

Granite Oaks Water Users Association

Board Meeting Minutes

Meeting of December 17, 2020

Approved February 24, 2021

THOSE PRESENT

BOARD MEMBERS

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

Contract Staff

Bob Busch, Manager, GOWUA
Allen Kaplan – Accountant
Cheryl Ibbotson – Wallace Utility Billing
Derek Scott- A Quality Water Co.-Operator -Absent

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

2. Minutes of Meeting of November 23, 2020

Motion: Daryl Mathern moved to approve the minutes as presented. Ron Weber seconded. Motion passed.

3. Reports:

3a. Financial Report

Allen handed out a report for the period ending in November, 2020. He stated that water sales thru November was 227k, up more than 14k from last year. Expenses so far this year are about 218k, about 3.5k more than last year at this time. Net income is about 12k this year to date, compared to 1k last year. Water sales were about 4k higher than November last year, and expenses are about 3k higher than this month last year, mostly due to the payment of 3.6k to Matrix New World for engineering work on the Post Oak Well.

The balance sheet shows cash is at about 217k, up 7k from last month and up 38k from the end of last year.

John James reported that the current balance in the Operations Account is \$30,147 and the balance in the Corporate Account is \$69,545.

3b. Operator's Report

Derek Scott reported that A Quality responded to 3 Blue Stake orders in November. He commented that some property owners don't understand that the water company does not locate lines on private property. He reported that the Post Oak well pump has been pulled, the well videoed, the casing cleaned and a new pump/motor installed, and the well flushed. Derek reported that the engineer was concerned about the amount of draw down experienced during flushing. He said the well was pumped at about 92 gallons per minute, and the draw down was excessive. The engineer recommended that a limiter be installed to restrict pumping to about 65 gpm., which will keep the well from excessive draw down. Derek reported that he received a comment about the Deerfield generator smoking and making excessive noise. He investigated and did not find any problem.

Bob Busch reported that he received a couple of calls from a woman who is associated with an emergency planning or preparedness group of some kind, wanting to know about what kind of backup we have for the wells and pumps. Bob said he gave her information he could provide. She wanted to know if our diesel fuel suppliers had emergency power back up, in case of a massive power outage. Daryl Mathern noted that he received information and an invitation to a meeting of an emergency preparedness group.

3c. Wallace Report

Cheryl Ibbotson reported that the October billing went pretty well, even with the two bills sent in October.

4c. Manager's Report

Bob Busch handed out the delinquency report for November. Cheryl Ibbotson commented that all late payers were called on the phone.

Bob Busch reported that he sent a revised October Comparison Report that showed a 1.3% amount of unaccounted for water, once the additional use for the last part of September was included. He reported that the unaccounted for water for November was 4.3%.

Bob reported that the Company is in total compliance with all the items required by the rate case. He said he submitted the Purchased Power Adjustment Mechanism and a Cross-connect Tariff to the ACC in late November. He said he would follow up with the ACC regarding their approval.

Bob reported that he still has not received a call from the water rights attorney even after a number of calls to his office. Apparently Mr. Mabery has had complications from his surgery, and is not back in his office. Bob stated that he will work on completing the Statement of Claim forms without the attorney's input.

There is adequate room for a third storage tank at Post Oak. Bob Busch handed around a photo showing where a third tank could be placed and still allow access to the well. He said he is working with a vendor in the Midwest who furnishes and installs tanks to get an estimated cost. Jim Bricker asked about soil testing for a tank. Bob commented that a soil investigation should be done once it is decided to proceed with the project.

5. Old Business

5a. Action Items –

Action Item: Bob Busch will check with the ACC to determine if the new depreciation rates would apply to 2020 and forward.

Bob reported that the ACC rep recommended that the depreciation rates change start in October, 2020. Cheryl Ibbotson commented that in discussions with Bob Busch, they decided to use the new rates for all of 2020. They will be reflected as a one time adjustment as of the end of the year.

Action Item: Bob will inform the Board when November information (usage) is available.
Completed.

Action Item: Bob Busch will investigate to determine if a storage tank could be added at Post Oak.
Completed.

Action Item: Bob Busch will draft a newsletter in circulate to the Board for comments.
Completed.

Action Item: Bob Busch will prepare a revised proposed budget incorporating the comments and circulate it to the Board.
Completed.

Action Item: Bob Busch will contact Pat Carpenter to work out a new agreement to present to the Board.

Completed, however the agreement is not available as Pat Carpenter could not attend today.

Action Item: Daryl Mathern and Bonnie Pearson will contact Claire Hutt and bring a recommendation to the Board for action.

Pending.

5b. Water Rights Issues.

See above discussions.

5c. Newsletter

See above discussions.

It was the consensus of the Board to send the newsletter as submitted.

5d. Review and Approval of 2021 Budget

The draft budget forwarded to Board Members was reviewed. There was discussion about depreciations and amortization, with no changes recommended. Several line items were discussed, include the amount for the Operator Contract, which includes the \$.50 per customer increase requested by A Quality Water Co. in the new contract.

Motion: Daryl Mathern moved to approve the 2021 Budget as reviewed. Ron Weber seconded. The motion passed without further discussion.

6. New Business

6a. Approval of Operator Services contract with A Quality Water Co.

Bob Busch commented that Pat Carpenter planned to be at the meeting to discuss the contact and possible sign. A copy was previously sent to the Board. Bob reported that the contact would be for five years.

Motion: Daryl Mathern moved to approve the new contract with A Quality Water Co. John James seconded. The motion passed without further discussion.

6b. Approval of the Financial Services contract with Arizona Utility Billing Solutions.

Cheryl Ibbotson commented that it is the same contact as with Wallace Utility Billing, only with a start date of January 1st.

Motion: Daryl Mathern moved to approve the new contract with Arizona Utility Billing Solutions. John James seconded. The motion passed without further discussion.

Next meeting is scheduled for Wednesday, January 27, 2021 at a Wingspace, 371 Garden Street in Prescott.

Minutes transcribed by Bob Busch

Submitted By: _____
Secretary