

Granite Oaks Water Users Association  
Board Meeting Minutes  
May 27, 2009

Approved

~~7/22/09-~~

THOSE PRESENT

Board Members

Dirk Stringham, President  
Jim Peoples, Vice Pres.  
Rusty Miner, Secretary  
John James, Treasurer  
Ken Adkins, Director

Contract Staff

Bob Busch, MDI  
Alan Kaplan  
Jim Muylee, Fann Environmental

Not in Attendance

Ken Mino  
David Kramer

Shareholders

Ed Tumey  
Duane Gann  
John Monroe

Consultants

Dylan Easthouse,  
Southwest Groundwater

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The meeting was convened at 8:00 by President, Dirk Stringham.

**1. Minutes of Previous Meeting**

The minutes of the January meeting were approved by the board via email. (March minutes were not discussed or voted on).

**2. Financial Report**

Alan made a brief financial report of the first quarter of 2009. First quarter actuals vs budget is very close to budget (within (\$500). Compared to last year, net income is down about \$5,000 due to two expense items; Water Testing and Purchased Power. On Balance sheet, cash is up about \$7,000 from last year. Some small changes in assets are due to the retirement of the trailer and the purchase and retirement of a well meter.

Cash flow compared to last year is about the same as last year at this time when the insurance reimbursement received in 2008 is removed.

John James noted that in following up on the costs for bank fees, that National Bank has changed the amount they credit to business accounts from 1.5% to .5%, resulting in fees going up from the \$20 range to the \$70 range. They charge a fee of \$80-90, and credit the Company with an amount which is percentage of the amount in the account. The bank also charges for the Auto Pay Service.

The board discussed whether or not it should consider changing banks.

*Action Item: John will check on charges from other banks. Bob will determine the impact of changing banks on MDI.*

John reported that \$25,000 was taken from the MaxSaver account and \$25,000 from the Corporate Account in March and placed in a new Smart Saver CD at 2.5% for 15 months. A \$47,000 CD maturing in May was placed in a 2 year CD at 2.5%.

**3. Southwest Groundwater Consultants Report**

Following the March 25 Board meeting, Bob Busch notified the board of a letter from ADEQ requiring action. Basically, ADEQ asserted that some of our wells might be subject to contamination from surface groundwater, and required a reply with course of action within 90

days. The Board agreed by email to commission a study costing \$1600 by Southwest Groundwater Consultants to determine our course of action. The study was completed, and a representative, Dylan Easthouse, reported in place of Scott Journell at the Board Meeting. Dylan summarized the letter received from ADEQ, and the actions taken by Southwest Groundwater. He pointed out that the ADEQ letter referenced two wells as suspect as being under influence of surface water: Post Oak and Deerfield. (It did not reference the Glenshandra well). The company had 90 days to respond. SWG looked investigated all three wells; looking at site geographical position, well construction, pumping rate, elevations, etc. SWG concluded that there is no risk of the Post Oak well not being under influence of surface water. SWG concluded that due to the construction of the Glenshandra well, there is little or no risk of influence by surface water. SWG concluded that because the construction of the Deerfield well is not known for certain (it was an original ranch well), that it may be influenced by surface water.

The board discussed implications of the conclusion about the Deerfield well. If ADEQ believes the well may be under the influence of surface water, the Company will be required to perform the prescribed tests. Testing costs are modest, (under \$400) and the method is simple. It does require that the well be pumped for a long period of time to collect the sample, and water may be wasted. ADEQ will specify when the testing be done. At least two tests are required, and more may be required depending on results. At least one test is intended to be performed when surface water is present, so in the case of the Deerfield well, the case could be open for a long period before a conclusive test can be conducted. The wash has not had water in it for a number of years.

**Motion: Jim Peoples moved to adopt a resolution approving the expenditure of \$1600 for a study by SWG to determine susceptibility of our wells to surface groundwater, and to send the report to ADEQ (Resolution #2009-5)**

Dylan also briefly discussed the "Designated Water Provider" designation. It is an intensive qualification process, of benefit to municipalities. It allows cities to approve development without having to submit separate documentation to ADWR. It must be renewed every ten years. The board generally agreed that it would not be appropriate for Granite Oaks Water Users.

#### **4. Operator Report**

Jim Muylee presented a report of Operator activity for the March and April. The Consumer Confidence Report should be available this week. An ADEQ facility inspection was performed on April 3, 2009. Some violations were noted- no vacuum breakers on some of the well hose bibs, and a crack concrete around the well head. Fann promptly corrected the violations. ADEQ also recommended that the Post Oak well head be raised at the next time any work is done on the well. A problem with the alarm unit was encountered, requiring the replacement of the unit and antenna by Summit Controls. Some problems have been experienced with the Deerfield generator due to fuel problems. Fann is investigating.

#### **5. Managers Report**

Bob reported that Auto Pay now has over 90 customers signed up. Records that were ready for destruction were taken to Kwik Copy for destruction. Backflow testing has not been completed. Follow up is continuing with one customer, The board discussed the type of backflow prevention device is required on customers with wells. The device should be a dual check valve that is testable, but no written specifications have been adopted.

#### **6. Conservation Committee Report**

Dirk reported on the actions of the committee: (Dirk, John, Rusty and Jim). The committee attended a consultation at John's home to see one first hand. Rusty and Jim audited a training program for Level I Irrigation Auditors conducted jointly by the City of Prescott and the Yavapai County Nursery and Landscape Association. Dirk also contacted the City of Prescott's

conservation representative who made materials and information available. The committee agreed on several recommendations:

- Offer consultations to new customers
- Include special conservation flyers in monthly billing
- Conduct a special conservation seminar (similar to one held a few years ago)
- Leave a report with the customer at the end of the consultation along with a feedback form
- Investigate the "Water Provider Designation"

Considerable discussion ensued concerning various aspects of the committee's activities, the value of consultations and the need or purpose for educating customers.

- Mountain Path may need to increase the cost from the current \$65.
- Mountain Path is willing to provide a report at the end and a customer feedback form.

*Action Item: Rusty will get feedback from customers having completed consultations.*

## 7. OLD BUSINESS

### Review of Action Items:

**Post Oak well downed fencing has been repaired**

### Remaining Items:

***Action Item: Bob will contact Mike Young to see if Fann has information or experience in construction sound attenuation walls. (In addition, Bob will see if Fann will present some possible solutions to GOWUA for consideration)***

## 8. NEW BUSINESS

### 8a. Elections

The ballots will go out with the bills on May 28<sup>th</sup>, with the return by the end of June. Three candidates will be on the ballot: John James, Jim Peoples, and John Monroe.

### 8b. Annual Meeting

The Annual Meeting will be July 25<sup>th</sup>. The board discussed several potential locations.

*Action Item: Dirk will check on two possible locations for the meeting.*

**Motion: Ken Adkins moved to have Chas. Hildebrandt attend the Annual Meeting and make a presentation; John James seconded; motion passed.**

## 9. Backflow Prevention

There was discussion about the apparent two backflow prevention types: where a well exists, and where there is no well, but landscape irrigation. There was unanimous agreement about the requirement for anti-backflow devices where a well is cross-connected. There was a general feeling that the same type of device required for a well, is not needed in Granite Oaks for landscape systems. The double check valve type is expensive to install, requires annual testing, and is susceptible to freezing, even with a jacket. The risk of contamination in Granite Oaks appears minimal. There are county requirements concerning irrigation systems, but the Company does not have a written standard.

*Action Item: Jim will prepare a written article on backflow devices for presentation to the board. Rusty to assist.*

**Motion: John James moved to adjourn the meeting. Rusty seconded; Motion carried.**

The meeting was adjourned at 11:15a.m.

**Next meeting: Wednesday ,July 22nd, 8:00am – Post Oak Site**

Minutes recorded by Bob Busch

**Submitted By:**

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**Secretary**