can stay in compliance with AZ Department of Health Safety. A SOP was also created for Back T sampling.
- Sprayed weeds at well sites and we have started working on our "Bad Boy" list to find unauthorized water usage.

MOTION: A motion was made by Keith Winans to accept the Operations Superintendent's Report.

SECONDED
APPROVED

9. UNFISHED BUSINESS –

9.1 Upgrades for Office – Discussion regarding a 40 x 40 shop. Flood Control already said they would not need to get involved with the location. The board recommended getting a Geotech proposal.

9.2 Discussion Regarding Definition/Requirements of a 501(c)12 – The board discussed the ACC's possible modification of the federal income tax reform rate adjustment which would tax AIAC and CIAC as income and how this would affect our 501(c)12 status (specifically the 85/15 member/non-member test).

10. NEW BUSINESS –

10.1 By-laws Review – Article II – Membership (Definition of a Member) - This was discussed in 9.2 and continued in 10.1. The board felt the By-laws could be amended in Article II, Section 2: to include those who have an intent to get water from the co-op, such as those seeking a mainline extension, to be members. This will be sent to our attorney for review and the motion will be effective as of that time or after board review if there are changes/suggestions.

MOTION: A motion was made by Micha Koeppel to amend the Bylaws and add the following verbiage to Article II, Section 2: Requirements for Membership to read:

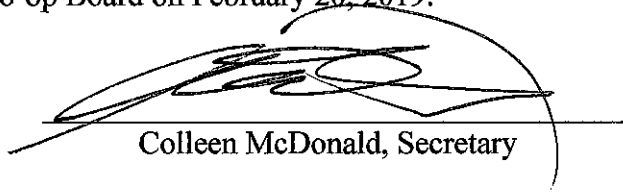
Any member of the public including persons, firms, associations, corporations, bodies politic or subdivision thereof, in the franchise area where the Co-op operates, shall be eligible for membership in the Co-op by meeting applicable membership requirements. Requirements for membership shall be that the applicant: (i) shall have completed an application for membership or an application for water service which is approved by the Co-op; and (ii) has, or has demonstrated the intention to have a water hook-up from and meter with the Co-op. All members shall be required to comply with the rates and charges, extension and service policies and contracts in effect from time to time, as approved by the Arizona Corporation Commission; and shall pay charges for said services and facilities furnished by the Co-op. In the case of joint membership, the provisions of Section 5 of this Article II shall apply in determining who may vote as a member of the Co-op. Unless a person meeting the requirements for membership expressly disclaims membership rights, such person shall be presumed to be a member upon receipt by the Co-op of payment for service to the property in question. Persons who are not members must still meet the requirements of subparts (i) and (ii) above in order to obtain service as a customer, but membership is not a condition of service.

**SECONDED
APPROVED**

MOTION: A second motion was made by Micha Koeppel to amend the preceding motion of Article II, Section 2: Requirements for Membership as subject to legal counsel's review with an effective date at time of their approval and/or further review.

**SECONDED
APPROVED**

The Board adjourned at 8:08 p.m.
Respectfully submitted by,
Linda Coronado
Administrative Assistant
Approved by the Co-op Board on February 20, 2019:



Colleen McDonald, Secretary