

Granite Oaks Water Users Association
Board Meeting Minutes
Meeting of February 27, 2019

Draft 3

THOSE PRESENT

BOARD MEMBERS

Jim Bricker, President Claire Hutt, Vice President John James, Treasurer Bonnie Pearson, Secretary Ken Nelson, Board Member Daryl Mathern, Board Member Gerry Garcia - Absent

Contract Staff

Bob Busch, Manager, GOWUA Allen Kaplan – Accountant Pat Carpenter- A Quality Water Co. Bruce Eldredge- MDI Taxes & Accounting Richard Aldridge- Civiltec Engineering
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Guests: Matt Bornyasz, Granite Oaks Estates.

1. The meeting was convened at 8:58 am by President Jim Bricker. .

2. MINUTES BOARD MEETING OF JANUARY 23, 2019.

President Jim Bricker asked if there were any comments on the draft minutes. He pointed out a couple of typographical errors in the minutes.

Motion: Ken Nelson moved to approve the minutes of January 23rd with the corrections noted. John James seconded. Motion passed unanimously.

3. REPORTS:

3a. Financial Report

Allen Kaplan reviewed the January results. Expenses were \$15,000 higher than a year ago, partially due to MDI and Manager receiving January and February payments in January.

Cash decreased by \$41,000 in January due to the higher expense and \$27,000 in asset purchases. There was a big increase in depreciation. Bruce explained that the cost of removing an asset is booked against depreciation.

Allen reviewed a breakdown of the cash flow report and discussed where each item of the cash flow report comes from. He uses total beginning period cash, end of period cash, total receipts, interest received, total expenses, and assets purchased to arrive at the cash flow report.

John James reported that the Corporate Account balance is \$57,873 and the Operating Account balance is \$13,337. There was a discussion about the balance in the operating account. Due to some large expenditures, the Operating Account came very close to being overdrawn.

3b. Operator's Report

Pat Carpenter reviewed his January report. The meter changeout went very well. All meters have been converted. Post Oak Generator was repaired- Cooling system. In response to a question about how frequently the generators run, Pat replied that they are exercised weekly for about 10-15 minutes.

Pat commented that he placed the well static measurements on his report. The measurements were taken as Derek arrived at the well. They were not shut off and rested before being measured. There was a discussion about how and when to take the measurements. It was the Board consensus that the wells be shutdown for 3 hours, then sounded and run for about an hour and then measured again to determine draw down.

Ken asked what the "standard" pressure is that we should expect. Pat Carpenter explained that ADEQ recommends that pressure be at least 20psi. Bob Busch explained that at Post Oak, the outgoing pressure is set at 55 psi. Depending on where the home is in the system, pressure can be over 100 psi. Many homes have a pressure reducing regulator on their incoming line.

3c. Report from MDI

Bruce reported that all the amounts in Plant Under Construction have been transferred to Plant in Service, in one of three accounts: Account 10334 for meters, Account 10340 for the laptop, Training and annual service fees were booked to expense.

Bruce reported that the AZ Dept of Revenue now requires that sales tax be automatically deducted from the bank account. He is in the process of setting up that transaction. He stated that if the Board approves the December financial report, he will finish the 2018 report to the ACC-Utility Division.

All meter reading and downloads are going very well.

Motion: Claire Hutt moved to approve the December financials. Bonnie Pearson seconded. The motion passed unanimously.

Bob Busch asked why there was a difference in the asset breakdown from the 2012 and 2013 report to the ACC. Bruce replied that categories changed, and that he has no detail for the numbers in the accounts. Bob suggested the large amount from the Treatment Plant category to Transmission and Distribution. Bruce stated he would make the change.

3d. Review of Civiltec Proposal:

Richard Aldridge of Civiltec introduced himself and gave a bit of personal background. He said he has teamed up with Matrix (Southwest Groundwater) and prepared a two-phase proposal for rehabilitating the Glenshandra well. The first phase would involve collection of information, performing testing and reviewing of well performance and preparing recommendations for improvements. The second phase would involve preparing specifications, bid documents and evaluating bids. The total for both phases would be \$6,480. Bob suggested that the cost would be categorized as expense. Allan Kaplan stated that he thought the first phase would be expensed and the second phase, preparing specs and bidding should be capitalized, and all generally agreed.

There was some discussion about there being new meters at the wells, and new customer meters. Up to now, we have been pumping more water than we are selling. We expect that to settle down in the next couple of months.

Richard explained that the two phases would take a couple of weeks to perform. The general schedule was discussed. It was generally agreed that there is time yet this spring to get the work done before the high use season. Richard responded to a question about available bidders, stating he knew of several in the area. He said drillers are busy right now and Civiltec would contact all local drillers to see if they would want to bid.

Ken Nelson asked if we had money in the budget for the job. Bob Busch replied that there was \$50,000 total, with \$25,000 in expense and \$25,000 in capital.

Pat Carpenter commented that in using Civiltec, we would have a lot more pretty valuable information going into the project then we had on the Deerfield job.

Motion: Ken Nelson moved to approve the Civiltec proposal, with the understanding that there is money in the budget. Claire Hutt seconded. Motion carried unanimously.

3e. Managers Report

Bob Busch reported that he has contacted John Patten regarding the Post Oak panel changeout. The changeover is tentatively scheduled for Tuesday, March 12th beginning at 10 pm. If the date is acceptable, he will notify John Patton. There was discussion about how to notify customers. Bruce Eldredge indicated that if Bob would send him an insert today, he will get it in the bills, which go out tomorrow. Bob read a draft notice. It was agreed that the notice should cover the hours from 10:00 pm to 6:00 am. In addition, it was agreed that a One Call Now notice would be prepared by Bonnie Pearson and sent out on Monday, March 11th. There was a discussion about using sandwich boards at the subdivision entrances, but since are not available as they were not purchased, the idea was dropped.

Bob reported that the meter reading with the new meter system went very well. Three customers asked for and were provided usage data. The data covered nearly 6 weeks of information, at one hour intervals. He showed the Board a portion of one of the reports. The data was taken at 1 hour increments, so the files were very large. One of the data reports is very unusual, showing 10 gallons or more at random times. There was a discussion about possible causes - appliances or irrigation systems or the like. The reports can be emailed to customers. Bruce Eldredge stated that the reports could be pulled using 3 hour increments which would make the files much smaller, and that the reports could be generated to correspond with the billing period. Bob reported that extra time is involve to generate the reports. Derek Scott has to go to the meter, download the data, then take it to the MDI office. MDI has to upload the data and create the report that can be sent to the customer. In response to a question about whether we can bill a customer, Bob stated that he contacted the ACC Ombudsmen's Office and was told that a tariff would be required, and a rate case would be needed to file for a tariff. It was generally agreed that the reports should only be used on a case by case basis. Ken Nelson asked when usage is flagged. Bob Busch said he was told that continuous use of any amount for 72 hours will trigger an alert. Claire Hutt stated that she requested a report and found a leaking yard hydrant, but her account got no alert. In looking at the data report, it was noted that there were periods of no use, so no alert would have been triggered, which seem inconsistent with a leaking hydrant. Claire Hutt noted that her usage was 450% of last years usage (and that we were in California during half of this billing period).

Bob stated that the Annual Report to ADWR reporting water use has been completed and sent to ADWR for 2018.

The Annual Property Tax Report for 2019 to the Arizona Department of Revenue has been completed and ready for Jim Bricker's notarized signature.

Bob reported that a fence corner post at Glenshandra was broken, and after unsuccessful attempts to locate a handyman to fix it, he purchased a post himself and repaired the fence.

He reported that he received a quote for a meter at Post Oak that would replace the non-functioning meter. The material cost is \$11,141. It could be installed at the same time as the panel conversion on March 12th. Pat Carpenter suggested that now that we have new well and customer meters, we watch the data for a few months before spending that much money on an additional meter.

4. OLD BUSINESS:

4a. Action Items:

All action items have been completed.

4b. Discussion regarding possible addition of water storage tank.

No action taken on this at this time.

4c. Discussion/approval of 2019 capital and expense budget

Bob forwarded the proposed budget to Board Members but did not receive enough votes for approval. The proposed budget was discussed. Some line items in the capital budget were reviewed. Ken Nelson asked a question about the amount budgeted for the Glenshandra well, capital vs expense. Following an explanation:

Motion: Bonnie Pearson moved to approve the proposed budget for 2019. Claire Hutt seconded. Motion carried.

4d. Discussion of refurbishment of Glenshandra Well.

This item discussed above.

5. NEW BUSINESS:

5a. Discussion of possible charges for data download from customer meters.

This item discussed above.

5b. Scheduling and Notification regarding Control Panel Changeout at Post Oak

This item discussed above.

There being no further business, President Jim Bricker declared the meeting adjourned at 10:35 am..

Next meeting will be Wednesday, March 27, 2019 at Post Oak, 9:00 am.

Minutes transcribed by Bob Busch

Submitted By:

Secretary