

Granite Oaks Water Users Association  
**Board Meeting Minutes**  
Meeting of June 24, 2020

Approved July 22, 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  
Cheryl Ibbotson – Wallace Utility Billing  
Derek Scott- A Quality Water Co.-Operator

Guests: Gary Ballard  
Joe Willis

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1. The meeting was convened at 9:00 am at 371 Garden Street, Prescott, by President Jim Bricker. President Bricker opened the meeting with introductions of all attendees.

**2. Update & Discussion of Rate Case Application**

Bob Busch reported that GOWUA received a second data request from the ACC. The ACC requested copies of invoices and the general ledger for 2018, and the liability insurance policies. He reported that he attempted several times to contact both the ACC staff who sent the data request and the Ombudsman's Office who helped prepare the application all without success. Bob stated that he has completed a response to the questions, however he was concerned that it would open a Pandoras Box. He reported that he has gone through the general ledger and the rate application, and was unable to make the numbers match. He handed out a report that compared the amounts from the rate application with the 2018 general ledger. He noted differences in several categories which he was unable to explain. He said he discussed this with Jim Peterson, who was unable to explain the differences either. Bob stated that he has prepared a reply to the request, but it is liable to raise more questions than it answers.

It was the consensus of the Board to point out in the response that the application doesn't match the general ledger.

Jim Bricker commented that he has received and replied to several emails from one shareholder who is concerned with the process followed with the application, and may contact the Corporation Commission. Bob Busch commented that he also has had phone calls and emails from the shareholder.

**3. Minutes of Meeting of May 27, 2020**

Jim Bricker pointed to a typographical error in item 4 of reports.

**Motion: Ken Nelson moved to approve the minutes with the correction noted. Bonnie Pearson seconded. Motion passed.**

Daryl Mathern commented that he did not receive a packet, and Bonnie Pearson stated she would like an extra packet for the company records.

#### **4. Reports:**

##### **4a. Financial Report**

Allen handed out a summary report for the period ending in May, 2020. He stated that depreciation for the year has been added to the financials. There will be an adjustment made with the tax return for 2019 and year to date for 2020. Wallace is having to build the asset list and accumulated depreciation, as MDI would not provide depreciation records.

Allen reported that two adjustments were made in May, one for the sounder, which was moved from expense to capital asset, and another for the sale of the handhelds moved from the asset account to miscellaneous revenue. As a result the P&L shows a positive \$400.

Year to date revenue is 79.2k, 1.2k more than last year. Expenses of 91.9k are about the same as last year. Cash is unchanged from April at 171k. .

No interest has been booked for the last couple of months. Jim Bricker stated he gets a monthly email of the interest. He will forward to Cheryl Ibbotson.

##### **4b. Operator's Report**

Derek Scott reported that meter reading went well for June reads.

Ken Nelson asked about the new chlorinating system. Derek stated that he "loves it".

Weed control has been done at Glenshandra and Deerfield. Ken Nelson asked about the entrance at Granite Oaks Dr. Derek replied that it has been done, but if additional trimming was needed to let him know.

Wells have been sounded, and he explained that he will provide the information to the Board.

*Action Item: Derek will provide well sounding results to the Board.*

Post Oak well has been placed in service. All cycle counters hour meters have been replaced and are working fine.

Mission Communications alarm system equipment continues to be a problem. The new panel has not arrived. It has supposedly been expedited and we should be able to install it next week.

Derek reported that he has not been able to get the correct readings from the transducer. The calculations don't make any sense. They don't match the well soundings.

*Action Item: Derek will work with Bob Busch to get correct information to utilize the transducer.*

MAP testing has been completed for the year. Results are all acceptable.

Ken Nelson asked about the valve and fire hydrant inspection program. Derek stated that he has the meter, valve and fire hydrant inspections all set to begin next week.

Derek reported that there is a company that will calibrate well meters. In addition McCrometer will recalibrate the meters at the factory. If they don't need calibration, the charge is \$250. It requires about 2 weeks. The meter would be removed and replaced with

an old meter that we still have, and the mag meter would be sent back to the factory for calibration.

There followed a discussion about whether to calibrate the old meter or the new meter, and what procedure to use in checking the accuracy of the new meters. Derek stated that the old meters for Glenshandra and Deerfield probably can't be interchanged because of the different length of pipes. Derek suggested that the inspection program be completed before making a decision to recalibrate the meters. It was the Board consensus to wait, and put the matter on the agenda for a future Board Meeting.

#### **4c. Wallace Report**

Cheryl Ibbotson reported that the 2019 Annual Report to the ACC has been completed and filed. She reported that Wallace is up and running with GOWUA info. They had to contact Harmony to get the radio read feature to work with Wallace's software, but it is working fine now. Asset information is lacking, because nothing was turned over from MDI. With the summary Allen provides they should be able to recreate much of the data.

Jim Bricker congratulated Cheryl and Wallace Utility Billing for their quick response, the smooth transition and their help and cooperation in providing current information. He welcomed the Wallace team to the group.

#### **4d. Manager's Report**

Bob Busch seconded Jim Bricker's comments about Cheryl and the Wallace team. He said they have done a wonderful job in a short time under fire.

Bob reported all the forms and contact information on the website have been updated with the new contact information. The 593-0655 phone number has been disconnected. Bob handed out the Comparison Report and the High Users report for May. The Unaccounted for Water is down to less than 2% for May.

Bob commented that there are two delinquencies that should receive shutoff notices this month. There was a discussion about the procedure for shutoffs.

Bob reported that he had a conversation with Felicia at Wallace about the Kyte account on Willow Oak Ct. They haven't been billed for usage for several months due to a meter issue. Bob stated he instructed Wallace to advise Kytes that usage billing would begin with the new meter installation, and we would not attempt to bill usage for the past few months.

There was a question about the One Call Now account. Bonnies asked when it expired. Bob replied he believed it expires in July. He suggested that the current account be allowed to expire and a new account be set up. Since it would involve Bruce Eldredge to transfer the account. Bonnie commented that it hopefully it could be done without any service interruption.

### **5. Old Business**

**5a. Action Items** – All action items have been completed.

### **6. New Business**

**6a. Ratification of actions taken in Executive Session**

Jim Bricker reported that in Executive Session on May 27, 2020, the Board voted to issue a notice of 60 day cancellation of the contract with MDI Taxes & Accounting, and to engage Wallace Utility Billing as of July 1, 2020. Upon receipt of the letter, MDI waived the 60 period and discontinued service on May 31<sup>st</sup>. Subsequent to the May 27<sup>th</sup> meeting, the Board, by email vote, approved the contract with Wallace Utility Billing to begin on June 1, 2020.

#### **6b Designation of Statutory Agent**

There was some discussion about the need to appoint a new statutory agent, as Bruce Eldredge is listed as the statutory agent, and is no longer associated with GOWUA. Bob reported that the Company would need to appoint a new statutory agent and advise the Corporation Commission. Statutory agents receive legal documents on behalf of the Company. There was some discussion about who should be designated as the statutory agent.

**Motion: Bonnie Pearson moved that Robert M Busch be designated as the statutory agent for Granite Oaks Water Users Association. Daryl Mathern seconded. Motion passed unanimously.**

#### **6c. Annual Shareholders Meeting**

Jim Bricker commented that with all that is going on, it would make sense to postpone the annual meeting. Bonnie Pearson commented that with the rate case, more people might be tempted to show up. Bob Busch stated that it has been a challenge to find any place that would agree to host a meeting of more than 30 people. He has checked with several hotels, with a church in Prescott that has had many groups use their large meeting room, and with Central Yavapai Fire and Medical. All either refused or were non-committal about a meeting in late July. He has found only one place, in Chino Valley that has a large room and would agree to host a meeting. Bonnie Pearson suggested that the Yavapai College Performing Arts Center might be an option. They have conducted meetings and have social distancing set up and marked. Jim Bricker commented that it seemed to make sense to postpone. He also commented that we should give shareholders some way to ask questions or get information about the rate case, although he has only gotten a couple of comments so far. Bonnie Pearson suggested that a notice to shareholders informing them of the postponement could include contact information for questions about the rate case. Jim Bricker suggested that questions be directed to one person, and suggested that questions be directed to Bob Busch for consistency. Cheryl Ibbotson suggested it could also include the email address recently set up.

*Action Item: Bob Busch will prepare a notice to go out with June billing, announcing the postponement along with contact information for questions about the rate case, and soliciting candidates for the Board.*

#### **Other Business**

Daryl Mathern reported that the scrap & salvage effort on the old customer meters has been completed and the scrap sold, netting \$1,472.45. He was congratulated and thanked by everyone.

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

**Next meeting is scheduled for Wednesday, July 22, 2020 at a Wingspace, 371 Garden Street in Prescott.**

Minutes transcribed by Bob Busch

**Submitted By:** \_\_\_\_\_  
**Secretary**