

Granite Oaks Water Users Association
Board Meeting Minutes
Meeting of March 27, 2013

Draft 2
Approved May 22, 2012

BOARD MEMBERS

Ken Mino, Vice President John James, Treasurer John Monroe, Secretary Gene Zutell, Director Gerry Tumey, Director

THOSE PRESENT

Contract Staff

Bob Busch, MDI Taxes & Acctg Allen Kaplan - Accountant Jim Muylle – Fann Environmental
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Guests

Ben Huza- Granite Basin Engineering Taylor Damin –Granite Basin Engineering
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The meeting was convened at 8:00 am by Vice President, Ken Mino. Board members Jim Peoples and Dave Kramer were absent.

1. Minutes of Previous Meeting

Ken Mino asked if there were any comments or corrections to the Minutes of the January 23, 2013 meeting. Bob noted that there was one typographical error on page three. There being no comments, he asked for a motion to approve.

Motion: John Monroe moved to approve the minutes of the Meeting of January 23, 2013 . as corrected. John James seconded. Motion carried.

2. Reports

Since Granite Basin Engineering representatives had not yet arrived, Ken Mino changed the order of business, calling for the financial report.

2a. Financial Report

Allen Kaplan stated that since this is an interim period, no full financial report was prepared. He did review January & February financials. Revenues and net income are comparable to last year. The statements don't reflect the update for depreciation, that will be done with the tax return.

Cash is at \$436,000, down about \$18,000 from year end. A check for \$20,000 was issued to Granite Basin Engineering in February.

Allan commented that \$886 for meters was capitalized. Jim Muylle indicated that the cost was for meters to replace many of the ones damaged this winter. They are the meter and face cover without the yoke. After some discussion, it was agreed that this cost should be expensed rather than capitalized.

Action Item: Allan with contact MDI and arrange to have the \$886 moved to expense.

John James reported that as of this morning, the Operating Account has a balance of \$33,216 and the Corporate Account has \$36,175.

2b. Operator's Report

Jim handed out his Operator Report for February. He reported that there were no ADEQ violations during the month. He stated that \$1,400 was spent on annual water sample testing. Results of the tests appear in the annual Consumer Confidence Reports. ADWR tested for well static levels in mid-March. Jim handed out charts showing historical water levels for Deerfield and Post Oak. He stated that the sounder tube in Glenshandra is blocked and the well can't be checked.

Action Item: Jim will check on the feasibility of adding a sounding tube or other mechanism for checking water level.

Jim reported that a week ago, the pump chart recorder again showed an unexplained pumping spike. The fire department was contacted and they verified that they have not done any hydrant testing recently (except for the testing done Tuesday, March 26th). There was some discussion about the possibility of securing or locking the hydrants. Jim Muylle indicated that a locking device is available. Chino Valley has locked some of their hydrants. He said that the device is mounted to the hydrant (drilled & tapped) and a lock added. All would be keyed alike and the fire department provided with a key. There are presently 55 hydrants in the GOWUA system. Bob reported that he had contacted the Sheriff's Office about the theft, and filed a report. Although they took the report, they did not schedule any nighttime patrols in the area. It was the consensus of the Board that pricing for locking devices should be obtained.

Action Item: Jim Muylle will check on pricing of hydrant locking devices.

Gene suggested that a note be included with bills asking customers to be on the lookout for suspicious activity around hydrants and to call 911 to report anything.

Action Item: Bob will arrange to add a note with customer bills.

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

Ben Huza and Taylor Damin from Granite Basin Engineering handed out for discussion, Design Reports and construction drawings for the proposed Capital Improvement Project.

Taylor Damin discussed proposed design of each of the phases, reviewing the planned changes and additions and answering questions.

A summary of questions & responses:

- Phase 1: Water line will run east of the generator. There is an electric feed for the generator in the area.
Location of water lines in the easement area are not known exactly. One may run along the west side of the easement, and another along the each side. A 5ft easement was added along the existing easement for the line running from the Glenshandra well.
The proposed new remote read meters could be placed with manual read meters, capable of conversion to remote read.
- Phase 2: Line are located under the edge of the pavement.

- Old line is proposed to be removed, since abandoned line must still be tracked and located (bluestaked) when required.
- Phase 3: Fire hydrant locations can be adjusted to accommodate property owner preferences.
Sections of the old line in this phase will be left in place because they are in close proximity of other utilities.
Valves are placed every 500ft for system flexibility & convenience.
- Phase 4: New water line will be placed adjacent to the existing, but the old line will be abandoned. Field checks at time of construction will verify location of existing. Depending on location of existing water line, it could be removed.
- Phase 5: Water line will go under culvert.
Existing hydrants are capable of 550+ gpm. With the improvements, flow will be 900 gpm+

Bob asked if the entire plan would be submitted to the County at once. Ben recommended that if all 5 phases are to be done at once, then, yes. But if the phases will be done at different times, he recommended that each section be submitted separately. There was some discussion about project pricing. Ben indicated that more detailed information is available now, as more accurate quantities were used. Phase 1 estimate is now about \$10,000 higher than previously, because of the better quantity information. Allan asked how many contractors would bid on the project. Ben recommended at least three. John Monroe asked about quality of contractor work. Bob noted that the Company is not required to follow governmental bidding processes.

Ben indicated that the next step would be to determine what phases will be done and in which order.

Gene asked about County inspections. Ben indicated that the County inspects the physical construction in roadways and right of way. The pipeline will be inspected by the engineer (GBE) and final testing information and as built drawings given to the County for issuance of an Approval to Operate.

It was the consensus of the Board that comments on the engineering plans be forwarded to Bob Busch within the next two weeks. Bob would assemble comments and forward them to Granite Basin Engineering.

It was also the consensus of the Board, the Granite Basin Engineering obtain bids for the phase 1 portion of the project to have available by the next board meeting.

Action Item: Board members to provide plan comment to Bob within two weeks. Bob to forward to GBE.

2d. Manager's Report

Bob reported that he has had conversations with a customer on Glenshandra (who previously complained about a water hammer problem). The customer has purchased the property next door from foreclosure. He now wants to obtain service at the address, but does not want to fill out a service application or provide a mailing address for billing. He has indicated he may connect the adjacent property to his current meter service rather than establish a separated account at the new property. Bob indicated he thought the customer could do so, but that if the property was ever sold, the properties would have to be separated and separate services established.

Bob reported that the number of delinquencies for the month were about normal. He indicated that those customers that are two months delinquent receive disconnect notices. Ken Mino asked

about the "Off and Billed" account with a \$.01 balance. Bob responded that we don't try to collect on the small balances. The collection company that we attempted to use has not worked. They a raised their minimum amount shortly after we set up an account, and we have not been able to use their service.

3. Old Business

3a. Action Items

No outstanding action items to report.

4. New Business

Ken Mino reported that the Williamson Valley Community Organization wants to link their website to the Granite Oaks Water Users Assn. site. The group is linking all the water company sites in the area to their site. None of the Board members objected.

There being no further business to discuss, Ken Mino asked for a motion to adjourn.

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

The meeting was adjourned at approximately 9:30a.m.

Next meeting: Wednesday, May 22, 2013, 8:00am – Post Oak Site.

Minutes transcribed by Bob Busch

Submitted By:

Secretary