

Granite Oaks Water Users Association  
**Board Meeting Minutes**  
Meeting of September 26, 2018

Approved October 24, 2018

THOSE PRESENT

BOARD MEMBERS

Contract Staff

Jim Bricker, President Claire Hutt, Vice President John James, Treasurer Bonnie Pearson, Secretary Daryl Mathern, Board Member Gerry Garcia, Board Member
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Pat Carpenter – A Quality Water Co. Bob Busch, MDI Taxes & Accounting Allen Kaplan - Accountant
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1. The meeting was convened at 8:00 am by, outgoing President Gerry Garcia. Board Member Ken Nelson was absent. She called for the election of officers for the upcoming year to be first item on the agenda. She opened the floor for nominations for President.

Claire Hutt moved that Jim Bricker be declared President. Bonnie Pearson Seconded. Motion passed unanimously, with Jim accepting.

President Bricker then opened the floor for nominations for Vice President. Gerry Garcia moved to declare Claire Hutt as Vice President. Bonnie Pearson seconded. Motion passed unanimously with Claire accepting.

President Bricker then opened the floor for nominations for Secretary. John James moved to declare Bonnie Pearson as Secretary. Gerry Garcia seconded. Motion passed unanimously with Bonnie accepting.

It was the consensus of the Board that John James continue as Treasurer.

The final slate of officers for the year:

President: Jim Bricker  
Vice President: Claire Hutt  
Secretary: Bonnie Pearson  
Treasurer: John James

**2. Minutes Board Meeting of July 28, 2018.**

President Jim Bricker asked if there were any comments on the draft minutes. It was noted that a paragraph was duplicated from the May report and a couple of typographical corrections were needed.

**Motion: Bonnie Pearson moved to approve the minutes of July 29th with the corrections as noted. Gerry Garcia seconded. Motion passed unanimously.**

**3. Reports**

**3a. Financial Report**

Allen Kaplan commented that the report is a mid-quarter, interim report. He reported that net income is at about \$1,400 year to date. He reported that revenue is ahead of last year; net income last year was about \$26,000. The difference is due to the repair costs of the Deerfield well. Allen projected

A possible loss at the end of the year based on historical performance. He reported that cash on hand is down about \$25,000 since June. He commented that about \$25,000 in assets have been added: new pump and well meters. There was a discussion about possible expenditures before the end of the year. There were comments that some expenditures are expected for equipment repair/replacement at Post Oak. It may be part expense, part capital.

John James reported that there is currently \$19,468 in the Operations Account and \$32,453. In the Corporate Account.

### **3c. Operator's Report**

Pat Carpenter reported Enviro Tech provided a proposal to replace the control cabinet. Some additional information was requested for a voltage monitor. Claire Hutt asked if the existing voltage monitor could be installed in the new panel.

There was discussion about providing cabinet cooling for the control cabinet or a roof exhaust fan to lower temperatures in the summer.

**MOTION: Bonnie Pearson moved to accept the Envirotech proposal. Claire Hutt seconded and the motion passed unanimously.**

Pat Carpenter reported that A Quality Water used 18 gallons of chlorine during the month. Two beehives were encountered and referred to the Manager. Both hives were disposed of.

Pat reported that the Deerfield Well is operating correctly, but still operating at less capacity. He reported that Bill Roberts of Pump Tech is retiring, but has indicated he will be involved in correcting the problem. Pat indicated the pump company putting the pump together has had problems with other clients. It is anticipated that the problem will be resolved at no expense to GOWUA.

Pat reported that the window has been replaced at Deerfield and the skylight has been installed.

There was a discussion about possible water theft from fire hydrants. Daryl Mathern reported that at times in the past, he has noticed a truck parked near Glenshandra and Deerfield very late at night or early morning, midnight to 4 am. He has not noticed it in the recent past. Pat Carpenter commented that game cameras or locks could be used. Bob Busch commented that the Company obtained quotes for locks awhile back, at about \$45 per lock. Claire Hutt asked if it was possible for someone to take water from the well site. Pat Carpenter commented that it was unlikely. It would be much more difficult to get water from the well site than a hydrant. Claire Hutt commented that she and her husband saw a truck on Williamson Valley Road and Pioneer Parkway on the way to dinner, parked near a hydrant, apparently taking water from the hydrant. No action was taken on this item.

There was discussion about the totalizing meter at Post Oak that is not functioning. Pat Carpenter explained that the meter is not the correct application at that location. The meter needs a specific length of straight pipe on either side of the meter to minimize the line turbulence to work properly. A different type meter would be needed to work correctly.

President Jim Bricker noted that there would be no report from MDI, and called for the Manager's Report.

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

Bob Busch reported that he discussed GOWUA's final billing policy with two customers during the month. He explained that the policy is to prorate a final bill based on usage vs the number of days they are a customer in the month. For example, someone who is a customer for 5 days and uses over 1000 gallons of water receives no proration. A customer who is a customer for 20 days and uses only 500 gallons, receives a 50% proration of the \$20.00 monthly minimum, as having used 50% of the 1,000 gallons included with the minimum.

He reported that all customer backflow device tests have been received, including 2 from GOWUA (Glenshandra). A copy of the summary was included in the Board packet.

He reported that he included quotes for an air conditioner at Post Oak with the Board Packet.

He reported the unaccounted-for water was less than 3% for August.

Bob reported that he obtained a quote for a spare motor for Deerfield. Phoenix Pumps has determined that the motor may be purchased separately from the pump. There is a question as to whether a 20 hp motor will fit the existing chassis. Phoenix Pumps wants a photo of the name plates to make that determination.

*Action Item: Bob Busch will verify that a 20hp motor will work with the existing chassis.*

**Motion: Claire Hutt moved to approve the purchase of a spare 20 Hp motor contingent upon the vendor verifying that it will fit and work with the existing chassis. Daryl Mathern seconded. Motion passed.**

Bob Busch reported that he received a revised quote from Fortiline for the drive-by meters. If all meters are purchased at one time, there would be a savings of about \$4,750.

He reported that there continue to be problems with meter reads. He stated that he just received the meter readings for September. There are about 50 customers with flagged readings (high or low). There are at least 4 that are obvious mis-reads. One resulted in usage of over 850,000 gallons, the other usage of over 350,000 gallons. Two other meters show readings that result in negative use for the month, indicating a mis-read last month if the reading this month is correct. Bob stated he did not understand how that can happen, especially if the meter reader uses the handheld while reading meters. The negative use results in zero customer use for the month, until the meter readings catch up to the high reading. The customer gets no billing for water use until the meter "catches up". We also must issue a credit of \$2.00 for each month of no use, because the customer's \$20 minimum includes the first 1,000 gallons of use (at \$2.00/1,000). The errors take MDI extra time to make the adjustments and notify customers. Pat Carpenter agreed to look into the situation and correct it.

Bob stated that there have been a number of requests for final readings that have missed by several days. This has caused some problems with customer final bills.

#### **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 (Glenshandra).*

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

John James reported that at AmTrust, Jim Peoples and Gerry Garcia should come off the signatory list, with Jim Bricker and Claire Hutt being added. The other bank accounts are at BBVA Compass Bank, Foothills Bank and Edward Jones. John reported that Jim Peoples name should be removed from all the accounts. John James stated that a signed copy of the minutes of today's meeting would be required for each bank.

Allen Kaplan asked whether or not MDI (Bruce Eldredge) to have viewing access to the accounts at Amtrust to reflect interest on the accounts. Interest is not being reflected on the financials sometimes until year end- or longer.

*Action Item: New officers Jim Bricker and Claire Hutt will visit all banks and bring the authorized signatory list up to date.*

#### **4b. Discussion re: purchase of customer water meters.**

Claire Hutt commented that we had been looking at the drive-by type meter. Pat Carpenter commented that the meters are so advanced and accurate that customers complain of higher readings. A Quality Water Co. has installed a number of these at another water system in which one customer even complained to the ACC. The vendor came out and did a comparison test of the old and new meter, and convinced the customer of the new meter's accuracy to the point the customer has become an advocate. Pat commented that if GOWUA proceeds, some customer education/preparation would be helpful. There was a suggestion the old meters be stored in an organized way to facilitate finding them if needed later. There was a discussion about how to educate the customers ahead of time, including a newsletter and billing inserts. There is room to store meters in the Glenshandra well building and some at Post Oak.

Bob Busch reported that the present cost proposal from Fortiline is right at \$120,000, for 475 meters not including tax. The material is taxed at the rate in Peoria, Az, and should be about \$7,500. With installation by A Quality Water, the total cost would be about \$160,000. Allen Kaplan noted that there are funds available in the CD's. The Amtrust CD's total about \$150,000 and the Money Market has about \$86,000.

**MOTION: Gerry Garcia moved to replace customer meters with the Fortiline meters. Claire Hutt seconded. Motion Passed unanimously.**

*Action Item: John James and Jim Bricker will determine the withdrawal penalty of the CD's.*

*Action Item: Bob Busch will obtain a revised quote from Fortiline to include the number of 1" and 2" meters in the system, and confirm availability of 450 meters.*

*Action Item: Bob Busch and Pat Carpenter will prepare an amendment to A Quality Water contract to cover the installation of the meters.*

#### **4c. Discussion re: Manager's contract with GOWUA**

Jim Bricker summarized that up to now, the manager has been employed by MDI, and it is being proposed that the manager be employed directly by GOWUA. A draft contract is being reviewed. One of the questions is the overtime rate. Bob stated that he has never worked more than 40 hours in a week. It was agreed an overtime rate needs to be stated. The agreement is targeted for January 1, 2019<sup>1</sup>.

The arrangement would involve MDI continuing to prepare the employment reporting.

**MOTION: Gerry Garcia moved to proceed to finalize the employment agreement with the manager and contract modification to the MDI contract for financial services, arranging for the necessary workers comp insurance. Bonnie Pearson seconded. Motion passed unanimously.**

#### **4d. Discuss moving forward with replacement of VFD Control Panel**

Covered above.

**5. New Business:**

**5a. Election of Officers**

Covered above

**5b. Discuss meeting monthly and changing agenda to allow all contractors/employees to give their reports then excuse to go into Executive Session if needed.**

**MOTION: Gerry Garcia moved to meeting monthly (4<sup>th</sup> Wednesday), and meet at 9:00am during the winter months. Claire Hutt seconded. Motion passed unanimously.**

Allen Kaplan noted that he charges a 1 hour minimum, so if his portion of the meeting is less than an hour, the Company will still be charged an hour.

October 24<sup>th</sup> would be the next meeting. The November meeting will be November 28<sup>th</sup>. Both will begin at 9:00 am.

Claire Hutt passed out a draft 2108 Master Calendar and discussed some of the dates and events on the calendar.

**5c. Care of Granite Oaks entrance/sign area.**

Jim Bricker reported that the property at the entrance on Granite Oaks Drive belongs to the water company. For years, it has been maintained by volunteers. There was some discussion about the possibility of A Quality Water performing the maintenance. In addition there was a discussion about the possibility of adding a water line to the property to aid in irrigation.

*Action Item: Pat Carpenter will provide a quote to place a water line to the property with a yard hydrant.*

**5d. Discussion re: CPA Contract**

Jim Bricker reported that Allen Kaplan has a verbal arrangement with GOWUA. It is proposed to prepare a letter agreement for his services. Jim handed out a list of activities and services.

**5e. Discussion re: MDI Contract changes due to items 4c. and 5d.**

No action on this item at this time.

**5f. Discussion regarding possible newsletter.**

Possible topics were discussed: Maintenance of Granite Oaks sign  
Board election  
Meter replacement  
Winterizing landscaping irrigation

*Action Item: Bob Busch will prepare a draft newsletter for comment.*

**5g. Discussion of quotes for air conditioning unit at Post Oak**

There was a discussion about the three quotes for the ductless air conditioning in the equipment room at Post Oak: Moyers Heating and Cooling, Chino Heating and Cooling and Northern Arizona Heating and Air.

There was a discussion about including air conditioning for the conference room with a number of options mentioned.

No action was taken on this item.

**There being no further business, President Jim Bricker declared the meeting adjourned.**

The meeting was adjourned at approximately 10:30 am.

**Next meeting will be Wednesday, October 24th at Post Oak, 9:00 am.**

Minutes transcribed by Bob Busch

**Submitted By:**

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**Secretary**