

# Granite Oaks Water Users Association

## Board Meeting Minutes

Meeting of November 23, 2020

Approved December 17, 2020

### THOSE PRESENT

#### BOARD MEMBERS

Jim Bricker - President  
Ken Nelson, Vice President  
John James, Treasurer  
Bonnie Pearson, Board Member  
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

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

### 2. Minutes of Meeting of October 28, 2020

Bonnie Pearson and Ken Nelson noted a couple of typographical corrections needed in a portion of the minutes.

**Motion: Ken Nelson moved to approve the minutes with the changes discussed. Daryl Mathern seconded. Motion passed.**

### 3. Reports:

#### 3a. Financial Report

Allen handed out a report for the period ending in October, 2020. He stated that water sales thru October were about 10k more than last year. Expenses so far this year are about 197.5k, about 5k more than last year at this time. Net income is about 12.7k this year to date, compared to 8k last year.

The balance sheet shows cash is at about 209k, up 4k from last month and up 31k from the end of last year. Water sales are about 6k more than a year ago

Allen commented that the full year of property taxes were paid. Cheryl, commented that only 1/2 were paid and the other half accrued. Allen suggested the other half be shown as prepaid.

#### 3b. Operator's Report

In Derek's absence, Bob reported that the sounder has been recovered from the Post Oak well.

#### 3c. Wallace Report

Cheryl Ibbotson reported that she and Bob Busch had come up with a way to process credit card payments. Wallace would charge the customer a flat fee per transaction which would be then billed to GOWUA. Wallace would contract with the credit card company. The fee to the customer would be sufficient to cover Wallace's cost. The fee would be \$2.50 for amounts up to customer bills of \$50 and \$4.00 for over \$50.

There was some discussion about the expected volume of credit card transactions, with no real conclusion. Jim Bricker asked if a note could be added to the bill indicating that credit card payments are accepted with a convenience fee. Cheryl stated that it could be done but space is limited and no other special note could likely be included.

**Motion: Bonnie Pearson moved to approve charging the credit card convenience fee as discussed. Ken Nelson seconded. Motion passes unanimously.**

Cheryl Ibbotson reported that she had the CPA look at the depreciation rates required by the ACC. His analysis indicated that about 250-300k depreciation hit will be recognized for 2020. It would show as a prior year adjustment. All asset items will be reviewed and brought up to date. There appear to be some assets still on the books that should have been retired. Cheryl commented that an alternative could be to adjust the year of placement to match the remaining life, but she felt the proper way was to make the adjustment based on actual year of placement and using the correct depreciation rate. Cheryl stated that both the tax return and the ACC report will have to have an accompanying explanatory statement. Cheryl commented that the depreciation would likely be an additional 44k annually. She said the cost so far by Drury Sylvester, the CPA looking at the depreciation, is about \$750.

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

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

Bob Busch reported the Unaccounted For Water was over 20% this month. He said the reading notes were rechecked and are correct as recorded. He said it doesn't seem possible to have that much water unaccounted for. He commented that we'll see if next month's data shows more sold than pumped.

*Action Item: Bob will inform the Board when November information is available.*

Delinquency Report showed several delinquencies, and all have made payment arrangements.

Bob reported that all the rate case compliance items have been completed except for filing the Purchased Power Adjustment Mechanism. The ACC has instructed that the first period to be considered would be from October 2020 thru December 2021. A factor is computed using total cost for the period vs total water sold for the period as a rate per 1000 gallons. That factor is compared the test year, 2018. Any change in the factor, up or down will be charged or credited to the customer. It will be a rate per 1000 gallons beginning in 2022.

Bob asked Cheryl if a separate account could be used for the surcharge. Cheryl stated it could be done.

Bob Busch reported he has is still hoping to make contact the attorney regarding water rights.

### **5. Old Business**

#### **5a. Action Items –**

*Action Item: Ken Nelson and Daryl Mathern will investigate to determine if the fence can be easily repaired.*

Daryl and Ken plan to work on the fence today.

*Action Item: Bob will continue to investigate with the adjoining property owner, the possibility of construction a building on the Glenshandra site.*

Bob Busch reported that the property owner indicated he is looking at another piece of property and this item may just go away. He stated that the property owner knows the owner of the Granite Mountain Water Co. who has casually commented about the possibility of interconnecting with GOWUA for emergencies. Bob said he would update the Board on any developments.

*Action Item: Bob Busch will contact the ACC to determine what costs can be passed through.*

This item was discussed above under 3c. Wallace Report.

Jim Bricker asked whether Bob Busch had determined if a tank could be added at Post Oak.

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

#### **5b. Rate Case Issues.**

See above discussions.

#### **5c. Water Rights Issues**

See above discussions.

#### **5c. Newsletter**

Bob Busch suggested several topics for a newsletter. It was the Board consensus to try keep it to two pages so it could be included with the December bill.

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

### **6. New Business**

#### **6a. Discussion and Approval of Credit Card Charges.**

Covered above

#### **6b. Post Oak Well – Discussion and Approve of Rehabilitation Recommendations**

There was some general discussion about the report from Southwest Groundwater. Jim Bricker asked whether a larger pump could be installed to increase capacity. Dylan Easthouse of Southwest Groundwater was added via telephone. Bob Busch asked Dylan if a larger pump could be installed to deliver more water. Dylan responded that “no, the aquifer is making all the water it can make.” Bob Busch commented that he understood that when the well was first installed, it delivered more than 100 gpm. Dylan stated that the drawdown is to about 460ft at 60-80 gpm, so any higher pumping rate would draw it down to the pump. The current well depth is to a hard layer of granite, and going deeper would likely not be worth the cost. Dylan commented that the old pump is rated at 85gpm but pumping 65 gpm due to its age and wear. He said the casing openings are 80% open and the cleaning will not likely produce significantly more. He stated that a larger pump might work for short periods, but not for continuous use. He said a variable frequency drive could allow the well to be run efficiently. Bob Busch asked about the protection being recommended for the pump. Dylan responded that it is a PVC tube that would keep the pump from rubbing the sides of the casing. Bob Busch asked how long it might take to do

the work, assuming the Board approved the proposal. Dylan responded that it could likely be done before Christmas.

There was some discussion about variable frequency drives and their use for controlling wells, with the general conclusion that the benefit would not be worth the cost.

There followed a discussion about the reconditioning proposal from Pump Tech.

**Motion: Daryl Mathern moved to approve the reconditioning proposal from Pump Tech (\$14,886.36). John Janes seconded. Motion passed unanimously,**

### **6c. Review of Preliminary 2021 Budget**

Bob Busch handed out a preliminary 2021 budget for Board review. Various line items were discussed and a number of changes and clarifications suggested.

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

During the discussion, it was determined that the contract with A Quality Water expired in September.

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

### **6d. Possible Temporary Help for Maintenance of Company Records.**

This topic concerned the possible use of paid temporary help to maintain records at Post Oak. Bonnie Pearson commented that she has not been able to keep up the records and that Claire Hutt might be able to help. Claire has offered to help show someone what needs to be done. Ken Nelson commented that attempting to use someone from a temp agency would be very difficult. A different person would show up all the time and need to be trained.

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

### **Other Business**

Bob Busch commented that the Board had previously decided to skip a meeting in December, but asked if it would reconsider with the items pending: newsletter, budget, A Quality Contract, etc. After some discussion, it was agreed that the next meeting should be Thursday, December 17, 2020 at 9 am.

There being no further business, the meeting was adjourned at 10:35 am.

**Next meeting is scheduled for Thursday, December 17, 2020 at a Wingspace, 371 Garden Street in Prescott.**

Minutes transcribed by Bob Busch

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

**Secretary**