

Granite Oaks Water Users Association  
**Board Meeting Minutes**  
Meeting of May 22, 2013

Draft 3  
Approved July 24, 1013

BOARD MEMBERS

THOSE PRESENT

Contract Staff

Jim Peoples, President Ken Mino, Vice President John James, Treasurer John Monroe, Secretary Gene Zutell, Director Gerry Tumey, Director
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Bob Busch, MDI Taxes & Acctg Allen Kaplan - Accountant Jim Muylle – Fann Environmental
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The meeting was convened at 8:00 am by President Jim Peoples. Board member Dave Kramer was absent.

**1. Minutes of Previous Meeting**

Jim Peoples asked if there were any comments or corrections to the Minutes of the March 27, 2013 meeting. There being none, he asked for a motion to approve.

**Motion: John Monroe moved to approve the minutes of the Meeting of March 27, 2013. John James seconded. Motion carried.**

**2. Reports**

**2a. Financial Report**

Allen Kaplan stated through March 2013, the company shows a \$3,500 loss. The company is about \$8,000 under budget for expenses, \$7,000 of which is for insurance because of double billing last year. Allen said the depreciation numbers would be adjusted after MDI completes the tax return. That will only be several hundred dollars of adjustment. MDI also booked the accounting contract to accounting extras, but that change has been made on this report.

Allen commented that Granite Basin Engineering (GBE) billed several hours of meetings totaling over \$1,000 to Outside Services in March. Other than the insurance billing difference, expenses for this year are pretty similar to last year.

On the Balance Sheet, cash is down about \$29,000. Construction Work in Progress is up about \$30,000 for the GBE work.

He reported that four CD's mature during the rest of 2013, three are with Edward Jones, which has had better interest rates. The MaxSaver account has \$101,000 at .10 % interest. John James indicated some of that will be withdrawn, as the Corporate Account is down.

Allen mentioned that April financials show meter billings up about \$1,000 from last year. The financials are very consistent, year to year.

John James reported that the Operating Account balance is currently \$21,233 and the Corporate Account is \$27,537.

### **2b. Operator's Report**

Jim handed out his Operator Report for April. He reported that there were no ADEQ violations during the month. He stated that \$1,400 was spent on annual water sample testing. He stated that he provided a quote for hydrant locks, and he showed the board members one of the locking devices, without the padlock. There was some general discussion about the locks and the padlock required. The quote from Fann included heavy duty padlocks, but not case-hardened padlocks.

Jim reported that a hydrant repair kit has been ordered for a hydrant on the corner of Granite Oaks and Live Oak. He will install that today. A block heater was replaced on the generator at Deerfield.

Fann removed a tree limb that had fallen from a tree on the west property boundary of Glenshandra.

### **2c. Manager's Report**

Bob reported that unaccounted for water has dropped to 4.87% in March and 1.86% in April, in spite of a couple of unexplained spikes on the chart recorder.

He reported that he has obtained a quote for inspection of the tanks for \$2,799 (for inspection, cleaning and a DVD video of the inspection) or \$3,199 (for inspection, cleaning, a DVD and written report). There was some discussion about the cleaning process. It would be done by divers with the tank full. The company is fully certified to do the inspections & cleaning.

MDI filed an extension for filing of the GOWUA tax return (until October).

Bob reported that he has sent letters to all property owners with wells where backflow prevention device testing is required. He has not received all test results back, but will followup. He reported that the person who maintains the Fulton property on Granite Oaks Drive contacted him and stated that there was no longer a well capable of operating on the property and thought the property should be exempt. He has sent the company a letter to that effect, and the property will be removed from the list of properties where testing is required. In response to a question, Bob reported that there are about a half dozen firms in the Prescott area that are certified to perform backflow prevention device testing.

Bob passed out a draft of a newsletter proposed to be sent with the May billing and asked for comments. Jim Peoples suggested including more information about pumping data showing spikes in the middle of the night. Bob stated that if anyone had any suggestions or changes, they could send them to him in the next few days, as the bills will be sent out early the following week.

John James asked about the delinquency on the Doris Haak account since she passed away. The property is for sale, and he wondered about the \$91 balance due. What happens if the house sells. Bob indicated that the company can only collect from the estate, and can't collect from a new owner.

*Action Item: Bob will follow up on the D Haak delinquent account.*

### 3. Old Business

#### 3a. Action Items

#### Outstanding Action Items:

*Action Item: Jim will check on the feasibility of adding a sounding tube or other mechanism for checking water level in the Glenshandra Well.*

#### 3b. Capital Improvement Program.

Bob reported that Granite Basin Engineering is working on a bid package that should be completed in the next few days. The request for bids will be sent out electronically. GBE is recommending that it be sent to four companies: Norco Construction, Earth Resource Corporation, Watkins-Mendoza and T&H Construction. GBE is working on the contract form to be used. They are adapting another contract form for use on this project. He indicated that a permit may not be required for this phase of the project because it is under the dollar value limit for required permits. Bob stated that construction could begin sometime in July and be completed by the end of August. Jim Peoples asked if the project was only for the first phase of the program. Bob replied that it is only for the first phase. Jim asked if board member should review the bid package. Bob replied that it would be a good idea, and he would forward the package to board members for comment once he receives it. Bob stated that once the bids were received, the Board should approve awarding of the contract. Jim then suggested that a special meeting would be needed, since the next scheduled meeting is not until the end of July. There followed a discussion about possible meeting dates. It was agreed to schedule a meeting for June 26<sup>th</sup> to review bids and award a contract.

Allen asked if GBE would have an estimate of the costs. Bob indicated that they have already provided at cost estimate.

*Action Item: Bob will forward the bid package to board members for comment.*

### 4. New Business

#### 4a. Water Hydrant Locks

Jim Peoples asked Jim Muylle for the total cost of the hydrant lock proposal. Jim Muylle replied that it is \$8,699.10. Jim Peoples said it irritated him to spend that amount of money to stop one person. John Monroe said that the problem would continue to occur. We are supplying someone raw material they can sell. Jim Peoples commented that he would be surprised if someone would cut a lock, because that puts the situation at a whole new level. He offered that if we put on locks the problem would stop.

Gerry Tumey stated that the RT Ranch was connected to the Deerfield well in the beginning. They were part of the system at one time and supposedly it was capped off years ago. There followed a discussion about the RT Ranch connection and where the line is located, and how it could be checked out. Gerry indicated that Kimble McClymonds would probably know.

*Action Item: Bob will contact Kimble McClymonds and attempt to find out the location of the line.*

Jim Peoples suggested this item be postponed until the next meeting. In the meantime, we could have information on the RT Ranch connection.

**4b. Storage Tank Inspection**

Jim Peoples suggested this item be postponed until the next meeting. In the meantime, the board could review the proposal.

**4c. Board Member Election**

Jim Peoples stated that three positions are up for election this year. John Monroe, Dave Kramer and Gerry Tumey positions are up for election. John Monroe asked if anyone has expressed an interest in running. Bob Busch replied that Gerry Garcia had attended a meeting recently and said she was interested. Jim Peoples said that a couple of men had approached him at the last annual meeting with an interest. He said he has their contact numbers, and he will let them know about an election coming up. Bob Busch said that the deadline for candidates is June 14<sup>th</sup>. The ballots would go out with the June billing and ballots would be back and counted prior to the July Board Meeting. John Monroe said he was willing to run again. Gerry Tumey is undecided.

Bob Busch asked about the location for the Annual Meeting. He said that it should be determined now, since the next meeting will be too late to announce before the Annual Meeting. The Annual Meeting will be July 27<sup>th</sup>. Ken Mino again offered his garage.

Bob Busch asked if board members wanted to have any type of special program at the Annual Meeting. Jim Peoples suggested that Granite Basin Engineering make a report on the Capital Improvement Program.

There being no further business to discuss, Jim Peoples asked for a motion to adjourn.

**Motion: John James moved to adjourn the meeting. Gerry Tumey seconded. Motion carried.**

The meeting was adjourned at approximately 9:00a.m.

**Next meeting: Wednesday, June 26, 2013, 8:00am – Post Oak Site.**

Minutes transcribed by Bob Busch

**Submitted By:**

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**Secretary**