

Granite Oaks Water Users Association
Board Meeting Minutes
Meeting of March 19, 2018

Draft 3
Approved- May 23, 2018

THOSE PRESENT

BOARD MEMBERS

Contract Staff

Gerry Garcia, President Matt Bornyasz, Vice President John James, Treasurer Claire Hutt, Secretary Jim Bricker, Board Member Ken Nelson, Board Member
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Allan Kaplan – Accountant Derek Scott- AQuality Water Co. Bob Busch, MDI Taxes & Accounting Kristin Robison – MDI Taxes & Accounting

Guest: Keith Rosewitz

Absent: Bonnie Pearson

1. The meeting was convened at 8:05 am by President, Gerry Garcia.

The President turned the meeting over to Mr. Keith Rosewitz who spoke about the planned hydroelectric plant south of Seligman. He commented that the plant will initially use 28,000 acre feet of water and that it will ultimately impact all those in the Prescott area. He urged the Board to take a position against the plan. Various Board Members expressed concern and frustration with the approval process. Claire Hutt mentioned that there was an article in the Prescott Courier about the plan, and a link to a website with more information.

Action Item: Claire Hutt will send the link to the website to the Board Members.

The President thanked Mr. Rosewitz for his comments and attending the meeting.

2. Minutes Board Meeting of January 24, 2018.

Claire Hutt noted that the date of the meeting on the last page of the minutes should be changed. Alan Kaplan mentioned that the second sentence under item 2A should reference \$10,000 rather than \$20,000.

Motion: Ken Nelson moved to approve the minutes of January 24th with the changes noted. Jim Bricker seconded. Motion carried unanimously.

3. Reports

3a. Financial Report

Allen Kaplan reported that he had only the January financials to report. He noted that there was a loss of about \$1,200 for the month, but that was about \$1,000 better than January 2017. Revenue was about \$800 over last year and expenses were down. Cash increased about \$1,700 from December, 2017.

John James reported that the current balance in the Corporate Account is \$46,527 and the Operating Account is \$21,415.

3b. Operator's Report

Derek Scott reported that the system pumped 1.6 million gallons more than a year ago. He performed one meter verification, which was within tolerance (1.5%). Derek reported that the repair

kits for the two booster pumps have been ordered, and repairs will be made when parts arrive. He reported that some adjustments in the control program have been required so that the pumps will alternate for equal amounts of time. The pumps have worn unequally, and without changing the control program, one would run longer than the other, further aggravating the problem. He also commented that the internal programming for Grundfos pumps ramp the pump to maximum, then back down to required pressure. His preferred sequence is to bring the pump up to required pressure. Ken Nelson asked if AQuality would want to change the Grundfos program. Derek responded that he first get the pumps repaired and calibrated to see how the system runs before doing anything more. Changing the factory program could be expensive, since it is usually proprietary.

Claire Hutt commented that cycle counters and run time meters would help manage the system and verify that both pumps are running the same amount of time. The topic is on the agenda later in the meeting.

Derek reported that the lightning protection unit has been damaged and is non-functional. He is arranging to have it replaced.

Matt Bornyasz asked about the status of the investigation into the functioning of the master meter. Derek responded that the meter is not accurate because of it's placement in the line. It also does not function with low flows. Derek commented that a mag- meter would be more accurate.

Action Item: Derek (A Quality Water) will get pricing for a mag-meter.

3c. Manager's Report

Bob Busch handed out copies of the Comparison Report for February. He reported that the amount of water pumped and sold was 50% more than February last year. Last February the system pumped 2 million gallons. This year 3 million gallons were pumped. Average use went up 50% from 4,076 to 6,489 gallons.

Compass Bank should now have the information needed for additional signers to be put on the accounts.

The Annual Report to the Arizona Dept of Real Estate is due April 15th. The annual Consumer Confidence Report is due in June. All information needed from Fann Environmental should be in the Post Oak file for AQuality Water to prepare the report.

Bob commented that he received a call from a customer who received a high use call. He complimented the Company on the policy and appreciated the call and the way Kristin of MDI handled his call.

4. Old Business

4a. Action Items:

All action items completed.

4b. Meter Replacement

Bob Busch handed out a summary of the quotes received. There were four quotes received: Direct read meters (current manual type), Touch Read and Radio Read meter quotes from Dana Kepner Co., and radio read quotes from Fortiline and Core & Main. There followed a discussion about the various quotes, the need to replace existing meters and the opportunity to upgrade the system.

Motion: Ken Nelson moved to direct AQuality Water to update the quotes with more detail and present the data at the next meeting. Matt Bornyasz seconded. The motion carried unanimously.

Matt Bornyasz requested that the data include warranties provided with the product. Kristin commented that the compatibility with the CORE billing system is also very important.

5. New Business

5a. Meter Reading

Gerry Garcia explained that there were an unusual number of calls to MDI in February and an extremely high number of flagged high use meter readings in February.

Bob Busch handed out a report that included all the flagged high use customer reads for February, their use history for January and February, 2018 and the corresponding months for 2017, 2016 and 2015. There was also a breakdown of flagged high users by meter read route, along with the number of customer calls/complaints per route along with a map showing where each flagged high use customer lives and which customers called MDI. There followed a discussion of customer calls received by MDI and the various issues reported. Ken Nelson related his experience with a low read in January that was an obvious error, followed by a high read in February. Kristin explained the process used to load the handheld and upload the read data to the billing system. Derek Scott explained his process in recording the data from the meter. He commented that he and his son read the meters, and switch routes each month for an additional check. He commented that he is willing to use whatever process the Board is comfortable with (provided he also still writes down the read manually). Bob Busch suggested that the problem likely began with January reads. The percentage difference between pumped and sold water in January was nearly 20%, vs February with .5%. Kristin Robison commented that if a customer's use is double the previous month, she calls the customer to let them know about high use. Bob Busch confirmed with Derek Scott, that he will take and use the handhelds in the field (along with keeping a paper record).

Matt Bornyasz commented that regardless of the process, there are a number of customers who are upset and have little confidence in our data. We have a customer relations problem. Some action or customer communication is needed.

It was the consensus of the Board that a newsletter should be sent to the customers communicating the various issues: possible meter changeout, high use due to dry weather and hydroelectric plant.

There was a discussion about zero reads. Derek Scott was given consensus approval to check out zero readings to verify the meter is operational.

5b. Cycle Counters/Hour Meters for Pumps

It was the consensus of the Board that since the cost to add cycle counters and hour meters is expected to be less than \$500, AQuality Water could proceed with the work.

Matt Bornyasz asked if the Company had a list of bank accounts and the approved signers on the accounts. There was some discussion about the accounts and approved signers.

Motion: Ken Nelson moved that three alternative signers be authorized for each of the accounts at the three banks: Foothills Bank, BBVA Compass Bank and Amtrust Bank. The signers should be President, Vice President and Treasurer, currently Gerry Garcia, President, Matt Bornyasz, Vice President, and John James, Treasurer. Claire Hutt seconded. Motion carried unanimously.

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

Bob Busch commented that the number of signers required for each bank account is not documented in either the Bylaws or Policy Book.

Gerry Garcia informed the Board that she will be resigning from the Board due to work load and lack of time.

Motion: Gerry Garcia moved to adjourn. Matt Bornyasz seconded. Motion carried.

The meeting was adjourned at approximately 10:15 am.

Next meeting will be Wednesday, May 23rd at Post Oak, 8:00 am.

Minutes transcribed by Bob Busch

Submitted By:

Secretary