

## **MINUTES, REGULAR MEETING, APRIL 10, 2017**

The Choctaw Utilities Board of Directors met on Monday, April 10, 2017 at the Choctaw Lake Lodge at 7:00 PM for a regular meeting to transact the business of Choctaw Utilities.

President Dave Lohrer called the meeting to order at 7:03 PM.

All six members of the board were present.

### **NEW MEMBER**

President Lohrer introduced Andrew Beckman, the newest member of the board of directors. Mr. Beckman expressed his pleasure at being on the board and looked forward to working with the rest of the board. The remaining members of the board introduced themselves to Mr. Beckman.

### **APPROVAL OF MINUTES**

The board reviewed the minutes from the January 5, 2017 meeting. Doug Orange made a motion to approve the minutes as submitted with Scott Kutzley seconding. The board also reviewed the minutes of the March 20 special meeting. Doug Orange made a motion to accept the minutes as submitted with Greg O'Brien seconding.

### **MANAGERS REPORT**

Jim Moran followed with his manager's report. He reviewed some new testing requirements and discussed the daily water usage at the plant. He also informed the board that he would be doing main flushing during the week beginning April 24. This is routine distribution maintenance that is usually done twice per year.

He informed the board that the number three well has been tested and is now back in full service. He explained that he planned to begin a valve exercising program early this summer. This is another routine distribution maintenance procedure that opens/closes all valves to ensure they do not become frozen or difficult to open.

### **FINANCIAL REPORT**

Doug Orange provided a review of our financial reports. Choctaw Utilities currently has a balance of \$835,000 in their various accounts. Some of these funds have been appropriated for routine maintenance activities, such as tower painting and cleaning. Doug stated that he was reviewing the aging report and that we had over \$21,000 in bills that were over 120 late. He informed the board that he would continue to monitor the process and keep the board apprised of progress in collections.

### **LEGAL REPRESENTATION**

John Albers was officially retained as legal consul for the board. Mr. Albers, who specializes in water utility law, has presented to the board at previous meetings and made recommendation to the board on several subjects. Doug Orange made a motion to retain Mr. Albers as legal consul with Bob O'Connor seconding. He will be retained and represent the board in future legal matters. A conference call was requested by President Lohrer to discuss various issues the board is currently facing.

### **CHOCTAW UTILITY STRUCTURE**

Mr. Albers has given us direction in regards to addressing potential changes in the structure of the company. Discussion took place regarding a 6119, regional water district, non-profit corporation, or remain a for-profit entity. Doug Orange stated that he would prepare a presentation of the pros and cons of each of these options at our May meeting. There are several savings that the company could enjoy by making a change to its current status. While currently operating as a for-profit corporation, Mr. Albers stated that this was not the correct manner that we should be operating. The intent is to select the most appropriate structure that allows Choctaw Utilities in the most efficient, and cost-saving manner. Future discussions with the CLPOA board of trustees regarding this issue.

### **FLUSHING TAPS**

The board discussed installing flushing taps in the neighborhood to improve our flushing capabilities. Mr. Moran will check with the EPA to determine the regulatory process for installing this needed equipment. It was determined that we will need to convert our current "blow-off assemblies" into hydrants to improve our distribution system maintenance. This would help prevent a repeat of the "brown water" situation we experienced last summer. Mr. Moran will report on a detailed plan and EPA feedback at the May meeting.

## **COMMITTEE REPORTS**

President Lohrer and Greg O'Brien gave a detailed presentation regarding the current problems facing our existing water plant. They detailed the problems we experienced last summer with brown water and talked about the various options the board was currently reviewing to retrofit our plant. These were identified from the IBI report and were referred to as Option 2 (Vertical Pressure Filters) or Option 3 (Dualator Integrated System). They discussed the option of creating RFP's to send out to potential contractors to develop a detail cost of both options. They will report back to the board at our May meeting.

## **TIMELINES / CRITICAL PATH / FUTURE COMMITTEES**

President Lohrer requested the organization of future committees and create some timelines for future responsibilities of the board. The RFP committee will consist of President Lohrer, Scott Kutzley, and Greg O'Brien. The legal / reorganization committee will consist of Doug Orange, Andrew Beckman and Bob O'Connor. These committees will report their findings at the May meeting. Andrew Beckman can work on critical path timelines following these reports.

## **AUDIENCE TIME**

Ken Petry had questions regarding the Duolator. Scott Kutzley and President Lohrer answered his concerns about going with a Duolator system. He also asked questions about the budget, having an audits, and raising rates in the future.

Ginger Cazan had problems with a billing on a vacant lot she owns. She was referred to Jim Moran and he would look into her issue.

Patty Mirilo was asking about information being posted on Facebook and Nextdoor Choctaw. President Lohrer said he will attempt to keep everyone informed.

Joan Grico wondered about the possibility of installing full-fledged hydrants instead of flushing hydrants.

The board moved to go into executive session to discuss future employee needs at 9:08.

The board returned from executive session at 10:20. There was no action to take and the meeting was adjourned at 10:21 pm.

