

Granite Oaks Water Users Association
Board Meeting Minutes
Meeting of December 18, 2019

Approved January 22, 2020

THOSE PRESENT

BOARD MEMBERS

Contract Staff

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

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

1. The meeting was convened at 9:00 am by President Jim Bricker.

2. Review/Approval of minutes of Board Meeting November 20, 2019.

The minutes were discussed and two corrections noted: one typographical error and a correction to the notation that Bruce Eldredge was absent.

Motion: Bonnie Pearson moved to approve the minutes of November 20, 2019 as corrected. Ken Nelson seconded. Motion passed unanimously.

Reports:

3a. Financial Report

Allen handed out a summary report of results thru November. He reported that water sales year to date we \$213,000, \$4,000 higher than last year. He reported that expenses were \$215,000, \$2,000 less than last year. Year to date net income is \$1,000 vs a loss of \$3,500 at this time last year. Cash on hand is up \$1,000 from October at \$182,000. Cash on hand has decreased by \$71,000 since the end of 2018.

John James reported that the current balance in the Operating Account is \$23,631 and the balance in the Corporate Account is \$52,743.

There was a discussion about whether or not to maintain the Compass Bank Account that has a balance of about \$10,000. There is another Compass Bank account with about \$22, needed to maintain the other account.

Motion: Ken Nelson moved to close the Compass Bank accounts and move the money to the New York Community Bank. Bonnie Pearson seconded. Motion Passed.

There also was a discussion about the signers on the bank accounts. Following are the current approved signers on the bank accounts:

President: -- Jim Bricker
Vice President -- Ken Nelson
Treasurer -- John James

The above are approved signers on the following accounts:

Foothills Bank - Account xxxxxxxxx 1664
Account xxxxxxxxx 1674

New York Bank - Account xxxxxxxxx 2363

Claire Hutt is no longer an approved signer on Granite Oaks Water Users Assn. accounts.

Bruce Eldredge reported that last month, Foothills Bank deposited ACH payments into the Operating Account rather than into the Corporate Account where it is supposed to go, and where it has been deposited every month for years. About \$8,700 was deposited in the wrong account. So far, Foothills has not admitted to the mistake. Bruce stated he is working with Foothills Bank, and will request an auditor if needed to get the issue resolved.

3b. Operator's Report

Derek reported that there were a couple of power outages recently, and all the equipment worked as expected. Generators came on and everything continued to run and there was no loss of pressure. He reminded the Board that a sounder is stuck in the Post Oak well. He reported that the Glenshandra well has experienced an unbalanced condition on the motor saver on several occasions. He called an electrician, who found some settings that needed to be changed. It seems to be running correctly now.

There was some discussion about whether or not to purchase another sounder. Derek stated he is reluctant to try to extract the sounder because it is likely to break. Derek said that the transducer at Glenshandra is not connected yet, but when it is connected, he will be able to read the water level full time. He also stated that the level in the Deerfield well is related to the Glenshandra level. The levels in the two wells are fairly consistent and Deerfield can be determined fairly closely from the Glenshandra well level. It was generally agreed that a new sounder was not really necessary, since Deerfield can be closely estimated from Glenshandra, and Post Oak is sounded annually by ADWR.

Action Item: Derek and Bob will attempt to get a source for salvaging the meters.

MAP testing has been completed for this cycle.

Rest of equipment is running well.

Glenshandra landscaping has been cleaned up, leak in drip line fixed and painting of the building columns done. Sage needs to be cut back regularly.

Meter reads went well except locked out meters also read. That issue will be addressed.

3c. MDI Report

Bruce referred to a leak report that was generated from the Harmony system. The leak report showed level 1 leaks that occurred as of the meter reading date. The report did not include information in the consumption columns.

There was a discussion about whether to notify customers with leaks. Bob Busch suggested getting the report with consumption data before deciding to notify customers to see how severe the level 1 leaks are.

Action Item: Bruce will investigate the possibility of getting the consumption data included with the report.

3d. Manager's Report

Bob reported that the unaccounted for water was about 4.3 for November, higher than the last couple of months. The number of gallons was not too much different, but since gallons sold was down considerably, the percentage is higher. Bob reported that he met with a water rights attorney who is to provide a proposal for services. Bob reported that the documentation on water rights he has located show a number of inconsistencies in the records. He will keep the Board informed.

4. Old Business

4a. Update & Discussion of possible Rate Case

Jim Bricker reported that Jim Peterson is continuing to work on the rate case application.

4b. Action Items:

All action items completed.

Bob reported that his contact indicated that the salvage price for old meters wouldn't justify driving to Prescott to pick them up. There was a discussion about what should be done with the old meters. It was suggested that volunteers might be enlisted to take the meters apart, increasing the salvage value. Daryl Mathern suggested he might know of some residents that would agree to help.

5. New Business

5a. Possible Amendment to Financial Services contract

Following a very brief discussion about the new financial services agreement:

Motion: Ken Nelson moved to approve the new financial services contract as presented. Bonnie Pearson seconded. Motion passed.

5b. Possibility of engaging law firm to assist with well rights claims

No action at this time.

5c. Approval of Expense and Capital Budget for 2020

There was a brief discussion about the proposed budget for 2020. Bob stated that there is no capital expenditures proposed for 2020, nor no impact of a possible rate case on revenue. He said that he included amounts for a rate application and legal work for water rights. Allan Kaplan suggested revenue be set at \$225,000, and depreciation be set at \$9,000 per quarter.

Motion: Bonnie Pearson moved to approve the 2020 Budget with the changes discussed. John James seconded. Motion carried.

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

Next meeting will be Wednesday, January 22, 2020 at Post Oak, 9:00 am.

Minutes transcribed by Bob Busch

Submitted By:

Secretary