

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

Approved February 26, 2020

THOSE PRESENT

BOARD MEMBERS

Contract Staff

Jim Bricker, President Ken Nelson, Vice President -absent John James, Treasurer - absent Bonnie Pearson, Secretary Daryl Mathern, Board Member
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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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1. The meeting was convened at 9:00 am by President Jim Bricker.
  2. **Review/Approval of minutes of Board Meeting December 18, 2019.**  
The minutes were discussed and a typo correction noted.

**Motion: Bonnie Pearson moved to approve the minutes of December 18, 2019 as corrected. Daryl Mathern seconded. Motion passed unanimously.**

**Reports:**

**3a. Financial Report**

Allen handed out a summary report of results for the end of the year 2019. He commented that the numbers are not final, as the depreciation amount for the year has not been determined as yet. The final amount will likely result in an reduction of \$10,000-\$12,000 to net income.

Revenues were right on budget for the year. Expenses were under budget, partly due to the over budget of accounting expenses by about \$12,000. Revenues were about \$5,000 higher than last year and expenses were under a year ago by about \$12,000.

Bob Busch asked about what impact the final depreciation will have. Bruce Eldredge explained that he is now using the depreciation schedule required by the ACC for all depreciation reporting, including on the federal tax return. Once the ACC report is completed, he will have the final depreciation number.

Allan reported the number of customers is obtained by subtracting the number of in/out customers and well meters from the total bill count, arriving at 465 customers.

Allan reported the two new meter deposits were received during the year.

He referred to the list of assets. Bob Busch questioned the \$189 for an item from Fortiline. He commented that he thought that item was for a replacement antenna for which the company received a credit offset.

Allan reported that cash has decreased by about \$75,000 during the year, mostly due to the purchase of assets. He reported that the revenues for the past seven of eight years, have been in the \$220 thousands.

Allen asked why there does not seem to be much building going on. There followed a discussion about the availability of lots in the subdivision, extra lots owned by people wanting the extra lot, etc.

Bruce Eldredge commented that he included an extra report, a check register, in the Board packet. He commented that he thought the Board should review checks that are written each month as an extra review on money spent. He stated he would include the check register in future Board packets.

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

Derek reported that Envirotech is scheduled this week to connect the transducer for the Glenshandra well. Jim Bricker asked about the transducer. Derek explained that the transducer measures the static level in the well continuously. He said the transducer was provided as part of the Glenshandra rehab, but it is not yet hooked up.

Derek reported the generators were load tested recently and the fuel levels are down and new diesel fuel needs to be ordered. He asked if GOWUA has an account with Bennet Oil. Bob stated the company has ordered fuel from Bennet Oil in the past. Derek reported that the water pump on the Glenshandra generator appears to be failing. Empire Cat will be forwarding a recommendation for replacement.

Bob Busch asked when the CCR report for the year might be completed. Derek responded that Pat Carpenter usually handles that.

Bonnie asked about a high user on Greenbrier. Derek stated he had a work order to review it. Bonnie stated the problem turned out to be a reverse osmosis system problem. Derek also reported on a callout that was a ruptured shut off valve, the customer's problem.

Derek reminded the Board that a leak will show up on system reports IF the leak has been ongoing for 72 hours AND it is leaking at the time the meters are being read. He also stated the it is possible for someone to loosen the connection at the meter box with a wrench putting torque on the meter yoke.

### **3c. MDI Report**

Bruce Eldredge stated that email bills are sometimes problematic. If the customer does not set up the email bill account properly, the bill can be rejected by the GOWUA server. Any bill after that customer on the bill list get rejected as spam. As a result, MDI only sends out about 3 email bills at a time. He recommended that an insert be placed with bills explaining what is needed to ensure email bills will be sent and received. The Board generally agreed that an insert be placed in all bills, explaining what was necessary if the customer receives bills via email. There was a discussion about including inserts to high users and leak accounts with suggestions about what to look for to identify possible leaks. Bob Busch asked that a copy of the insert notice be sent to him so he is aware of the notice content.

Bruce explained the process involved with paying invoices. He said he keeps all the invoices and check stubs and at the end of the month, sends them to John James, after making a copy of each for MDI's files. Periodically, MDI boxes up all the invoices & check stubs and sends the box to GOWUA. Bob Busch stated that the originals are in the files at Post Oak, along with the boxes sent by MDI. Bruce questioned whether both copies of the invoices/check stubs are necessary. After some discussion,

**Motion: Bonnie Pearson moved to have MDI maintain the original invoice and check stubs in MDI files for a two year period, and then send them to GOWUA for filing and disposition. Daryl Mathern seconded. Motion passed unanimously.**

Jim Bricker asked Bob to notify John James of the change.

Bruce commented on some changes he would like to make to the cover page of the Board packet to reflect the documents in the packet in the order of the agenda. The Board concurred.

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

Bob reported that the unaccounted for water was about 4.4 %, much lower than a year ago. He reported that he sent to Board members, the application for the renewal of the franchise agreement with Yavapai County. He said the current franchise agreement was good for fifteen years, but the County is now renewing for only five year periods. The application has been sent to the County. It will be acted on by the Board of Supervisors and when approved, it will be sent to GOWUA for signature. He said he expected that sometime in March.

Bob reported that he has the two handhelds used to read the old meters and asked how the Board would like dispose of them. There was some discussion about whether the handhelds have any value.

*Action Item: Bob Busch will investigate to see if the handhelds have any value.*

There was a discussion about the disposition of the old meters. Daryl Mathern reported that he has worked with a couple of volunteers and determined that one can be disassembled in a few minutes. The salvage yard stated that brass is worth about \$1.00 per pound for clean brass, and each meter is about 3 pounds. The value of all meters would be about \$1,200. It was the consensus of the Board to proceed with the salvaging of the meters.

Bruce Eldredge commented that the final document in the packet is a copy of a violation letter from ADEQ because of not receiving a report timely. Derek reported that it is not actually a violation because ADEQ frequently loses the documents sent to them. He assured the Board that there was no violation and the ADEQ would acknowledge receipt of the report.

## **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:**

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

Bruce Eldredge reported that he will get the report printed out and will look for the #3 on the report.

## **5. New Business**

### **5a. Possibility of engaging law firm to assist with well rights claims**

Bob Busch commented on the proposed engagement proposal from L. Richard Mabery. He noted that he emailed a copy to Board Members. He commented that the situation was like paying for an insurance policy. If it is needed, it is great to have. He stated that the Verde River Adjudication may not be settled for many years, but when it is, those wells with the properly documented claims will have greater rights than those without properly documented

claims. He stated that the attorney is proposing an initial deposit of 2,000 with and estimated cost of \$5,000 to \$6,000.

There was some discussion about the impact of not pursuing the documentation. Bob Busch explained that he believed that when the adjudication is settled, those improperly documented claims will be given lowest priority.

**Motion: Daryl Mathern moved to engage the attorney, L Richard Mabery, and authorize Bob to send him a letter along with the \$2,000 retainer. Bonnie Pearson seconded. Motion carried.**

**5b. Possible renewal of Franchise Agreement with Yavapai County**

Discussed above. No action required.

Jim Bricker asked about the accounts on the past due report. Bob Busch stated that there were four accounts on the "Off and Billed" category that have been on the report for more than 90 days, totaling about \$118. He sent a memo to MDI to write off those accounts.

There was a discussion about the need to find additional candidates for the Board. No consensus was reached on how to obtain more candidates.

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

**Next meeting will be Wednesday, February 26, 2020 at Post Oak, 9:00 am.**

Minutes transcribed by Bob Busch

**Submitted By:**

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**Secretary**