

Granite Oaks Water Users Association
Board Meeting Minutes
Meeting of September 24, 2014

Draft3
Approved 11/19/2014

BOARD MEMBERS

THOSE PRESENT

Contract Staff

Gerry Garcia, President Jim Peoples, Vice President John James, Treasurer John Monroe, Secretary Larry Dorrell, Director Jim Peterson, Director Gerry Tumey, Director

Bob Busch, MDI Taxes & Acctg Allen Kaplan – Accountant Jim Muylle - Fann Environmental Gerry - Fann Environmental
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Guests : Steve & Claire Hutt

The meeting was convened at 8:00 am by President Gerry Garcia.

1. Minutes of Previous Meetings

Meeting of July 23, 2014 (draft2) and Annual Meeting of July 26, 2014

There were no comments or corrections suggested for the minutes.

Motion: John Monroe moved approve the Minutes of the July 23, 2014 Board Meeting, and the July 26, 2014 Annual Shareholder Meeting. John James seconded. Motion carried.

2. Reports

2a. Financial Report

Allen Kaplan stated that this is an in between month, and no quarterly report is done for this month. He noted that reported that net income for July was over \$11,000 and August was over \$4,000. The net income year to date is \$32,000 which is about \$500 less than last year. He stated that revenues and expenses are on track with last year. A CD, with AmTrust, for \$28,000 paid interest of \$280. Only one new meter deposit has been received year to date.

Jim Peoples asked if the new house on Glenshandra is connected to the system Jim Muylle recalled placing a meter at that property. A general discussion indicated that there is a potential 2 additional connections from two new homes under construction.

John James reported that there is now \$30,706 in the Operating Account and \$73 152 in the Corporate Account. He indicated he had transferred \$15,000 to the Operating Account yesterday.

There followed a discussion the CD's maturing in November. It was the general consensus to discuss that further in November.

At this point in the meeting, the two guests entered and were introduced.

2b. Operators Report

Jim Muylle reviewed his report with the Board. No ADEQ violations were reported. Three hydrant repairs were completed this month. Fann is making some additional manpower available to perform meter verifications. Jim introduced Gary Lanier, an electrician with Fann Environmental (who happens to live on Deerfield). Jim reported that the backup power supply for the call out system supply failed, so Fann was not notified of the system outage that occurred in late July. He reported that Fann checks the system Mondays, Wednesdays and Thursdays. A severe electrical storm occurred on Monday evening, July 28th, knocking out the wells and call out system, so by Wednesday morning, the system was out of water. He plans to replace the backup batteries today. He asked Gary to report on what occurred at the wells.

Gary reported that at Glenshandra a transformer that converts power from 480 volts to 120 volts for the control system, failed. It has been replaced and a spare has been purchased that will work at Deerfield and Glenshandra. At Deerfield, a control system cable fuse was blown, so the well wouldn't turn on. He handed out a list of recommendations to improve the system.

Each well has an indicator, showing if the well is in "auto" or "hand". but the "hand" position is not wired.

He recommended adding a call light, indicating if a well is called to operate, and an indicator showing that the well is actually running. These could be added using the existing control cables to the wells.

Steve Hutt interjected that he and Claire were present at Mr. Busch's invitation. They each have qualifications to assist various aspects of control design and documentation, and offer assistance to the Board. They offered to review system documentation and to make suggestions to help improve the system reliability.

Jim Peterson suggested that the Hutt's and Fann get together to discuss the details of documenting the system.

Larry Dorrell questioned why the hours of operation and the KW hours for each site was not consistent. It was explained that the Post Oaks data includes not only the well, but also includes the booster pumps, where the Deerfield and Glenshandra data only includes the wells.

Gary went on explain his recommendation #3: to replace the motor saver at Post Oak with a newer, more effective unit.

He also recommended providing a surge suppressor on the Mission call out system. He estimated that the cost of the four recommendations would be about \$3,550.

He also suggested that the Board consider adding features to the Mission system such as reporting tank levels and other items. He will check to see if the model at Post Oak is capable of providing those extra features.

Action Item: Fann will check to see if the Mission dial out system is capable of providing additional indicators.

Motion: Jim Peoples moved that the recommendations made by Fann Environmental be approved. Gerry Tumey seconded. Motion passed unanimously.

There followed a discussion of water pressure in the system. There have been a number of complaints and comments that water pressure in the past few months has changed for the worse. There have been reports of lower water pressure, irrigation systems showing lower operating pressure and lower pressure in fixtures in peoples homes. The reports suggest the changes occurred about the time of the Capital Improvement construction was done. Initial water pressure has been reported ok, followed by a noticeable drop in pressure. The reports have come from areas close and distant from the construction. Fann has checked water pressure at various locations and pressures are in expected ranges. Steve Hutt reported that Fann checked pressure at his house at 62 psi. When faucets are turned on, the pressure drops and doesn't seem to recover. When the neighbor turns on his sprinklers on, Steve sees his pressure drop. There was some suggestion about getting an engineer involved, but reluctance to ask Granite Basin Engineering for help due to past conflicts with them. Jim Peterson suggested that Fann Environmental be asked to follow up on the recommendations approved earlier and also in regard to the pressure issue and to make recommendations to the Board at the next meeting so the Board can make some decisions.

Motion: Gerry Garcia moved to request Fann Environmental review the water pressure issue and bring findings and recommendations to the Board at the next meeting. Motion seconded by John Monroe. Motion passed unanimously.

2c. Manager's Report

Bob Busch reported that the last couple of months the unaccounted for water has been in the 6% range. He referred the Board to a past due customer past due amount of over \$300. The company is not likely to collect the amount due. The customers were tenants, who split up and left without payment. We know the address of the woman, who now lives in Utah. She has promised to pay, but has yet to do so. Bob answered questions about deposits and delinquency follow ups. Delinquent accounts are sent certified mail after the second delinquent month. Fann places a notice on the door prior to disconnect. Bob reported the we disconnect about 6 customers per year. There were questions about deposits. If deposits are requested, they must be collected from all new connects.

Bob reported that he received a complaint from a customer who says his water hardness has increased over the past year. The customer reported his water was tested at over 25 grains. The system average is 11 grains. He asked if any Board members have had the same experience or knew of any similar experiences. None had.

Bob advised that the bill from Fann Environmental was considerably higher this month due to call outs related to the water outage and hydrant repairs.

3. Old Business

3a. Water System Outage - no further discussion on this item

3b. Fann Environmental Contract -

Bob stated that Fann Environmental had agreed to a contract renewal at the same rate: \$11 per customer per month and \$167.00 per month for landscaping.

Motion: Jim Peoples moved to renew the Fann Environmental contract. Gerry Tumey seconded. Motion passed unanimously.

3c. Review of Action Items:

Action Item: John Monroe and Jim Peterson and Gerry Tumey will take the lead in investigating ways to resolve the issue.

This related to recommendations to resolve the reported theft from residential hydrants. John Monroe reported that Supervisor Brown was contacted. Supervisor Brown contacted the Sheriff's Office for assistance. John Monroe also called the local Sheriff's Office station and was told

periodic tours of the subdivision would be made. Gerry Tumey confirmed that she had seen Sheriff's vehicles on patrol.

John Monroe went on to explain that Supervisor Brown encouraged participation in the Fire Wise project to clean up the area outside the GOWUA area- state land and Deep Well Ranch. Jim Peterson followed that 20 families have contacted him following receipt of the notice in the last water bill. He has notified the Supervisor Brown and the Risk Management personnel of the interest. A meeting will be scheduled to explain the program to those interested. A grant request has been prepared to reimburse those who take action to implement the recommendations. A meeting will be scheduled within the next few weeks. He plans to notify those 20 families of the meeting schedule, and use NextDoor to notify a larger pool of people.

4. New Business

4a. Seminar - Arizonans for Responsible Water Policy

Bob reported that he and Jim Peterson plan to attend the seminar in Flagstaff tomorrow. If anyone else wants to attend, let him know as he and Jim will make travel plans after the meeting. Jim Peterson asked the Board position on mileage reimbursement for this kind of event. It was the consensus of Board that mileage reimbursements to Board Members for this type of event is reimbursable.

5b. Reserve Study

Bob Busch suggested that the Board consider having a reserve study prepared to determine and document the level of funds needed for future replacement of assets. A discussion followed as to the value of such a study vs just designating an amount for replacements. Jim Peterson suggested that he and Bob might be able to get more background and information at the seminar tomorrow that might be helpful in further considering the matter.

5c. Conservation

Larry Dorrell suggested that the Board take a more active roll in conservation of water. He suggested two actions that the Board consider:

- 1) High users should be charged a premium for use over a set amount. They cause higher maintenance and costs and should pay more.
- 2) Go to the appropriate authorities to stop the drilling of wells within our territory.

A discussion occurred about the requirements to do these suggestions and about past actions and attempts by the Board to achieve conservation. No action was taken.

5d. Empire-Cat proposal

Bob passed out copies of a proposal for generator services for the upcoming year from Empire-Cat. The proposal is for once per year general servicing and load bank testing of each generator for a total cost of \$2,733.00 plus tax.

Jim Peterson moved that the proposal from Empire-Cat be approved. Jim Peoples seconded. The motion passed unanimously.

5e. NextDoor.com Project

Bob reported that he has been asked by the NextDoor project coordinator to send new customers the information about NextDoor. (It is an online "neighborhood" called Granite Oaks. The website is sponsored by NextDoor.com, and it is free, private and entirely voluntary. It is nationwide with over one million "neighbors" in over 37,000 online "neighborhoods". There is no advertising, and

participants are not permitted to advertise their businesses.) Bob asked for the Board's view before he agreed. The Board generally opined that it was a good idea with little or no downside.

Motion: Jim Peterson moved to send new customers information about the NextDoor project. Gerry Garcia seconded Motion passed unanimously.

5e. Date for Next Meeting.

The fourth Wednesday in November is the day before Thanksgiving. It was the Board consensus that the meeting be scheduled for November 19th.

There being no further business, Gerry Garcia asked for a motion to adjourn.

Motion: Jim Peoples moved to adjourn. John James seconded. It passed unanimously.

The meeting was adjourned at approximately 9:45 a.m.

Next meeting: Wednesday, November 19, 2014, 8:00am – Post Oak Site.

Minutes transcribed by Bob Busch

Submitted By:

Secretary