

Granite Oaks Water Users Association
Board Meeting Minutes
Meeting of January 23, 2013

Approved 3/27/13

BOARD MEMBERS

Jim Peoples, President John James, Treasurer John Monroe, Secretary Gene Zutell, Director Dave Kramer, Director Gerry Tumey, Director
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THOSE PRESENT

Contract Staff

Bob Busch, MDI Taxes & Acctg Allen Kaplan - Accountant

Guests

Gerry Garcia

The meeting was convened at 8:00 am by Jim Peoples. Board member Ken Mino was absent.

1. Minutes of Previous Meeting

Jim Peoples asked if there were any comments or corrections to the Minutes of the November 28, 2012 meeting. Bob noted that "draft 2" was the latest version. Only minor changes were made from draft 1. There being no comments, he asked for a motion to approve.

Motion: John Monroe moved to approve the draft 2 minutes of the Meeting of November 28, 2012 . John James seconded. Motion carried.

2. Reports

2a. Report from Granite Basin Engineering- Capital Improvement Project

Bob stated that Granite Basin Engineering would not be at the meeting today. They are proceeding with design work and are about halfway complete. They are meeting with Fann Environmental on Monday to review some of the Blue Stake work along the easement area between the Post Oak station and Charter Oak. Bob noted that he expected an invoice shortly from Granite Basin Engineering for about half the contract value. He stated that he would contact John James before processing the invoice for payment so that money could be transferred to cover the invoice. Bob stated that Granite Basin would attend the next Board Meeting and discuss their design work and cost estimates for the work.

2b. Financial Report

Allen Kaplan stated that as discussed in the last meeting regarding the early payment of taxes, and adjustment has been made. The Balance Sheet now shows a prepaid amount of about \$4,600. He noted that Bob did consult with MDI regarding the billing from Granite Basin Engineering, and determined that \$3,000 of the billing could be capitalized, so a reversal was made in expenses for Outside Services and a line item added on the Balance Sheet for Construction Work in Progress of \$3,000.

Overall performance was close to budget. Revenue was over by \$2,000 and expenses were over by \$6,000. This includes the double hit for insurance during the year. He noted that in 4th quarter, maintenance and repairs look high because of generator servicing and repair.

Cash is down from a year ago by about \$3,800. Meter refunds for the year totaled about \$1,280 and 2 new meter deposits were received during the year.

Alan remarked the interest projection for the coming year is about \$3,400 vs \$4,400 last year. A CD maturing in January was invested with Compass Bank at 1.25% for two years. Total cash received in 2012 was \$239,000, up by \$11,000 from last year but purchased assets and increased expenses resulted in a decrease in cash for the year by \$3,800 vs an increase during 2011 of \$38,000. He noted that the company has spent over \$841,000 for assets over the years.

He commented that there have been no legal expenses for the last several years. Gene asked if there was a particular problem at the time. Bob noted that Bylaws were revised and there was some legal costs for easement issues between Post Oak and Charter Oak.

John James reported that the balance in the Corporate Account is \$59,746 and the Operating Account balance is \$31,102. He mentioned he spoke with Foothills Bank about not earning interest on the two bank accounts. He was told that when Foothills took over Summit Bank, they discontinued paying interest, but they did absorb the monthly fees. John said the Bank suggested that if the company wanted interest, they could convert the corporate account to a money market account. He asked the Board if they wanted to convert to a money market account. There were some comments about the small amount of interest that would be earned, and after general discussion, it was the consensus of the Board to leave the account as is.

John reported a situation with a customer account. The owner died early last fall. The property had been paying monthly bills of \$20.00+. In November, they (family) received a bill of \$76.73. John asked Jim Muylle to check the meter. Jim Muylle reported that the meter was not moving. Apparently, someone had left water running. John told the customer that there probably was not anything the water company could do, and they should pay the bill.

2c. Operator's Report

Bob stated that Jim Muylle was up in Utah and Bob handed out Jim's monthly Operator Report. Bob remarked that parts are on order to repair fire hydrant on Mesa Oak. The hydrant is shut off. Bob noted that both he and Jim had thought the leaking hydrant might be the source of the big water discrepancy, but it obviously is not, since unaccounted for water was over 15% in December.

Bob stated that he had no reports of broken meters during the cold spell. He said he had one call from a customer whose meter froze, but thawed without breaking. Bob gave the owner instructions on protecting the meter.

There was some discussion about the unaccounted for water. Bob stated he would talk to Fann about recording the water flowing through the distribution pumps. He could not find where that is being recorded now. It would give one additional check on water flow. Jim Peoples asked if Fann had leak detection equipment. Bob said he did not know, but would check. Bob also suggested that making middle-of-the-night checks at Post Oak to see if there is water flowing, which might suggest a leak somewhere in the system. Gerry Garcia asked if the recorder would show that. Bob said that the scale of the recorder makes it hard to read exactly. There was some discussion about checking all fire hydrants for leaks. John Monroe and Jim Peoples offered to help if needed.

Action Item: Bob will check with Fann Environmental to see if they have leak detection equipment and see if the distribution pump meter can be read and recorded, and to arrange to check fire hydrants for leaks.

2d. Manager's Report

Bob reported that he brought in a printer belonging to the company that was being used by MDI. MDI said the printer occasionally jam, but that it still works. MDI purchased a new printer. Jim Peoples asked how much it cost. Bob said he had not found the purchase record, but estimated that it probably cost \$400-500. There an entry in 2002 for "Office Furniture and Fixtures". There was some discussion about the condition and possible use. It was suggested that it be donated.

Motion: John James moved to donate the printer to either Habitat or other charity. John Monroe seconded. Motion passed unanimously.

Bob stated that he contacted ISO and obtained some information from their website that he included in the Board Packet. Jim Peoples asked about where the rating 5-8B came from. Bob referred to a chart included with the packet that indicated how the score was arrived at. Jim Peoples asked if someone outside the subdivision without a water system would have the same rating. Bob replied yes, that was his understanding from the ISO representative. Bob stated that he asked the representative if the ISO rating for GOWUA area would change if the water company upgraded facilities and was told the rating is tied to the Central Yavapai Fire District, and the rating would not change.

There was some discussion about the rating vs the benefits of the proposed improvements.

3. Old Business

3a. Action Items

No outstanding action items to report.

Capital Improvement program – nothing to report

4. New Business

4a. System Water Plan Update

Bob reported that he has received a request from ADWR to update the GOWUA System Water Plan by the end of January 2013. He said there were 13 pages of information requested on the forms. The requested data includes 5 years of demand data by month, the estimated peak day demand for the past 5 years. Bob noted that the peak day demand was the highest, in the last 5 years on July 28, 2011 at 419,200 gallons. Also requested was a projection of demand for the next 5 years. Gene suggested that the report sounded like a make-work project and wondered what the state would do with the report once they received it- other than file it.

Bob offered to email a copy of the report to Board members who wished to receive one. Bob stated that unless there was an objection, he would sign and file the updated report. There was no objection.

There being no further business to discuss, Jim Peoples asked for a motion to adjourn.

Motion: John James moved to adjourn the meeting. Gerry Tumey seconded. Motion carried.

The meeting was adjourned at approximately 9:00a.m.

Next meeting: Wednesday, March 27, 2013, 8:00am – Post Oak Site.

Minutes transcribed by Bob Busch

Submitted By:

Secretary