

Granite Oaks Water Users Association  
**Board Meeting Minutes**  
Meeting of May 25, 2016

Approved July 27, 2016

BOARD MEMBERS

Gerry Garcia, President John Monroe, Secretary Matt Bornyasz, Board Member Larry Dorrell, Vice President 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
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1. The meeting was convened at 8:00 am by President, Gerry Garcia. Treasurer John James and board member Gerry Tumey were absent.

**2. Minutes of March 23, 2016**

John Monroe pointed out an error in the Operator's Report. The reference to the Post Oak well level rising two feet should have referenced the Glenshandra well.

**Motion: Minutes John Monroe moved to approve the minutes of the March 23, 2016 meeting as modified during the meeting. Seconded by Jim Peterson. Motion carried unanimously.**

**3a. Financial Report**

Allan Kaplan reported that an adjustment was made to the year end 2015 financials which increased net income by about \$4,200. The adjustment was made because the sounding tube replacement was treated as a retirement and a capital expenditure, reducing operating expense and increasing net income for the year.

For first quarter of 2016, revenue is about \$4,000 higher and expenses about \$2,000 lower than last year to date, so we are about \$6,000 ahead of budget through March. The MDI P&L Report for March did not include the calculation for depreciation. With depreciation included, net income is reduced by about \$4,000 and we are about \$600 ahead of last year through March.

Allan noted that there is a \$100,000 CD with Compass Bank maturing on June 3, 2016. There was some discussion about what action should be taken, especially since Treasurer, John James is absent. It was the consensus of the Board that the funds should be reinvested.

*Action Item: Allan Kaplan will contact John James regarding the maturing CD and convey the Board's desire to reinvest for a year at the best rate.*

Allan noted that we had one new meter deposit during the quarter. He reported that the old Glenshandra sounding tube and the old Post Oak roof have been written off and the new sounding tube and roof capitalized. Larry Dorrell asked for a clarification of "Land" and "Landscaping" on the Balance Sheet. "Land" is unimproved land, and "Landscaping" is improvements to the land such as fencing, rock, stone and plants.

### **3b. Operator Report**

Jim Muylle's explained the meter reading process. He explained that the wells are read first and customer meters are read within a 5 hour period after the wells are read. Jim Peterson suggested that the time difference could explain the amount of unaccounted for water.

There followed a discussion about unaccounted for water. Jim Muylle suggested that leak detection could be used to locate leaks in system piping. Larry Dorrell commented that the cost of leak detection would need to be known to determine if the benefit would be worth the cost.

Bob reported that he and Jim Muylle met to review the actions that have been taken to minimize the amount of unaccounted for water. He reported that the meter reading process has been reviewed and documented and is being followed each month. He reported that all well meters were replaced with newly calibrated meters in April of 2014. He stated that customer meter verifications have begun again to insure accuracy of the amount delivered to the customs. He noted that the meter readings at the Post Oak pump station could be helpful in tracking water delivered, but it does not work satisfactorily because the configuration of piping does not allow for the length of straight pipe required to reduce turbulence sufficiently for an accurate reading.

*Action Item: Jim Muylle will provide an estimated cost to replace the meter at Post Oak and a cost to perform leak detection for the system.*

Matt Bornyasz commented that based on current data, there would seem to be about 60 years of water available in the Deerfield well and 500 years of water available in the Post Oak well. Not enough data is available for the Glenshandra well.

Jim Muylle reviewed the water testing program Fann Environmental performs for GOWUA. A summary was included with his monthly report.

### **3c. Manager's Report**

Bob Busch reported that the newsletter was mailed in April. He commented that a flyer will be included with the May billing soliciting candidates for the upcoming Board Election. There are three seats to fill this year (Gerry Garcia, Gerry Tumey and John Monroe). He reported that the customer meter at the Fulton property was finally checked. Although there was no problem with the meter, a number of problems were found with the customer's irrigation system. He also reported that the annual report to the Az Dept of Revenue, due by April 15<sup>th</sup> was not submitted on time. The report notifies the State of GOWUA's 2015 revenue and assets for taxation purposes for the coming year. The State normally sends last year's data and we fill in current information and submit the report. That process somehow broke down. GOWUA may be penalized for late filing.

### **3c. Conservation Committee Report**

John Monroe reported that the committee has contacted 8 of the top 10 users for 2015. There were 4 face to face and 4 phone contacts. All face to face contacts went well. John commented that most customers aren't aware of or haven't checked their landscape watering system. One customer knows his usage is high and thinks he has a leak in his pool, which he plans to investigate. One high user who has been on the report regularly has dropped off the report for April.

#### 4. Old Business

##### 4a. Review of Action Items:

*All action items have been completed.*

#### 5. New Business

##### 5a. Consideration of Action Concerning Unaccounted for Water

(See Operator's Report)

##### 5b. Board Election – 2016

Solicitation flyers will go out with May billing. Candidate info will be due in mid June. Ballots will go out with June billing and ballots will be due in before the next Board Meeting in July.

##### 5c. Annual Meeting

The Annual Shareholder Meeting will be Saturday, July 30<sup>th</sup>, at 2025 W. Seven Oaks.

*Action Item: Bob will obtain a list of customers with phone number contacts and forward to Gerry Garcia for the purpose of contacting them to attend the Annual Meeting.*

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

The meeting was adjourned at approximately 9:30am.

**Next meeting: Wednesday, July 27, 2016, 8:00am – Post Oak Site.**

Minutes transcribed by Bob Busch

**Submitted By:**

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**Secretary**