

Granite Oaks Water Users Association  
**Board Meeting Minutes**  
Meeting of July 25, 2018

THOSE PRESENT

BOARD MEMBERS

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

Contract Staff

Allan Kaplan – Accountant Pat Carpenter – AQuality Water Co. Bob Busch, MDI Taxes & Accounting Bruce Eldredge _ MDI Taxes & Accounting
---

Approved September 26, 2018

---

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

**2. Minutes Board Meeting of May 23, 2018.**

There were several comments about needed typographical corrections.

**Motion: Ken Nelson moved moved to approve the minutes of May 23<sup>rd</sup> with the typographical corrections. Motion passed unanimously without a second.**

**3. Reports**

**3a. Financial Report**

Allan Kaplan reported that revenue for the year through June is about \$10,000 ahead of budget. Expenses are right on budget and net income is about \$10,000 above budget. Net income is about \$3,000 above 2017 year to date

Allan reported that Cash is up about \$10,000 from the end of year.

A new \$100,000 CD was open with Edward Jones at an interest rate of %2.38.

John James reported that the Operations Account balance is \$56,181 and the Corporate Account balance is \$29,375. The Operations account balance is high due to a pending payment to Pump Tech for the Deerfield well rehab.

**3b. Report from MDI**

Bruce Eldredge reported that Foothills Bank has a limit on the amount of autopayments that can be processed in a month. Last month we exceeded that amount and had to get a temporary increase in the amount. John James, as a signor on the account, will need to go to the bank and sign for a permanent increase in the limit.

Claire Hutt asked about the \$900 bill from One Call Now. Bruce Eldredge responded that it is the annual renewal. There is no charge for the messages.

**3c. Operator's Report**

Pat Carpenter reported that the pump at the Deerfield well pump/motor was removed and new equipment was installed after the rehab. The, the new meter was found to be faulty. After installing a new meter, the well still was not performing as expected. The equipment was taken back out and sent to the manufacturer. It was checked out and returned only to find that the pump and motor would not mate properly. The motor went back to the manufacturer who sent a new pump back to

the site. After putting all the equipment back in the well, it still is not performing satisfactorily. Bill Roberts of Pump Tech has indicated he has been experiencing some problems with these pumps from the manufacturer. The pump is only pumping about 270 gallons per minute and it should be producing about 350 gpm or more. AQuality is planning to collect information from the well with a new sounder just received.

Matt Bornyasz asked who will pay for the extra costs in dealing with the defective parts. Pat Carpenter responded that it should go back to Pump Tech and the manufacturer. There was a discussion about a credit for the salvaged wire and unused pipe.

Action Item: Pat Carpenter will discuss salvage and credit items with Pump Tech.

Matt Bornyasz asked if logs are being maintained at each well site. Pat Carpenter responded that operating data logs are maintained at each site.

There was a discussion about the use of the new sounder. Pat Carpenter indicated that AQuality Water will record static levels every month. Depending on conditions, it may be checked more often.

In response to a question about status of meter reading route sequencing, Claire Hutt handed out maps showing possible route sequencing, combining routes 1 thru 4 into two routes. She indicated if the routing is ok, she will sequence the routes so that they can be entered by MDI. Routes will be sequenced with gaps between each number so that changes can easily be made.

*Action Item: Claire Hutt will sequence the new Routes 1 and 2 in draft form and get AQuality Water input.*

*Action Item; Bruce Eldredge will research the hours and billing cost for resequencing the routes.*

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

Bob Busch reported that the Backflow prevention device testing program has progressed slowly this year, with a number of follow up letters and calls being necessary. There are still two customers who still need to report test results. He stated he will continue to follow up.

Gerry Garcia asked for clarification about the requirement for backflow devices and testing. Bob Busch responded that the Company policy is that if there is a well drilled on the property, a backflow prevention device is required, whether or not the well is equipped.

Bob reported that he revised the May Comparison Report that was based on an estimate of water pumped from the Glenshandra well. Once the malfunctioning meter was replaced and gpm could be determined, the water pumped could be more accurately estimated.

Seventy-three customers used more than 30,000 gallons in June.

Matt Bornyasz commented that he hoped the plan rehab the Glenshandra well will take into account the experience with the Deerfield well.

Ken Nelson asked if the complaint to the Corporation Commission was completed. Bob responded that it has been completed and closed.

Claire Hutt asked about the customer with the damage they claim was caused by GOWUA. Bob Busch explained that we replaced the customers non-functioning meter. They returned home shortly afterward, having been gone several days. They complained that they experienced problems inside their home. They said they had replaced several fixtures, had to replace kitchen flooring and had incurred several thousand dollars in damages, they claim was caused when

GOWUA replaced the meter. Bob explained he met with and talked to the customer several times about the matter, and he informed the customer that the problem was not caused by GOWUA. The customer has stated they will contact an attorney to get the matter settled. Bob indicated that if the company is contacted by an attorney, he will notify the Board.

#### **4. Old Business**

##### **4a. Action Items:**

All action items completed, .except:

*Action Item: Bob Busch will prepare an itemized list of costs and work to rehab the well.*

*Action Item: John James will prepare a list of Banks, accounts and approved signers on the accounts.*

##### **4b. Meter Replacement**

Bob Busch stated that a summary of the cost proposal from three vendors is included in the Board packet. The total vendor cost does not include labor to install. The quotes are all for the drive-by type meter.

Pat Carpenter stated that he is familiar with meters from several manufactures. He prefers the Master Meter from Fortiline. That meter does not have an external antenna. The meter will also pick up very low flows through the meter. This meter does not require a modification to the meter box cover. The meter will retain up to 60 days if data for direct downloading.

Jim Bricker asked why the AQuality Water installation labor is so much lower than the vendor labor. Pat Carpenter responded that his crew is local. Vendors have to mobilize crews from the valley or elsewhere.

**Motion: Gerry Garcia moved to pursue negotiating with Fortiline/Master Meter to refine the cost proposal and system details. Ken Nelson seconded. Motion carried unanimously.**

*Action Item: Bob Busch will contact Fortiline to fine tune the meter quote.*

*Action Item: Pat Carpenter will have the Fortiline vendor forward details and brochures for the Master Meter.*

##### **4c. Annual Shareholders Meeting**

Bob Busch reported that the meeting will be this Saturday at 9am at the Fire Station on Outer Loop Road. There was a discussion about possible candidates for the Board. None have been identified to date.

Claire Hutt suggested the ONE CALL NOW system be used to announce the meeting and request candidates.

Bob Busch stated that he sent the Board a draft agenda for the meeting.

##### **4d. Election of Directors.**

Bob Busch reported that the ballots for the election will be sent with bills at the end of August. Newly elected Board members will attend the September Board meeting.

Matt Bornyasz explained to the Board his decision not to seek re-election. He expressed disappointment with progress made by the Board and management in exercising oversight of company operations.

There was a discussion about the possibility that there might be fewer candidates than openings, and that there might not need to be an election. After reviewing the Bylaws, it was determined that there is no provision to cancel an election if the number of candidates are equal to or less than the openings.

**Motion: Gerry Garcia moved to amend the Bylaws to provide for cancellation of the election if the number of candidates are equal to or less than the seats up for election. Motion carried unanimously without a second.**

**5. New Business:**

**5a. Manager Employment Contract**

No action on this item pending a special executive session of the Board at Gerry Garcia's home on August 9<sup>th</sup> at 9:00am.

**5b. MDI Financial Services Contract**

No action on this item pending a special executive session of the Board at Gerry Garcia's home on August 9<sup>th</sup> at 9:00am.

**5c. Post Oak Pump VFD Control**

There was discussion about the quotes received for the VFD Controller at Post Oak. Quotes from Enviro Tech Solutions and Dewey Drilling and Pump have been received. Additional information is needed to determine if all the desired options and equipment are being provided.

**There being no further business, President Gerry Garcia declared the meeting adjourned.**

The meeting was adjourned at approximately 10:30 am.

**Next meeting will be Wednesday, September 26th at Post Oak, 8:00 am.**

Minutes transcribed by Bob Busch

**Submitted By:**

---

**Secretary**