

Granite Oaks Water Users Association
Board Meeting Minutes
Meeting of April 22, 2020

Approved May 27, 2020

THOSE PRESENT

BOARD MEMBERS

Contract Staff

Jim Bricker, President
Ken Nelson, Vice President
John James, Treasurer - absent
Bonnie Pearson, Secretary
Daryl Mathern, Board Member

Bob Busch, Manager, GOWUA
Allen Kaplan – Accountant
Bruce Eldredge – MDI Taxes & Accounting - absent
Derek Scott- A Quality Water Co.-Operator

Guest: Jim Peterson

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1. The meeting was convened at 9:00 am at 371 Garden Street, Prescott, by President Jim Bricker.

Update & Discussion of possible Rate Case

Jim Bricker asked Jim Peterson for a status summary concerning his work on the rate application. Jim Peterson reported that the process began last summer. Britton Baxter of the ACC Ombudsman's Office was assigned to assist. GOWUA has provided expense and billing details from the year 2018 which has resulted in the spreadsheet provided to the Board. The spreadsheet includes recommendations for a rate structure and amount. At this point, the Board may review the recommendations, and if approved, the application will be filed. The application would need to be signed, and then sent to Mr. Baxter who will finish the application and forward it to the appropriate ACC representatives. The Commission would then notify GOWUA when/if accepted. Then the customers are sent a letter outlining the changes proposed, and giving them an opportunity to comment on the changes before the rates would go into effect. A handout showing the proposed rates was reviewed. The new rates would be a 3 tiered rate structure along with a \$12.92 surcharge for a capital fund (which would be dropped after two years.). The surcharge is based on capital additions or replacements of \$145,000. The basic charge would be \$22.60 per month plus the use charge of \$1.00, \$2.00 or \$3.00 per 1,000 gallons depending on the amount of water used. The new rates would generate additional revenue that will produce a positive net income vs the loss now being recognized. The proposed tariff would include a power increase adjustment that would allow for a rate adjustment in the event of power rate increases.

Jim Peterson indicated that there was no fee required to file the application. Jim Bricker read the proposed letter to GOWUA customers that would be sent when the ACC approves the application. The letter indicates that the application would be available at the Company offices. This wording would need to be changed to indicate the application would be available on the GOWUA website.

Jim Peterson stated that the ACC would require 60-90 days to approve the new rates, during which time the Company would send out the letter to the customers and give them time to comment to the Commission. It was the consensus of the Board that the new rates would be implemented as soon as the Commission approves them.

Motion: Ken Nelson moved to approve filing the rate application as recommended by Mr. Baxter. Daryl Mathern seconded. Although no vote was taken, it was the consensus of the members to file the applications.

(Note: Subsequent to the meeting, an email vote was taken, and the motion to approve filing the application was passed.)

Jim Bricker thanked Jim Peterson for all the time and effort he expended in the past few months in putting all the information together and coming up with the recommendation.

2. Minutes of Meeting of February 26, 2020

Ken Nelson noted a few typographical errors in the minutes.

Motion: Daryl Mathern moved to approve the minutes with the corrections noted. Bonnie Pearson seconded. Motion passed.

3. Reports:

3a. Financial Report

Allen handed out a report for the first quarter 2020. He stated that there has been no depreciation adjustments made for the last year or the year to date. He stated he believed MDI will be making the adjustment soon. Monthly depreciation is about \$3,000 per month. The actual loss for year to date would be about \$9,000. Water sales is about the same as last year. Expenses, including depreciation are about the same as last year. Construction work in progress has been moved to assets in service. Allen reported that a \$6,100 charge from A Quality Excavating has been placed in Construction Work in Progress. Bob Busch commented that it should have been an expense, as it was for the line repair on Bard Ranch Court. Allen will report that to MDI.

Allen reported that the cash account shows a negative balance as of the end of March, although a transfer was made in April to bring the balance back positive.

3b. Operator's Report

Derek Scott reported that the generators have been fueled. He has gotten requests to Blue Stake on customer's property. He has had to explain that he cannot Blue Stake on private property, as he doesn't know where contractors have placed lines. Derek reported that meter reading went well, except for one meter on Willow Oak. The problem seems to be meter serial number discrepancies. He is working with MDI to resolve the problem. Bob Busch commented that the meter read data he received from MDI showed an incorrect meter reading for Glenshandra well as of the beginning of the month. The data showed the beginning reading for January, rather than February. Once corrected the Comparison Report is correct.

Derek reported that the line break on Bard Ranch court was repaired very quickly. A Quality Excavating repaired the leak in a few hours.

Derek reported that the static level in Glenshandra is 262 ft and in Deerfield it is 266 ft. He reported that none of the suppliers show a sounder of more than 100 ft.in length. He needs one several hundred feet long. Since a transducer is in place at Glenshandra, presently, only the Deerfield well would be measured with a sounder. He may be able to get one through Bill Roberts (formerly PumpTech.) Derek then reported that he is not able to get a reliable reading from the transducer.

Action Item: Derek will check with the transducer manufacturer to verify the formula & calculations for the transducer.

Ken Nelson asked whether the Post Oak well could be deepened and enlarged. Derek responded that an engineer would need to look into that question.

Motion: Daryl Mathern moved to approve the purchase of a sounder at a cost of up to \$1,000. Ken Nelson seconded. Motion carried.

Jim Bricker asked about the status of the water pump repair for the backup generator at Deerfield. Both Bob Busch and Derek stated that they have contacted Empire Cat about getting a repair proposal. They haven't sent a repair proposal yet.

Action Item: Derek will contact Empire Cat to get a repair proposal for the Deerfield generator.

Derek reported that the recent water outage was caused because he shut down the pumps to allow ADWR to sound the wells, then forgot to turn them back on. There followed a discussion as to why he received no low tank level alarm. Derek reported that he gets no alarms from the system. Bob Busch said he believed there should be alarms, as we pay Mission Controls annually.

Action Item: Derek will check to determine what, if any, alarms are available and active for the system. He will advise the Board within a week as to what is available and recommended.

3c. MDI Report -none

3d. Manager's Report

Bob Busch reported that he was able to sell all the handhelds on EBay. He sold the first one for \$95.00 plus shipping. He sold the other three at one sale, netting about \$200. He will forward the net proceeds to GOWUA. Bob reported that he completed the Annual Report to ADWR and forwarded it for signature and mailing.

Bob reported the unaccounted for water has been very high the last two months. Prior to the last two months, water loss has been very low. There was a discussion about whether or not the well meters need to be calibrated.

Action Item: Derek will check with the meter manufacturer to verify whether or not the mag-meters need to be recalibrated.

Bob Busch reported that he had obtained a quote for a meter to replace the meter in the Post Oak building, but is awaiting an installation quote.

Bob commented on the four delinquent accounts that should receive shut off notices. Derek indicated he has not received any work orders to shut off service.

Action Item: Bob Busch will check on the status of the four past due accounts due for shut off notice.

Ken Nelson asked about the status of the well rights matter. Bob Busch replied that the attorney has done some research and contacted ADWR.

Action Item: Bob will get a status report from the water rights attorney.

4. Old Business

Covered elsewhere in the meeting.

5. New Business

Possible plans or actions in connection with the Corona virus pandemic.

There was a discussion about possible coverage for the water system if Derek Scott was not available. Derek explained that Casey, his son, is a licensed operator, and has been working with him for several years, he also knows the GOWUA system. Pat Carpenter, is also available as well as other operators working for A Quality Water. He assured the Board that the system would not be left without an operator.

There being no further business, the meeting was adjourned at 10:30 am.

Next meeting is scheduled for Wednesday, May 27, 2020 at a location to be determined..

Minutes transcribed by Bob Busch

Submitted By:

Secretary