

**CROOKED RIVER RANCH WATER COMPANY
QUARTERLY MEETING OF BOARD OF DIRECTORS
February 10, 2016 - CRRWC Boardroom**

Meeting was called to order at 6:05 PM by President, Dennis Kirk.

Roll was called and those present were: Archie McCawley; Dennis Kirk; Judy Lake; Sherry Loster; and Frank Day, General Manager. Absent was Nate Russell

Dennis Kirk said that the notices of meetings are published in the Newsletter that is distributed with the water bills each month and also the website. He also indicated that the building and conference room are accessible to those with disabilities.

There were two guests present.

Dennis Kirk then called for approval of the minutes of the November 18, 2015 meeting. **Archie McCawley moved and Judy Lake seconded the motion to approve the minutes of the November 18, 2015 meeting as submitted. Motion carried.**

Sherry Loster then presented the Financial Report for the last quarter of 2015 as follows:

| | |
|------------------------|-------------------|
| Total Revenue: | \$ 828,142 |
| Total Expenses: | \$ 621,945 |

| | |
|--------------------------------------|-------------------|
| Net Income: | |
| Total Revenue | \$ 828,142 |
| <u>Total Expenses</u> | <u>\$ 621,945</u> |
| Net Income | \$ 206,197 |
| <u>Backflow Payments Outstanding</u> | <u>\$ 12,043</u> |
| | \$ 218,241 |

| | | |
|------------------------------------------|-----------|--------------------|
| Year To Date: | Deposits | Balance |
| Contingency Fund Balance | \$ 83,104 | \$ 240,690 |
| Loan Payment Reserve Balance | \$ 88,681 | \$ 92,667 |
| To Date Expenses on Tower Project | | \$1,072,015 |

An error was made on the report with regard to the Contingency Fund Balance and the Loan Payment Reserve Balance which Frank Day corrected and the correct amounts are listed in the report above.

Dennis Kirk then asked for a motion to accept Treasurer's report. **Motion was made by Archie McCawley and seconded by Judy Lake to approve the Treasurer's Report as corrected. Motion carried.**

OLD BUSINESS:

Dennis Kirk reported that, due to having staff that are qualified to do most of the work and repairs required for the operation of the Water Company, the amount paid on our contract rate with Avion has been lowered from \$3,500 to \$2,000. The Water Company and Avion have an excellent working relationship and the Water Company still contracts with them as a back-up for a major incident or to fill in for any reason the staff is unavailable.

NEW BUSINESS:

- A. Dennis Kirk reported that Bill Hill, who is the primary field technician for the Water Company, has received his WD-2 certification and is now certified to operate the entire system.
- B. Dennis Kirk indicated that the Board has reviewed the credit card policy and is proposing the following changes:
 1. Frank Day currently has a credit card with a \$3,500 limit with an internal policy that no charges can be made over \$1,000 without prior Board approval. The proposal is that Frank Day be issued a credit card with a \$5,000 limit. Dennis Kirk went on to say that there are times when staff members need to be able to purchase supplies and currently Frank Day is the only person who can use the credit card. Therefore, for more efficient operation, it was decided to give Cynthia Dillman and Bill Hill company credit cards. Also it was concluded that since there is now a very competent staff, there is no longer a need for any Board members to have credit cards. The same internal controls will remain in place with nothing over \$1,000 being charged without prior Board approval. The Board Treasurer also reviews all credit card expenditures with appropriate receipts and documentation required. **Motion was made by Sherry Loster and seconded by Judy Lake to eliminate the Board credit cards and issue additional cards to Cynthia Dillman and Bill Hill with \$1,000 credit limits. Motion carried.**
 2. Dennis Kirk said that the Board has reviewed bids for paving the parking lot and will need to award the contract. Frank Day reported that the current parking lot is breaking down and there is a problem with drainage. He explained that the lot will be paved up to where the current sidewalk exists which will now be ADA compliant whereas the current sidewalk is not. Frank indicated that new paving will also allow more efficient snow plowing. Four bids were received and the lowest bid was High Desert Aggregate at \$19,500. **Archie McCawley made a motion and Sherry Loster seconded to approve the paving bid by High Desert Aggregate for \$19,500. Motion carried.**
- C. General Manager's Report
 1. Frank Day briefly reviewed the project financial report indicating which costs are now fixed, interest costs on the construction loan which will be rolled over into the whole project loan upon completion of the project and project costs to date.

2. Frank Day then went on to discuss the rebuild of the water tower pedestal. He indicated that an inspector, Carlson Testing, does a report on the concrete mix for crush strength, etc. and also a report on all materials used in constructing the pedestal meet specifications. At the last inspection it was discovered that a different wire was used in the concrete forms after the first tier of the pedestal. While the wire used in tier one does meet the specifications, the inspection of Carlson Testing and the Parametric inspector determined that the different wire used in tiers two and up did not meet specifications and the job was shut down. As the difference of the wire caused a 20% integrity difference in the strength of the concrete, Landmark, the contractor for the tower pedestal, made the decision to demolish the pedestal down to tier one and to rebuild from there. It was made clear that this was contractor error and the cost of the rebuild will be absorbed by Landmark. The Water Company will suffer no monetary loss in this process. The rebuild will set the project back about 3-1/2 weeks; however, Landmark had already planned on being ahead of schedule so this should not have much effect on the overall completion schedule of the project.
3. Frank then reported on other aspects of the tower project. He indicated that Jack Robins and Sons have installed a pressure reducing vault at the corner of Peninsula and Meadow and another at the corner of Peninsula and Geneva View. They will be installing another in the pasture when weather permits. Two valve clusters leading to the tank have also been installed.

D. Member Comments

There was a limited discussion with the two guests concerning the Memorandum of Understanding with the HOA on the cell tower revenue sharing.

The Board answered a question about delinquent accounts and whether or not the Water Company deals with them the same way as the HOA. Frank Day indicated that the Water Company does have uncollectibles every year. There is an attempt to collect for a period of 4 - 6 months and then the accounts are written off. Frank went on to say that none of the accounts are significant and usually don't amount to more than \$50 - \$100.

Another question asked was whether there are concerns about aging equipment. Frank Day indicated that there are sections of aging piping that will need to be replaced and that there are plans to deal with these in chunks over the years.

There being no further business, questions or comments from the audience, the meeting was adjourned at 7:10 PM.

_____/s/ **Sheridan Loster**_____
Sheridan Loster, Secretary/Treasurer

May 11th, 2016
Date