

Granite Oaks Water Users Association  
**Board Meeting Minutes**  
Meeting of September 25, 2019

Draft2

THOSE PRESENT

BOARD MEMBERS

Contract Staff

Jim Bricker, President Ken Nelson, Vice President John James, Treasurer Bonnie Pearson, Secretary Daryl Mathern, Board Member
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Bob Busch, Manager, GOWUA Allen Kaplan – Accountant Bruce Eldredge – MDI Taxes & Accounting -absent Derek Scott- A Quality Water Co.-Operator
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Guests: Matt Bornyasz, Granite Oaks Estates.  
Hans Kohls- Granite Oaks

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

**2. Election of Officers**

Jim Bricker referred to the first item on the agenda: Election of Officers. Ken Nelson proposed that the same slate of officers be elected for the upcoming year. A replacement was needed for the office of Vice President, as Claire Hutt did not choose to serve for another term. Ken Nelson volunteered. Jim Bricker called for a vote to approve the slate of officers. All voted in favor. The officers for the upcoming year are:

President - Jim Bricker  
Vice President - Ken Nelson  
Secretary - Bonnie Pearson  
Treasurer - John James

**3. MINUTES BOARD MEETING OF JULY 24, 2019.**

Jim Bricker commented that the paragraph concerning the placement of funds from maturing CD's be amended to include a statement that the funds couldn't be placed in the Edward Jones money market account because it was not FDIC insured, and was placed in two separate, insured accounts. There was also one typographical correction.

**Motion; Ken Nelson moved to approve the July 24<sup>th</sup> minutes as corrected. Bonnie Pearson seconded. Motion passed unanimously.**

**MINUTES OF BOARD MEETING OF AUGUST 28, 2019.**

Ken Nelson noted on Typographical corrections.

**Motion; John James moved to approve the August 28th minutes as corrected. Bonnie Pearson seconded. Motion passed unanimously.**

**4. REPORTS:**

**4a. Financial Report**

Allen Kaplan handed out a summary report of interim quarterly financial results. Year to date water sales are at 151.5k , a decrease of 1,5k from last year. August water sales were \$3,000 more than last year.. Year to date net income is about \$20,000 vs a net income of about \$1,000 last year. Cash on hand increased \$12,000 from June to \$208,000.

Cash balance as of July is \$225k. Cash has decreased by 28k since January, 2019.

John James reported that the balance in the Operating Account is \$29,730. The balance in the Corporate Account is \$87,415.

*Action Item: Ken Nelson will visit all banks be added as a signer on the accounts.*

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

Derek Scott reported that the Glenshandra well is all reassembled and ready to go into service when the test results come in. Meter reading this month went fine this month- except for 5 meters that show wrong ID numbers in the system. He said this occurred last month also. He is required to report the readings on those meters manually to MDI. He did so last month and apparently the ID's weren't updated. (Note: from last month's minutes . Bruce Eldredge explained that the problem was apparently caused by a restored back-up file in CORE. The problem was corrected and won't affect this month's bills. )

Bob Busch stated that one customer called and said they have been getting minimum bills with no water use since May although they have been using water. The meter was reread manually, and determined that the customer has used over 20,000 gallons since May, yet the information isn't translating to their bill. Derek Scott and Bob Busch agreed that the problem sounds like an interface problem between Harmony and CORE. The customer will be billed this month for the use since May, plus August. The customer is aware of the coming bill

*Action Item: Bruce Eldredge will contact Harmony and CORE to resolve the problems,*

Derek reported that the transfer switch repair has been completed, tested and works perfectly.

Derek Scott suggested that the chlorine system be modified. Now, the chlorine is added just before it enters the storage tanks. Chlorine solution is pumped from a drum via a plastic tube into the line before water enters the tanks. He said this method results in mineral buildup in the plastic line such that the line has to be replaced every few months. He suggested that for about \$1,500, the system could be modified to add the chlorine at the wells, avoiding the mineral buildup. With the purchase of a pump and miscellaneous parts and minor electrical work, the system could be changed.

**Motion: Ken Nelson moved to authorize spending up to \$1,500 to modify the chlorine system as suggested by Derek Scott. Daryl Mathern seconded. Motion carried.**

Derek Scott also reported the cycle counters and hour counters at Post Oak for the Post Oak well and Deerfield well are not functional and should be replaced. There was some discussion about the counters and how they operate. It was estimated that the cost of repair would be about \$500.

**Motion: Daryl Mathern moved to have the counters replaced. Ken Nelson seconded. Motion passed unanimously.**

During the meeting Derek received a call from the lab indicating that the water sample passed and the Glenshandra well can be put back into service.

#### **4c. Report from MDI - no report this month**

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

Bob reported that 41 customers accounted for 44% of the total use in August.

Bob Busch reported that because of a 140,000 gallon discrepancy in the July usage report that carried over to August, the unaccounted for water reported for both months was off by 140,000 gallons.

Bob reported that he received the invoice from KP Ventures for the Glenshandra well. He stated that the total is \$45,319. About \$18,000-\$20,000 will be repairs and maintenance and the remaining will be capital. He stated that he has determined that about \$18,000 will be plant retired.

Ken Nelson asked that the Board be provided with a breakdown of all the costs for the Glenshandra well so that all the detail is in one document for the Board to review.

*Action Item: Bob Busch will prepare a report detailing all the costs for the Glenshandra well project.*

Bob Busch reported that he included a paragraph in his monthly report about the Arizona groundwater adjudications and GOWUA involvement. He summarized the adjudications and the need to have a Notice Claim on file with ADWR. He stated that he has located claims for all three GOWUA wells. He also stated that he found references to a Grandfathered Water Right on a least one of those Notice of Claims forms, yet when he located the Grandfathered Water Right document, there is no reference to the GOWUA wells. He stated he had concerns about GOWUA's claim was unsure what if any action should be taken. There followed a short discussion about what might be done and who might be contacted for more information.

*Action Item: Bob Busch will contact various firms for additional information and recommend action to the Board.*

## **5. OLD BUSINESS:**

### **5a. Action Items:**

- *Action Item: Bruce will check to verify receipt of a meter deposit.*
- *Action Item: Bruce will investigate the possible meter deposit for the Customer (Hollander) on Fair Oaks.*
- *Action Item: Bruce Eldredge will issue a work order to A Quality and forward the meter data report to Bob Busch.*
- *Action Item: Derek will confirm with the rep that training can be done when the sales rep comes to Prescott and advise Bob Busch. Bob will confirm with MDI.*  
Completed
- *Action Item: Jim Bricker will contact Jim Peterson to set up a session including Bob Busch to identify information/action to be presented to the Board.*  
Completed
- *Action Item: Bob Busch will contact the contractor and confirm that the well can be videoed again before it is reassembled.*  
Completed
- *Action Item: Bob Busch will prepare a brief specification for work needed Glenshandra and forward to Jim Bricker.*  
Completed.

### **5b. Discussion of refurbishment of Glenshandra Well.**

See discussion under "Reports"

### **5c. Glenshandra Transfer Switch**

See discussion under "Reports"

### **5d. Glenshandra Landscaping**

Bob reviewed the proposed work at Glenshandra, including trimming sage, elm tree and large tree, plus additional rock to cover the area inside the small fence. The low quote, from Prescott Landscape Professionals, is \$2,574, a few hundred dollars lower than the next quote. After some

discussion, including the possibility of volunteers doing some of the work, it was decided not to take action on this item at this time.

Jim Bricker asked about the condition of the fencing. Bob Busch reported that all the posts appear to be solid and only 2 or 3 rails are badly warped. There is about 400 ft of 3 rail fence and 550 ft of 2 rail fence. That would equate to about 2300 square feet of surface no counting the posts. At \$4.00 per square foot, the cost would approach \$10,000 to paint or stain the fence. He suggested leaving the fence "as is".

## **6. New Business**

### **6a. Possible Rate Case**

Jim Bricker reported that he has had discussions with Jim Peterson about filing a rate case. Jim Peterson is interested and willing to assist. Bob Busch stated that the Company may get some additional revenue from a rate case, but not too much, as the company has cash on hand. Rates will likely be restructured so that low users will pay less and high users will pay more, according to the guidelines of the ACC. There was discussion about the effectiveness of high rates in reducing water use. The consensus was that rates don't reduce consumption much.

Bob Busch asked if the Board had any comments on the draft Newsletter sent to Board Members. It was the consensus of the Board to proceed with the newsletter.

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

**Next meeting will be Wednesday, October 23, 2019 at Post Oak, 9:00 am.**

Minutes transcribed by Bob Busch

**Submitted By:**

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**Secretary**