

Granite Oaks Water Users Association

Board Meeting Minutes

Meeting of October 28, 2020

Approved November 23, 2020

THOSE PRESENT

BOARD MEMBERS

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

Contract Staff

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

Absent– Ron Weber

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

2. Minutes of Meeting of September 30, 2020

Bonnie Pearson noted one correction was needed on the first page of the minutes.

Motion: Ken Nelson moved to approve the minutes with the changes discussed. Bonnie Pearson seconded. Motion passed.

3. Reports:

3a. Financial Report

Allen handed out a report for the period ending in September, 2020. He stated that water sales thru September were about 2k above budget. Expenses so far this year are about 4k under budget. Net income is about 7k over budget so far this year, but lower than last year due mostly to the legal expense.

The balance sheet shows cash is up about 27k from year end. Bob Busch asked about the work being done at Post Oak, whether it would be Maintenance and Repair. He said the work was primarily investigation at this point to determine what should be done next. Alan replied that it sounds like Maintenance and Repair.

John James reported that the balance in the Operating Account is \$5,642 and the Corporate Account has a balance of \$93,486.

3b. Operator's Report

In Derek's absence, Bob reported that part of the Post Oak fence has been taken down to provide the contractor access to the well. The well was videoed yesterday. Bob stated he has not seen the results yet. The pump is being analyzed to determine it's condition. There were some questions about whether the existing well could produce more water. Bob stated that initially, the well was pumped at 118 gpm. It is now pumping about 65 gpm. Bob stated he was unsure if the well could be made to produce more.

Jim Bricker commented that Derek had previously mentioned some work needed to be done on the fence at Glenshandra. Bob replied that the rails in the fence around the property sometimes disengage and have to be reset. He suggested that the fence could probably be

repaired with long screws to attach the rail to the post. Ken Nelson asked about the condition of the wood, Bob stated that he thought the wood is in reasonable condition. Ken Nelson commented that he could take a look and see if he and someone might be able to repair it with some long screws.

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

3c. Wallace Report

Cheryl Ibbotson reported that billing for October will be prorated using the old rates and new rates. Two bills will be sent out; one for the September portion at the old rates and one for October using the new rates. An insert will be sent along explaining the prorations and how the bills are calculated. Her goal is to send bills on Friday. Jim Bricker commented that we will likely get a number of phone calls.

Cheryl also reported that she will be working on the depreciation schedule as required by the rate decision. The new rates will change from the 50 year schedule to the ACC schedule. An adjustment will be made at year end, and then the new rates will be used going forward. Allen Kaplan commented that it will likely be quite an adjustment, given the assets will be depreciated at a much faster rate.

4c. Manager's Report

Bob Busch reported the Delinquency Report showed two customers who should have received shut off notices, but he was not sure of their status. Cheryl commented that she would check. There was one customer shown as "off and billed" who passed away some time ago and the "past due" amount should be written off. He noted a correction to the Comparison Report for the amount pumped from the wells last year, providing the Board with the correct amounts.

Bob reported that he has filed a number of documents with the ACC that were required with the rate decision. The remaining item is the "Purchased Power Adjustment Mechanism". It is required to be filed by January 1, 2021. He stated he had a couple of questions concerning the ACC template for the PPAM. He stated he contacted the ACC and has gotten a clarification so the draft document can be modified and finalized for submission. He reported that the PPAM computes a power cost per 1,000 gallons of water pumped for the test year (2018) and compares it with a similar cost per 1,000 gallons for the year in question. If the result is different from the test year, a monthly refund or surcharge is billed to the customer. He stated that the ACC supposedly approves the tariffs that are submitted. Bob stated he is unsure when and how that happens.

Bob reported that it was the ACC's decision to bill the two rates for the Sept-Oct billing. The best solution seemed to be sending two bills.

Bob Busch reported he has attempted to contact the attorney regarding water rights. Mr. Mabery has undergone surgery and has not been in his office. He promised to call me when he returns. Bob indicated there are two items to discuss: 1) the completion of his services to the Company and 2) some questions regarding the water rights claim before they are submitted to ADWR.

Bob asked if the Board wanted to include a notice in this billing concerning the cancelled election and subsequent selection of officers. It was the general consensus of the Board to include an announcement with the billing.

Bob reported that a neighbor to the Glenshandra well property, Jeffrey Zych has approached him concerning the possibility of leasing/buying a portion of the Glenshandra property to construct a garage building that he would use for several years, then surrendering it to the Company. There was some discussion about whether a non-residential building could be erected on the site, whether the county would allow it and what liability might be involved. It was commented that the structure could be used by the Operator at some point.

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

5. Old Business

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

There was some discussion about the credit card payment options Cheryl forwarded to the Board. Some action by the Board would seem to be required to establish the fee. Cheryl indicated the companies Wallace serves charge \$2.50 per transaction. The approved tariff states that credit card payments can be made and costs passed through.

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

5b. Rate Case Issues.

See above discussions.

5c. Water Rights Issues

See above discussions.

6. New Business

6a. Planning for Future System Improvements.

There was some discussion about possible future improvements.

Master Meter at Post Oak
Generator at Deerfield
Additional Storage Tank and Possible Location

No specific action was taken on this item.

6b. Future Meeting Locations

Following some brief discussion, it was the consensus of the Board to continue to meet at Wingspace.

6c. Possible Newsletter

After some discussion, it was agreed that a newsletter at the end of the year should be sent out to report on all the activity for the year.

6d. Insurance Proposal

Bob Busch reported that the proposal submitted is the same package, and the cost increase is \$220 more than a year ago at \$7,690. He stated he received an email from Ron Weber concerning possible E & O coverage in case of failure to provide. He has sent an email to the agent with the question this morning and has not yet received an answer. He recommended approving the package, and if necessary, perhaps additional coverage could be purchased.

Motion: Bonnie Pearson Moved to approve the insurance package proposal. John James seconded. Motion passed.

There being no further business, the meeting was adjourned at 10:20 am.

Next meeting is scheduled for Monday, November 23rd. 2020 at a Wingspace, 371 Garden Street in Prescott.

Minutes transcribed by Bob Busch

Submitted By:

Secretary