

**CROOKED RIVER RANCH WATER COMPANY
QUARTERLY MEETING OF BOARD OF DIRECTORS
NOVEMBER 15, 2017 - CRRWC Boardroom
MINUTES**

- I.** Meeting was called to order at 6:00 by President Dennis Kirk. Roll was called and those present were: Dennis Kirk; Archie McCawley; Judy Lake; Sherry Loster; Nate Russell; and Frank Day, General Manager. There was one guest present at the meeting.
- II. APPROVAL OF MINUTES:** Dennis Kirk then called for the approval of the minutes from the annual meeting on August 19, 2017. **Archie McCawley made the motion, seconded by Nate Russell to approve the minutes of the August 19, 2017 meeting as submitted. Motion carried.**
- III. ELECTION RESULTS:** Archie McCawley and Nate Russell were elected to serve 3 more years in office.
- IV. VOTE FOR NEW BOARD MEMBERS:** For the next year- Nominations were opened for President. Dennis Kirk was nominated by Archie McCawley and seconded by Nate Russell. Vote was taken and Dennis Kirk was appointed as President. Sherry Loster nominated Nate Russell for Vice-President and seconded by Archie McCawley. Vote was taken and Nate Russell was appointed to Vice-President. Sherry Loster was nominated by Archie McCawley for Secretary/Treasurer and seconded by Judy Lake. Vote was taken and Sherry Loster was appointed to Secretary/Treasurer.
- V. OATH OF OFFICE:** Each year after the election, all board members take the oath of office. Dennis Kirk read the oath and all Board members will sign the document at the meeting.
- VI. TREASURER'S REPORT-** Sherry Loster then presented the Financial Report for January through October 2017 as follows:

Total Revenue:	\$ 769,814
Miscellaneous service revenue:	\$ 15,489
Cross Connection revenue:	\$ 35,123
Cell Tower Rent:	\$ 8,982
Total Revenue from January through October:	\$ 829,408

Total Expenses for the year: \$677,381

	<u>Balance</u>
Total Revenue Sales:	\$ 829,408
Total Expenses:	\$ 677,381
Net Income:	\$ 152,027
Contingency Fund Balance:	\$ 380,262
Loan Payment Reserve Balance:	\$ 325,789
First Loan Payment for Water Tower Project Due on December 20, 2017:	\$ 175,000

-Frank Day reported that the amount in the USDA reserve account will be doubled one payment every year. That way when a payment is made on the loan, there will still be \$175,000 left in the account, and that's how it will be every year. It is required by the USDA to have one year's reserve payment in the account for the life of the loan. **Motion was made by Dennis Kirk to approve the Treasurer's Report. Nate Russell made the motion to approve the report and Archie McCawley seconded it. All approved, motion carried.**

VII. OLD BUSINESS: - None

VIII. NEW BUSINESS:

A. Ratify General Managers Contract – Employment Contract Developed for Frank Day. The board unanimously agreed to approve the employment contract via email before October 25, 2017. President Dennis Kirk and Frank Day signed the contract on October 25, 2017. President Dennis Kirk explained that Frank Day did not previously have an employment contract and that one was needed. **A motion was made by Archie McCawley to ratify the employment contract with Frank Day that was signed on October 25, 2017, Sherry Loster seconded. All approved, motion carried.**

B. Potential Expenses from Contingency Account- Frank Day explained that there would be some expenses from the contingency account this year. The money from the contingency account would be moved into the operating account. The expenses include:

-The service body on the new work truck	\$ 17,500
-Vac-Trailer: Paying off the remaining loan balance	\$ 19,450
-Dump trailer	\$ 6,600

-10-year Extended Warranty for Generator:	\$ 8,200
-10-year Extended warranty for Automatic transfer switch	\$ 3,900
-Plow for front of Chevy Silverado	\$ 6,500

Sherry Loster made the motion to approve the expenses as drafted above from the contingency account and direct General Manager Frank Day to make the necessary transfers from Contingency to the operational account, but not to exceed \$65,000. Nate Russell seconded. All approved, motion carries.

- C. 2018 1st Draft Budget- The 2018 budget includes the contingency transfer and expenses. It also included adding \$29,660 to the operating account at the end of 2018. The Operating account will have \$40,000 in it at the end of this year in December. Next year, the operating account will end with about \$60,000/70,000 in the account. **Motion was made by Archie McCawley to approve the first draft of the 2018 budget, with a final draft due in February. Sherry Loster seconded. All approved, motion carries.**
- D. Front Office Remodel- The front office will be remodeled to make it more convenient for office staff to help customers.
- New Flooring- Frank explained that there have been challenges with the carpet in the office, with wear and tear. The carpet will be replaced with a commercial grade laminate wood flooring.
 - Front reception desk- The angle that the desk is at makes for awkward hovering if Julia (the receptionist) is on the phone with a customer and someone comes to help a customer that has come inside to pay their bill. Julia's desk will be moved to the right over in the corner by the windows. She will still be able to see customers, and customers will be able to see her. This gives Julia more desk space to use because she is also the person who will in charge of our mapping now. She has taken on more responsibilities than the previous receptionists in the past. The front desk window will be a stand-up desk.
- E. Brief Overview of The Parametrix Study on the Cistern- Parametrix evaluated the Cistern and its viability. Frank worked with Parametrix to create a set of guidelines to prioritize when doing the study. It was prioritized by health safety, reliability, fire safety, operations and maintenance cost, and ease of operations and maintenance. That is how the different projects were categorized in the study.
- The Study of the Cistern found: The foundation is the same as a house foundation, but lacks rebar. The lid on the Cistern is deteriorating, and if there was a seismic event (earthquake) the Cistern would not survive it. Parametrix recommended that the Cistern either be: replaced, retrofitted, or eliminated. Frank noted that he asked Parametrix to come back with more opinions and how urgent

it is to fix the Cistern. Once we get back more details from Parametrix about the study, Frank will be ready to present it to the board and get the boards feedback, then send the information back to Parametrix for a final draft. Dennis Kirk noted that when the water system was first constructed, it wasn't built with any thought about longevity. The study from Parametrix will give us the basic numbers to develop a plan for the future.

IX. MEMBER COMMENT PERIOD

None.

X. ADJOURNMENT

-There being no other business, the meeting was adjourned at 6:43 PM.

/s/ Sheridan Loster

Sheridan Loster, Secretary/Treasurer

February 14, 2018

Date