

DRAFT
GRANITE OAKS WATER USERS ASSOCIATION
Board of Directors Meeting
February 25, 2004

Board Members

Gerry Garcia, President
Jeff Deming, Vice President
Doug Farris, Secretary
Chuck Faust, Treasurer
Duane Gann, Director (Absent)
Ed Tumey, Director
Bruce Bleeker, Director

Contract Staff

Bob Busch
Lee Hixson
Allen Kaplan

The meeting was called to order at 8:00 a.m. by Gerry Garcia, President.

Motion by Chuck Faust to approve the January Board Meeting Minutes, with two corrections. 1) capital retirements are not completed yet, and 2) customers increased by 3%. Motion was seconded by Jeff Deming; motion passed unanimously.

1. ENVIRONMENTAL BIOMASS REPORT

Report presented by Lee Hixson and made part of the February Board Meeting Minutes.

Lee reported total monthly water usage at 2.38 mg, with the Glenshandra Well usage at 2.35 mg and the Post Oak Well at .037mg. The Deerfield well is off-line for new upgrades.

EBS flushed an additional 25,000 gallons from the Deerfield well and the coliform sample was negative. Civiltec submitted the test results along with the final-as-built drawings to ADEQ during the week of February 22, requesting the permit to place the well in service (currently awaiting the permit).

EBS will begin testing water meters and has purchased the door-hangers that will be used to notify the customers that their meter will be tested. They plan on testing 8-10 water meters per month, when the weather improves.

Action Item: MDI will place a notice in the next newsletter explaining the procedure involved with meter testing.

Action Item: EBS will begin showing on their reports year-to-date acre feet pumped.

2. MISCELLANEOUS DEDUCTIONS REPORT

The Manager's Report and MDI Reports were presented by Bob Busch and made part of the February Board Meeting Minutes.

Distribution Pump Retrofit: Civiltec prepared an evaluation of the GOWUA water system capacity, considering the variable speed pumping operations. In conclusion, "it appears that the limiting factors in increasing the capacity of the GOWUA system using variable speed pumps are the wide range of topography in a one-zone system and the velocity in the eight-inch pump station discharge pipeline. The condition of maximum day plus fire flow can be met with the pressure settings presented in this evaluation. In addition, peak hour demand plus fire flow could be met but this total demand condition is not recommended over sustained period of time because of excessive velocity. However, this condition could be improved by upsizing or installing a parallel pipeline from the pump station to the connection with the distribution system." Much discussion ensued. The Board determined that no decisions are necessary right now.

Action Item: Interested board members will take a trip to Wickenburg (the week of March 22) to view another installation using a variable frequency drive pumping system.

Glenshandra Building: Design of the building is in progress.

Backflow Testing: Backflow testing letters were distributed to about a dozen shareowners.

Software Conversion: Conversion to the new Core Utilities software is essentially complete and appears to be easy to work with. One problem was discovered after the water bills were printed – the gallon tax was not computed correctly, resulting in approximately \$50-\$75 under billing of tax.

High Use Customers: Jeff Deming and Bob Busch developed a conservation letter to be sent to users of over 400,000 gallons annually. It was the consensus of the Board to send the letter now to the high-use customers, and include a version of the letter in the next newsletter.

Action Item: President, Gerry Garcia will sign the high-use customer conservation letter.

Action Item: MDI will include a notice about the upcoming Landscape & Irrigation Meeting on April 3 with the next water bill mailing.

Large Water Systems: Doug Nelson is available the end of March to address the Board regarding large water systems.

Reports to Regulatory Agencies: A report to the State Property Tax Division, showing assets added in 2003 was completed. In addition, the Annual Report to the Arizona Corporation Commission was sent for signatures by Doug Nelson. As soon as both reports are signed by the board president, they will be forwarded to the State.

3. OLD BUSINESS

Deerfield Well Enclosure: Duane Gann, Ed Tumey, and Bob Busch met at the Deerfield well site to plan for a covering structure and discuss site improvements. The committee considered several alternatives and decided that an enclosure of approximately 160 sq. ft. is needed to cover the electrical gear, and provide head room for maintenance. This will require a building permit, of which Bob Busch is preparing to submit to the county.

Cost estimates for cleanup, the building, fence repair, weed cover & rock, and rock driveway are approximately \$4,900. Bruce Bleeker asked the board to consider our cash flow forecasts for the year relative to the enclosure and improvement costs. It was the consensus of the board that this enclosure is a priority, but the landscape improvements should be scheduled at a later date. Bob Busch stated it may take 30 days to obtain the building permit.

Motion by Doug Farris for a resolution to authorize \$3,000 to enclose the Deerfield Well (with removable roof), and forego the site landscape improvements for now, seconded by Bruce Bleeker; passed unanimously.

2003 Corporate Resolutions: tabled until March board meeting.

4. NEW BUSINESS

Insurance: Bruce Bleeker researched the current GOWUA insurance policies and had them reviewed by another business insurance broker. In conclusion, he reported that, “we might ask our broker to quote ‘crime’ coverage for about \$150,000. We might also ask about eliminating the CNA coverage in the D&O for employees, and see if there is a premium reduction. And, obtain Certificates of Insurance from subcontractors.”

The board thanked Bruce Bleeker for his efforts in researching and reviewing our insurance policies.

Action Item: Chuck Faust will check with Bill Weber (insurance agent) to determine if the board is still bonded. He will also check into criminal coverage.

Conservation: An idea was brought up to hand out conservation packages with new water meters.

Action Item: Jeff Deming will ask Charles Hildebrant, from Mountain Path Landscaping, to provide landscaping-related conservation “tidbits” for the newsletter.

Motion by Doug Farris to adjourn the February board meeting, seconded by Chuck Faust; passed unanimously.

The February Board Meeting was adjourned at 9:35 a.m. Meeting minutes were recorded by Debbie Muse.



NEXT BOARD MEETING IS SCHEDULED FOR MARCH 24, 2004