

Granite Oaks Water Users Association
Board Meeting Minutes
Meeting of June 26, 2019

Approved July 24, 2019

THOSE PRESENT

BOARD MEMBERS

Contract Staff

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| Jim Bricker, President Claire Hutt, Vice President John James, Treasurer Bonnie Pearson, Secretary Ken Nelson, Board Member Daryl Mathern, Board Member Gerry Garcia, Board Member– Absent |
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| Bob Busch, Manager, GOWUA Allen Kaplan – Accountant Bruce Eldredge – MDI Taxes & Accounting Derek Scott- A Quality Water Co. |
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Guests: Matt Bornyasz, Granite Oaks Estates.

1. The meeting was convened at 9:00 am by President Jim Bricker. .

2. MINUTES BOARD MEETING OF MAY 22, 2019.

There were no comments concerning the minutes.

**Motion: John James moved to approve the minutes of May 22nd. Claire Hutt seconded.
Motion passed unanimously.**

President Jim Bricker then recognized Bonnie Pearson to discuss the Annual Shareholder Meeting.

Bonnie reported that she has arranged for Mr. Edward Wolfe of Citizens Water Advisory Group (CWAG) to discuss groundwater quality in our area. She indicated that it would be most convenient if he were to be first on the agenda. She confirmed that the start time was 9:00 am. The talk would be about 20 minutes long. There was a discussion about a bill insert announcing that the speaker would be at the meeting. Bruce Eldredge stated that bills were set to go out today, and the insert would need to be modified to include reference to the speaker. Bob Busch stated he would send a revised notice to MDI around mid-day for inclusion with the bills.

Bonnie asked if anyone had a projector screen that could be used for the presentation. Bruce Eldredge stated that he has one available that he would get to someone for the meeting.

3. REPORTS:

3a. Financial Report

Allen Kaplan handed out a summary of financial data for January through May of 2019. He reported that water sales of \$78,000 year to date are \$8,000 less than last year. Expenses are at \$91,000 year to date, an increase of \$17,000 from last year. Fortiline training and Civiltec engineering fees were the large expense items. Year to date net income is a loss of \$12,000 vs a profit of \$12,000 for last year for same period. Cash balance is \$190,000, down \$1,000 from April and down \$63,000 from the beginning of the year.

Allen referenced a discussion in last month's meeting about the number of bills vs customers on the various reports. He would prefer to report the number of customers rather than the number of bills sent out. The usage reports counts the number of meters read in the month, which includes both an incoming and outgoing customer at the same property when service is transferred. Bruce Eldredge stated that he thought the number of customers is available in the system. He will check.

Action Item: Bruce will check to see if the number of customers can be obtained from the CORE system.

John James reported the Operations Account has a balance of \$18,619 and the Corporate Account balance is \$25,129.

3b. Operator's Report

Derek Scott reported that there was a problem with the transfer switch at the Glenshandra well. The first indication was total loss of power at the well. John Patton, the electrician discovered that the transfer switch was stuck in a mid-position. He reset it and said that Empire-Cat may need to service it if the problem reoccurred. The problem occurred again this morning. There was some discussion about the age and condition of the transfer switch, as it is about 15 years old. It was the consensus of the Board that a proposal to replace the transfer switch be obtained from Empire-Cat for Board consideration. Work could be done at the same time the well rehab is done.

Derek reported that the tank cleaning was completed and everything looked good. There are no problems with the tank. The video hasn't arrived yet.

Jim Bricker asked what the status is with the Grundfos control panel. Derek indicated that he has had a discussion with the manufacturers rep, that the problem is with the plc programming, but the rep has not called back with the solution.

Action Item: Derek will continue attempting to get a response from Grundfos, using Pat Carpenter as necessary.

3c. Report from MDI

Bruce Eldredge reported that there is a customer that turns service off and on seasonally. She has done so for years. She has not been billed a \$25.00 turn on fee. She seems to be the only one doing this. He asked for Board clarification about charging the fee. The tariff does include a \$25.00 turn on fee. It was the consensus of the Board that a \$25.00 turn on fee should be charged upon re-establishing service. It was also the consensus that she should be notified that the fee would be charged in the future.

Action Item. Bob Busch will notify the customer that the \$25.00 fee will be charged upon turning on service in the future.

Bruce referred to handouts he passed out that showed meter readings of over 9,000,000 gallons for two customers. It is the result of this month's reading being smaller than the last reading. The system assumes the meter rolled over. Derek stated that the meter reading in the handheld is correct, but the billing information is not. He said that his unit will not allow a smaller reading than the previous month to be entered. Bruce indicated that the system has worked fine for the past couple of months, but now shows these errors. Bruce also indicated that the well readings also have not shown up for the past two months. There was discussion about how to get the problem corrected.

There was also discussion about some meters that are locked off are showing up on the route reading sequence, when they should not show up at all.

Action Item: Bruce Eldredge will contact Harmony an attempt to get the problems corrected.

Bruce also asked for the Board's direction about rereading on high use. His office has issued work orders to re-read meters if the use is over twice the seasonal average.

Derek Scott indicated that a leak alert report should show those high users that may have a leak. The report indicates customers that have had at least 3 days continuous use at the time the meter is read.

Action Item: MDI will generate the Leak Alert report and forward to Bob Busch for action.

3d. Managers Report

Bob Busch reported that the Board should have the bid information on the Glenshandra well rehab.

He reported that he sent ADEQ the required confirmation that customers have been notified that the Water Quality report for 2018 is available on the website.

Ken Nelson commented that the Manager's Report dated June 7th refers to a problem between the meter reading system and the CORE system. It looks like the problem was identified before June 7th and noting has been done since then to try to fix it. Bruce Eldredge stated that they are still learning the system and trying to understand what is happening.

Jim Bricker asked if the candidate solicitation notice was included this month. Bob replied that it is included. There has been no inquiries or responses to the solicitation for candidates so far.

4. OLD BUSINESS:

4a. Action Items:

All action items have been completed except:

Action Item: Derek Scott will get an estimate for leak detection equipment.

Derek reported that Pat Carpenter got an estimate of 7 days of labor, costing about \$1,000 per day to check the system. Ken Nelson asked what the equipment would cost to do it ourselves. Ken suggested that we find out what the equipment would cost to compare with the cost to have it done. It might be worth doing it once to see if we have a problem. Jim Bricker suggested we keep an eye on the unaccounted for water on the usage reports and decide later if we have a problem. There was a consensus with his suggestion.

Action Item: Bob Busch will notify the Board of the June unaccounted for water data.

4b. Discussion of refurbishment of Glenshandra Well.

Jim Bricker commented that six bidders were contacted for possible bids. Only one bid was received by the bid deadline, from KP Ventures. He said he checked and they are in good standing with the Arizona Corporation Commission and the Yavapai County Contractor's Assn. He contacted the Town Manager of Prescott Valley who checked with a supervisor in charge of a project KP Ventures is doing in PV. They are very pleased with the work KP Ventures is doing for them. Claire reported that they had a very favorable newspaper article about them in the Verde Valley.

There was a brief discussion about whether or not additional bids would be received if the project was rebid. There was also a discussion about what schedule might be for the project. The bid is good for 30 days (July 21st).

Action Item: Bob Busch will contact KP Ventures and get responses to the following questions and inform the Board:

1. Is there any impact of tariffs on material costs?
2. Are chemicals readily available or on-hand?
3. What is the contractor's availability for starting the project?

4c. Annual Meeting

Discussed above. Bob Busch and Jim Bricker will confer regarding a meeting agenda

There being no further business, the meeting was adjourned at 10:10 am.

Next meeting will be Wednesday, July 24, 2019 at Post Oak, 9:00 am.

Minutes transcribed by Bob Busch

Submitted By:

Secretary