

Granite Oaks Water Users Association
Board Meeting Minutes
Meeting of January 27, 2016

Approved March 23, 2016

BOARD MEMBERS

John James, Treasurer John Monroe, Secretary Matt Bornyasz, Board Member Larry Dorrell, Vice President Gerry Tumey, Board Member Jim Peterson, Board Member
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THOSE PRESENT

Contract Staff

Bob Busch, MDI Taxes & Acct'g Allan Kaplan – Accountant Jim Muylle - Fann Environmental

Guests: Art Silacci
Ed McPherson

The meeting was convened at 8:00 am by Vice President, Larry Dorrell. President, Gerry Garcia. was absent.

1. Minutes of November 18, 2015

Motion: John Monroe moved to approve the minutes of November 18, 2015 with the notations made on his copy of the minutes. Jim Peterson seconded. Motion carried unanimously.

2a. Financial Report

Allan Kaplan reported that the net income for the year was about \$11,000. Revenue was less than budget, and expenses were also less than budget, so the net affect brought net income on budget.

Net Income is about \$17,000 less than a year ago. Fourth quarter revenue this year was about \$5,000 less than fourth quarter last year.

The building repair work was booked in 2015. Initially, it was booked as an expense, but has been corrected to show as a capital item.

Allan reviewed the balance sheet and noted that there were three new customers during the year. He noted that there were two capital items added: a meter and the new roof and building components.

Allan commented that revenue for 2015 was the lowest since 2001 when there were only 407 customers vs now at 464, There was some discussion about the impact of recent rains and conservation efforts on water usage.

John James reported that currently, the balance in the Corporate Account is \$26,515 and the Operating Account is \$24,428.

Bob Busch commented that the bank statement from Foothills Bank is arriving around the 20th of the month, making it difficult to get reports to the Board in a timely manner. They are attempting to get the reports earlier online and if they can do that, it will relieve the situation.

2b. Operator Report

Jim Muylle reported that the Annual Consumer Confidence Report has been completed and he has forwarded it to Bob Busch. Bob stated that a notice will go out with this month's bills indicating that the report is available on the GOWUA website, with a statement that if anyone wants a copy mailed to them, they need just call the GOWUA business office. The present report is a six page report as required by ADEQ.

Jim Muylle reported that the building remodeling is completed. During the work, a chlorine line was damaged by the contractor and needed to be replaced. Fann has materials on site and replace the entire line, as it is normally replaced every few years as it becomes brittle. One of the chlorine pumps was also replaced at a cost of about \$450.

Larry Dorrell asked about how often the level at the Glenshandra well is checked now that we have a sounding tube. Jim Muylle responded that it is checked annually by ADWR (usually around March). Fann could check if more often if desired.

Jim Muylle reported that Fann responded to a low water pressure complaint on Fair Oaks. The pressure at the residence was about 10 psi less than other locations in the area. Fann recommended the resident call a plumber to check the regulating valve on the property.

2c. Manager's Report

Bob Busch reported that he has yet to hear from the Fire Marshall at Central Yavapai Fire District concerning fire hydrant testing in Granite Oaks. The Fire Marshall indicated that he would set up a meeting with GOWUA to discuss the issue. Bob speculated that CFD will offer to have GOWUA do its own testing of the hydrants. Hydrants are required to be flow tested every five years.

Action Item: Bob will check with Central Yavapai Fire District regarding hydrant testing.

Bob reported that he had asked MDI to come to the meeting to discuss email billing. Bruce Eldredge called yesterday and said they were busy with tax season and couldn't attend but would prepare a memo summarizing the situation. Bob handed out a memo sent by MDI, explaining that the problems are primarily due to customer email settings. Once the settings are adjusted, the billing goes through. More than 50 email bills were successfully sent out in late December.

Larry Dorrell asked about adding comments on the email bill. Bob responded that there is limited space available, but some comments can be included on the bill. Jim Peterson asked about whether paper bills include information how to sign up for email billing. Bob indicated that the info is included on the paper bill.

2d. Conservation Committee Report

John Monroe reported that the committee is looking for comments on a letter proposed to be sent to the high users. He circulated the draft letter. He also asked if the Board was willing to cover the cost of a consultant. The company previously used Charles Hildebrandt in conducting water audits at a cost of about \$100 per customer. He described the process used by the consultant. The consultant would be offered to the high users contacted by the committee. Larry Dorrell commented that Watters Nursery is willing to conduct a general meeting to discuss plants and water usage.

Matt suggested that consultant fees be capped at \$1,000.

Motion: John Monroe moved to send the top ten users a letter and authorize the committee to offer consultant technical services, capped at a total of \$1,000. John James seconded. Motion carried unanimously.

Jim Peterson handed out a proposed letter to new customers, inviting them to tour the GOWUA facilities, and requested Board Member input. The letter anticipates some number of Board Members volunteer to assist with the tour.

Larry Dorrell reported that he received a flyer from Watters Nursery. He forwarded to Bob Busch who was able to set it up, three to a page. Larry stated he asked that it be included with this month's bill. Watters will send camera ready art on a monthly basis for future flyers. Bob stated that if it is a .jpg file, it will be relatively easy to adapt to the three-to-a-page format.

Bob Busch asked about the timing of the flyer. If Watters sends the flyer to GOWUA by the 10th of the month and GOWUA bills at the end of the month, the flyer would be effective for the following month. He suggested that the flyer include an expiration date.

There was a discussion about how these flyers could be sent to recipients of email bills. Bob Busch stated that bills are sent via the billing system and attachments can't be added. Jim Peterson commented that perhaps a separate email list be set up for those receiving email bills, and it could be used for emailing flyers, etc.

3. Old Business

3a. Review of Action Items:

All action items have been completed.

3b. 2016 Operating Budget

Bob Busch referred Board Members to the draft budget in the report packet. He asked if there were any comments. Allan Kaplan suggest changes to METERED WATER SALES, OTHER OPERATING REVENUE, INTEREST INCOME, DEPRECIATION and AMORTIZATION.

MOTION: Larry Dorrell moved to accept the 2016 Operating Budget with the suggestions made by Allan Kaplan. John Monroe seconded. Motion passes unanimously.

4. New Business

4a. Possible ACC Action Regarding Small Water Companies

There was a general discussion about the ACC proposal to create an emergency fund for "failing" small water companies by charging all small water company customers \$1 per year. Matt Bornyasz stated he was opposed to the concept, but he thought more information was needed. Suggestions about possible actions included: letters to the ACC, letters to and contacts with legislators and other affected water companies. There was some concern about whether by opposing the proposal, GOWUA would be brought to the attention of the ACC - in a bad way. It was the general view that emergency funds should be made available to failing companies, but it should be a loan, not a grant.

Action Item: Bob will contact groups mentioned in the report as opposing the proposal to see what actions they plan and what information they might have on the topic. He will also determine if there are any actions by the ACC planned before the next GOWUA meeting.

Action Item: Jim Peterson will contact legislators Fann & Campbell and County Supervisor Brown to express GOWUA's views and ask for help.

There being no further business--

Motion: Larry Dorrell moved to adjourn. John Monroe seconded. It passed unanimously.

The meeting was adjourned at approximately 9:15 am.

Next meeting: Wednesday, March 23, 2016, 8:00am – Post Oak Site.

Minutes transcribed by Bob Busch

Submitted By:

Secretary