

Granite Oaks Water Users Association
Board Meeting Minutes
Meeting of August 28, 2019

Approved September 25, 2019

THOSE PRESENT

BOARD MEMBERS

Contract Staff

Jim Bricker, President Claire Hutt, Vice President -Absent John James, Treasurer Bonnie Pearson, Secretary Ken Nelson, Board Member -Absent 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.-Operator
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Guests: Matt Bornyasz, Granite Oaks Estates.
Jim Peterson, Granite Oaks
Rusty Mine, Granite Oaks

1. The meeting was convened at 9:00 am by President Jim Bricker.
President Jim Bricker asked the guests present to introduce themselves.

2. MINUTES BOARD MEETING OF JULY 24, 2019.

The Board did not received copies of the July 24th meeting with their packet. Jim Bricker stated that approval of the July Minutes would be deferred and taken up at the next Board Meeting.

3. REPORTS:

3a. Financial Report

Allen Kaplan handed out a summary report of interim quarterly financial results. Year to date water sales are at 129k , a decrease of 3k from last year. July water sales were \$7,400 more that last July. July year to date net income is about \$9,000 vs a loss of about \$2,000 last year. Cash on hand increased \$12,000 from June to \$208,000.

Allen commented that there were no meter deposits received. There was a question about whether a deposit should have been received for a new house on Red Oak.

Action Item: Bruce will check to verify receipt of a meter deposit.

John James reported that the balance in the Operating Account is \$,22,490. The balance in the Corporate Account is \$50,192.

Bruce Eldredge explained that the total cash on the balance sheet report is correct, however, the Edward Jones Money Market was closed, but it hit the Operating Account for one day, July 31st., so the balance sheet at the end of the month does not show the higher amount reported by John James.

Action Item: Bruce will investigate the possible meter deposit for the Customer (Hollander) on Fair Oaks.

3b. Operator's Report

Derek Scott reported that meter reading went fine this month. He has one meter the fails to auto-read. The supplier is coming up to replace it under warranty. He also noted several meters that showed with the incorrect Electronic ID number. He manually read those meters and met with MDI

to resolve the problem. Bruce Eldredge explained that the problem was apparently caused by a restored back-up file in CORE. The problem was corrected and won't affect this month's bills. Derek reported that all equipment is operating without problems. The controller at Post Oak has been reprogrammed and should auto start with a power failure. Jim Bricker asked whether we had gotten data for Neidemeyer. Bob stated that he has not received the report. The period in question is the May to June read data.

Action Item: Bruce Eldredge will issue a work order to A Quality and forward the meter data report to Bob Busch.

3c. Report from MDI

Bruce Eldredge stated that he has a new employee who is just learning and that is the cause for the problem with Board Packets this month. Jim Bricker asked whether the meeting dates should be moved to allow more time for the reports. Bruce responded that he didn't think that was necessary, that his staff is getting up to speed and it shouldn't be a problem going forward.

Derek Scott presented an example high read report that should be available from the Harmony system. Bob indicated that he would like to receive the report each month following meter reading. Bob also mentioned that the meter sales rep would be at GOWUA next week to change the meter for Derek. The rep said he could also do training for the office staff. Bruce Eldredge said that would be helpful.

Action Item: Derek will confirm with the rep that training can be done when the sales rep comes to Prescott and advise Bob Busch. Bob will confirm with MDI.

3d. Managers Report

Bob Busch reported that he has run the comparison report for the August meter reading, and usage is down from last month. The unaccounted for water is 2.+% for August. He reported that the Midco tank cleaning written report was received and forwarded to Board Members. Bruce Eldredge commented that the tank cleaning video was mailed with Bob's report packet.

Bob Busch reported that he contacted two customers about high use during July. One was the Neidemeyer account. The other was from a woman who said she was not at home for much of the month, yet her meter use was higher than previous. The meter read data showed that at several regular intervals the meter showed 880 gallon of use in the middle of the night. It was concluded that someone was stealing water, apparently from a hydrant near her corral, that she doesn't use. She indicated she will lock the outside hydrant.

Bob Busch reported that he had contacted several electricians to replace the transfer switch at Glenshandra. He received two quotes. It is on the agenda later.

The Backflow testing program has been completed for 2019. There are about 18 customers who have backflow prevention devices that need to be tested.

Bob Busch passed out a summary of the Arizona Corporation Commission's rate making policy that was adopted in 2016. He quickly explained each of the six policy statements, indicating the ACC has simplified and streamlined rate case filing for small companies. The ACC does require a 3 tiered rate structure, the first tier, including the service charge would produce no more than 50% of the total revenue. The top tier would produce no less than 10% nor more than 20%. Filing of a rate case for small companies can be done without an attorney or consultant. There was a brief discussion about the Company's position and whether a rate case would be appropriate. Jim Peterson commented that he had initially contacted the ACC and referred the matter to Bob Busch. He volunteered to assist in any capacity if asked. There was a general interest in investigating the matter of a rate case further.

Action Item: Jim Bricker will contact Jim Peterson to set up a session including Bob Busch to identify information/action to be presented to the Board.

4. OLD BUSINESS:

4a. Action Items:

- *Action Item: Bob will refer the matter of landscape maintenance at the Granite Oaks entrance to A Quality Water for action.*
Completed. Work has been done. Some additional needed.
- *Action Item: Bob Busch will contact the customer and discuss his high use.*
One contact made, awaiting meter read data for May/June.
- *Action Item: Ken Nelson and Daryl Mathern will check the panel and call his electrician contacts and make a recommendation*
Completed. Concurred that contractor replacement only would be much easier.
- *Action Item: Bob Busch will contact the ACC and report back to the Board.*
Completed.

4b. Discussion of refurbishment of Glenshandra Well.

Bob reported that the contractor said the expected the pipe delivery on Monday. That did not happen. Derek Scott recommended that before the well is reassembled, that the well be videoed again. If the perforations near the bottom get plugged, as the well draws down, water will cascade from the upper area in the casing, causing air bubbles in the water from the well. Bob Busch said that the contractor indicated that they may be reassembling the well today.

It was the consensus to the Board to request contractor to video the well before it is reassembled.

Action Item: Bob Busch will contact the contractor and confirm that the well can be videoed again before it is reassembled.

4c. Glenshandra Transfer Switch

Bob explained that he received two quotes; one for \$5,090 to replace the complete transfer switch and one for \$2,900 to replace the contactor portion of the transfer switch.

Motion: Daryl Mathern moved to accept the quote for \$2,900. Bonnie Pearson seconded. The motion passed unanimously.

5. New Business

5a. Board Election no action

5b. Glenshandra Landscaping

Bob Busch reported that the landscaping at Glenshandra is looking worn. He stated that he contacted six landscape companies and received two quotes. One for \$3,000 and one for \$4,300. The more expensive quote included 20 ton more rock than the other. After some discussion, it was the consensus of the Board to hold off action on this item at this time.

Action Item: Bob Busch will prepare a brief specification for work needed Glenshandra and forward to Jim Bricker.

There being no further business, the meeting was adjourned at 10:00 am.

Next meeting will be Wednesday, September 25, 2019 at Post Oak, 9:00 am.

Minutes transcribed by Bob Busch

Submitted By:

Secretary