

AVRA WATER CO-OP, INC.
BOARD OF DIRECTORS
REGULAR MEETING MINUTES Wednesday, March 20, 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 Greg Hamilton to approve the agenda as revised for March 20, 2019: Well at Sandario/Picture Rocks to be added under New Business.

SECONDED
APPROVED

5. READING, CORRECTION AND APPROVAL OF PREVIOUS BOARD MINUTES

MOTION: It was moved by Micha Koeppel to approve the minutes from the Regular Board Meeting on January 16, 2019.

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 February and there was one “no” on the financials for the month.

MOTION: It was moved by Keith Winans to approve the Treasurer's report.

SECONDED
APPROVED

7. ADMINISTRATIVE MANAGER'S REPORT

AZ Water Loss Workshop – Staff attended a workshop that was funded from a grant through WIFA regarding water loss. It had a lot of valuable information and overall our water loss data score was a 52 which was comparable to other utilities

who were attending. We discussed three things that could be done (one of which we have implemented) to bring that up to a 70 within the first 6 months to a year. AWWA software was used to get the data and staff will work on this for the 2018 calendar year.

Employee Reviews – Sal, Theron and Linda all had their annual reviews. Cathy is due for her review by the board and Doug will do that this year.

Annual Reports – The ACC, ADWR, and ADOR annual reports are all due and almost completed. We pumped 806 acre feet of water for 2018 which has been staying steady despite a little growth in our area.

Vehicle Leases – We contacted Enterprise about our leases, they will no longer be managing our fleet. We will be returning the Colorado to Enterprise and replacing it with a Nissan truck. Staff has researched options and at this point will go through Nissan commercial who offers the same type of business lease that we got through Enterprise.

Advance Metering Infrastructure (AMI) – Our Sensus representatives came to the office to give a presentation on what AMI could offer our business. Staff also went to Oro Valley to discuss how their AMI has worked out. We will continue to do research and may have a test area done after they are done doing Town of Marana's.

CDBG – We received our signed 18-19 contract and put in the order for 150 new meters. Our 19-20 grant was submitted and we are asking for \$20,000 for our Aging Meter Programs and \$18,601 for the Mainline Replacement Program.

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

SECONDED

APPROVED

8. OPERATIONS MANAGER'S REPORT

- We had three water leaks this month: Section 33, 34 and 3. Sprayed weeds at all sites.
- The guys are changing out old MXU's with new MXU's. We will be installing a new generator transfer switch at Lak-a-Yucca.
- The Chlorine generator had maintenance done on the softener and filters. We will look into expanding the tank in next year's budget.
- SCADA went out at the Van Ark site after installing a VFD. Wunderlich came out and got it back up and running. They are working on a proposal to update every site.

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 which was done and given to everyone.

MOTION: A motion was made by Micha Koeppel to proceed with the construction of the workshop with an initial budget of \$70,000 and over-ride authorization of \$7,000.

**SECONDED
APPROVED**

9.2 By-laws Review/Amendment – Article II – Membership (Definition of a Member)- the board discussed the changes/suggestions made by our attorney and a motion was made to approve the resolution to amend the bylaws.

MOTION: A motion was made by Jack Wheat to approve Resolution 19-1 to amend the Bylaws of Avra Water Co-op, Inc., Article II, Section 2: Requirements for Membership to read as follows:

“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) either (a) has a water hook-up from and meter with the Co-op; or (b) has, by written agreement, contributed to the Co-op, directly or indirectly, revenue, facilities or property of value in connection with the use or development of land (e.g., line extensions, booster pumps, tanks or other facilities) that is receiving or ultimately will receive water service from 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 may receive service from the Co-op only if the Co-op agrees to provide service, and such persons must nevertheless meet the requirements of subpart (i) and any other requirement or condition imposed by the Co-op, which may include a water hook-up and meter.

Notwithstanding the foregoing, for purposes of subpart (ii)(b) above, where membership is based on a contribution made, any such contribution shall be made by and in the name of the owner of the land in question, and only the owner shall be the member based upon such contribution. However, the Co-op may make reasonable determinations of the real party in interest with regard to membership. For example, and without limitation, the beneficiary of a land trust that qualifies for membership may be designated by the Co-op as the member in lieu of the land trust, as the beneficiary may be the real party in interest, and the Co-op may designate the beneficiary of a land trust as the rightful holder of certain privileges in the Co-op, including for voting purposes.

A person or entity making contributions under subpart (ii)(b) above shall cease to be a member when such contributing person or entity is not receiving service from the Co-op and no longer owns the land in question. Such person or entity making contributions under subpart (ii)(b) above shall also cease to be a member if the owner is not otherwise receiving service from the Co-op and the land in question is no longer planned for future service connections, or, in any event, when, in the absence of actual service to such person or entity more than ten (10) years has passed since the contribution was made. Such person or entity shall be a member, however, if it is receiving service from the Co-op or if by applicable state or federal rule or regulation the Co-op is required as a condition to its nonprofit status or other rights or privileges, to recognize membership rights of such owner or prior owner. In the case of a membership in relation to landlord tenant arrangements, a contributing owner shall cease to be a member as to the land in question if its tenant receives service and has become the member. No termination of membership shall terminate rights of a member in patronage capital, where applicable.

The Co-op may at any time deny membership to any person or entity: (a) should the Co-op determine in its sole discretion that the Co-op has insufficient service capacity; (b) should any person or entity seeking membership in the Co-op be unable to reach a written agreement on the terms of any contribution under subpart (ii)(b) above, if applicable; (c) should such person or entity not otherwise be in compliance with the rules and regulations of the Co-op; or (d) should any anticipated contribution cause the Co-op's percentage of member revenues compared to non-members revenues to approach an amount that in the sole discretion of the Co-op is unacceptable in view of the Co-op's nonprofit status or other factors."

**SECONDED
APPROVED**

10. NEW BUSINESS –

10.1 Well at Picture Rocks & Sandario – Doug asked about the well site and reservoir at the Picture Rocks site. Staff had that discussion with Kara at Westland some time ago and could not completely recall her suggestion, but will ask when they go to meet her in the next month to meet other engineers there at Westland as she has resigned and will be leaving the company.

MOTION: A motion was made by Micha Koeppel to adjourn.

**SECONDED
APPROVED**

The Board adjourned at 8:14 p.m.

Respectfully submitted by,

Linda Coronado

Administrative Assistant

Approved by the Co-op Board on April 17, 2019:



Colleen McDonald, Secretary