

Meeting Minutes  
Choctaw Utilities, Inc.  
Board of Directors Quarterly Meeting  
Monday, April 30<sup>th</sup>, 2018

Call to Order: 7:07pm

Role Call in Attendance: Dave Lohrer, Bob O'Connor, Doug Orange, Scott Kutzley, Kent Feliks, Andrew Beckman, Jim Moran – Plant Manager (late, had water leak call)

Not in Attendance: Greg O'Brien

4 Home owners in attendance, CU Office Manager

Minutes from January 29, 2018

Motion to accept minutes as submitted approved – passed 6-0

### **Old Business**

#### **Engineering/Plant Design Update** – Scott Kutzley

Weekly conference calls with engineers, Scott is sending out meeting minutes that covers details, engineer is sending out detailed design to EPA June 2<sup>nd</sup> and plan to send out to bid Mid-July. MS is currently work on Task Order #1; task order #2 will be issued soon. MS Consultants is coming in under budget and won't use all of the money allotted for Task Order #1. Building plan will be posted on the Choctaw websites – we have asked engineer to remove proposed building for the reverse osmosis for water softening and then post revised drawing for home owners to view.

#### **Task Order #2, Asset Management Process** – Dave Lohrer

2-weeks ago, they were partially done with Task Order #1; engineer was waiting for hydrant flushing before going onto Task Order #2 – hydrants were flushed today. Task Order #2 gets us to 100% of the design for the plant (set of blueprints to get to EPA). Attorney has reviewed and recommended no changes. To keep moving, CU needs to approve Task Order #2 NTE \$115,000 – this is the final task that we will pay to the engineer for work needed through bid evaluation taking us to construction. Engineers total estimate was NTE \$200,000. Tonka has done the design of the system; engineer is working on tie-ing the system together, reviewing retention tanks and working on chemical feed systems. They will review the contracts and help with submittal comparisons and make sure the equipment/supplies as per specs – if the contractor proposes alternates, engineer will help review to make sure they are compliant. Bid evaluation also has to go through the EPA and be approved. Tonka is waiting and watching at this point – their lead time is 4-5 months; material procurement needs to start earlier. Tonka will be named in the bid package for the contractor to include; that way the contractor is responsible for receipt and installation. We could buy the materials direct from Tonka and save a little bit of money, but that makes us liable for the equipment. The contract will have pass-through costs for the Tonka portion with little to no upcharge from the contractor. Tonka is putting together some names of contractors for us – we are a smaller

entity, so the big firms will not bid our plant. Names of 3 to 4 integraders will also be included. Engineers typically do not wait for EPA approval before bidding – notes from the EPA are usually minor. The WRSLA loan requires us to publicly bid and announce in the paper, but because we are private we are able to spec/name Tonka directly. We are not compelled to take low bid. There will be a technical, legal, and cost evaluation of the bid prior to accepting it.

We are almost complete with Task Order #1, with the exception of the corrosion study.

Motion to proceed with Task Order #2 (100% Design stage for the new water plant) with MS Consultants for a not to exceed price of \$200,000 – passed 6-0

**Manager's Report** – Jim Moran

Statistics 2017 – 73.71 million gallons, down 1 million-half from 2016; high month June (7.57), low month February (5.02) – average 201.904/per day (100 gallon/person a day based on 2,000 people) #1 Well pumped 24.46, #2 Well pumped 24.55, #3 Well pumped 24.70 – maximum daily use 351,500, minimum daily use 38,100.

7 taps added, 5 service line repairs, no sprinkling bans, no boil alerts, all reports to EPA completed and in compliance, natural resource report completed, no main breaks, did not exceed capacity of plant on any day (400,000 gallons)

- Consumer Confidence Report due June (2017 – always in arrears)
- Lead and Copper samples (10 required this year) June/July to September to complete. EPA has selected designated locations. Reduced from 20 because we met requirements. If continue to meet requirements, the sampling will reduce to every three years.

Hydrants – total of 19 (17 new) all flushed today – scheduled next week to regrade, soil and seed. Some on Cherokee, Yuma, and W Choctaw had more debris removal after the flushing with the most iron content – Suqulak, Itawamba – areas that we could not reach before the new hydrants were installed. These had the worst debris and sandy. Very few people commented about water condition during flushing. Better notification on flushing next year. Flow tested and they will be rated – it very favorable. Worst case scenario was 200-400 gallon a minute. Fire dept will compile data and get it to us, will also will paint the top of the hydrants to note what the gallon capacity it has. There is a national ISO database that the Fire Chief can file the report in the database that the insurance companies can see.

**Treasurer's Report** – Doug Orange

Financial standpoint – balance in all money accounts 941,968 – already made payment of all 17 hydrants at over \$100,000

Aging Report – more than twice collected than what we had at last year this time. Submitted 15 water shut-off notices, all but 2 paid (one went to assisted living), 17 customers in arrears, with 8 having payment plans. Collection success was due to Marti changing some processes and staying on top of collections; and Jim going out to collect.

Conference call with Paul Rennick our accountant; finalizing our balance sheets, P&L and budgets for 2018 - delayed due to Paul's critical illness – preliminary \$20k profit for last year; 2.5 hour conference call – in depth review. Working on the budget – we have preliminary only and get draft copy out for finalization in next 30 days. Different this year because of construction costs – makes it more complicated – bottom line all is good.

**Asset Management Plan** – Dave Lohrer

EPA will require all utility companies to submit a formal asset management plan by October 1st – Dave has drafted and distributed to the BoD for review. Page one shows debt ratio – page two shows operating budget. Dave asked for a committee to form to review the asset management plan to review and make sure everything is in place going forward: Doug, Andrew and Jim volunteered. Doug suggested we run it by our accountant. Numbers on this form will insure that we can pay the loan back. Want this completed for the July meeting to submit no later than October 1<sup>st</sup> deadline. Discussion about the distribution system replacement – pipes looked good when they installed taps and flushed. Discuss iron versus plastic as replacement materials – the distribution system will need to be replaced in 46 years.

**New Business:**

Elect new officers/annual requirement - Jim opened the floor for nominations:

President – Dave nominated, seconded – discussion (none) motion carried

VP – Greg nominated, seconded - discussion (none) motion carried

Secretary/Treasurer – Doug nominated, seconded - discussion (none) motion carried

Bob and Andrew were approved for another 3-year term on BoD by the BoT

Reviewed Corrosion Study for Upcoming testing – softened, non-softened, water heater, non-water heater. Find difference of properties of each type of faucet used. This testing is not part of any regulatory testing. This is part of MS Consultants scope of work to be submitted to the EPA as part of the approval for funds. Dave and Scott will handle getting the samples under the correct parameters and designated time frames.

Tree removal needs to be done prior to new plant construction and will be part of the budget. Bob will look into getting pricing with Jim's help. Ballpark for pricing is about \$1,000. Tree in fence, near grinder pit, near the power line, and areas below lagoon.

New plant floor drains will pump to grinder (sw corner of the building).

Hydrant Damage: If someone hits a hydrant, they are made to rip the top off - the valve should shut it off. If the valve's damaged, you can isolate that section in the main.

**Floor Open – Audience discussion/questions**

Meeting adjourned 8:05pm, BoD went into executive session.