

Granite Oaks Water Users Association

Board Meeting Minutes - draft

January 25, 2006

Board Members

Gerry Garcia - President
Jeff Deming - Vice President
Ed Tumey – Secretary
Ken Mino – Treasurer
Ken Adkins – Director
Chuck Faust – Director
Dirk Stringham – Director

Contract Staff

Bob Busch
Allen Kaplan
Debbie Muse
Mike Young

The meeting was called to order at 8:00 a.m. by President, Gerry Garcia.

Motion by Dirk Stringham to approve the October 2005 Board meeting minutes with one correction – under 2. Tools Purchased change the cost to \$498.16, seconded by Chuck Faust; passed unanimously.

Resolution by Chuck Faust to accept Ken Adkins to fill the remainder of Bruce Bleeker’s Board term through 2007, seconded by Ken Mino; passed unanimously.

1. FANN ENVIRONMENTAL REPORT (Fann)

The Fann Operations Report covering October, November, and December was presented by Mike Young and made part of the January Board Meeting minutes.

Mike asked the Board to review Fann’s report and determine any other items the Board would like reported. The operations report will be sent monthly to Bob Busch to be included with the financials, and manager’s report that are sent to the Board. The Board would like to see monthly water usage figures on the operations report and meter accuracy testing listed.

Action Item: Mike Young will include the monthly water usage figures and list meter accuracy on future operation reports.

Generator Issue – Mike reported that the generator is working and is exercising fine with the new fuel pump installed.

Meters Freezing – When a meter freezes, who is responsible for repairing or replacing the meter? The Board determined it is the water company’s responsibility. We will need to target potential meters that need to be covered.

ADEQ Water Quality Report – ADEQ sent a notice stating that only one water sample was pulled in July 2005 and two are required. Mike noted that, historically, GOWUA has only been pulling one per month and that it might be related to population, which may have placed us in the two-sampling requirements.

Action Item: Mike Young will contact ADEQ to resolve the water sampling notice and determine what schedule the GOWUA is on with the monitoring assistance program.

2. MISCELLANEOUS DEDUCTIONS, INC. (MDI)

Manager’s Report and MDI Reports were presented by Bob Busch and made part of the January Board Meeting minutes. Bob reported that he will continue to send monthly business reports when the Board is not scheduled to meet.

Glenshandra Building – Building is complete. The County signed off on the final inspection. Total cost for the Glenshandra building to date is \$9,939.58.

Emergency Plan – Fann reported that the EOP has been revised.

Action Item: Mike Young will send a copy of the revised EOP to Bob Busch.

Site Sampling Plan – Fann is reviewing the site sampling plan to determine if any updates are required. Bob noted that this plan should be submitted to ADEQ for review.

Backflow Prevention Letters – The Backflow Prevention letters for the 2006 testing/compliance program are ready to be sent out in February.

Gentec Diagnosis – Jeff Deming inquired about a bill from Gentec for \$600 for diagnosing the fuel pump issue. It was determined that they charged overtime due to the end of their working shift.

3. FINANCIAL / AUDIT REPORT

Allen Kaplan reported fourth quarter financials, which showed a \$57,558 net profit. Allen noted that costs were down over last year by \$4,000, legal and professional expenses were down by \$7,000 and that metered sales were virtually the same comparing 2004 to 2005. All financial reports and comparisons are made part of the January Board meeting minutes.

Total Operating Revenue	\$227,500
Total Operating Expenses	\$173,008
Total Other Income/Expense	\$ 3,065

Year-end Reports

Breakdown by quarter, show expenses tended to flow evenly by quarter and revenue was relatively consistent. The Balance Sheet and Cash Flow reports indicate cash is up by \$52,000. The only major purchase in 2005 was the Glenshandra Building.

The Board was expecting a decrease in kilowatt hours (due to the new distribution pump retrofit system), which should have resulted in a 10% decrease in electricity costs (~ \$2,000). This was not the case. APS rates may have increased, which would have canceled out the expected savings.

Action Item: Bob Busch will research why a savings in electricity due to the new distribution pump system was not realized.

Action Item: Jeff Deming asked Alan Kaplan to research if GOWUA purchased the Meter Testing Device (Recorder Turbine Sensor), which EBS indicates they purchased.

Major expenses for 2006 will be the hydrant costs. The Board thanked Alan for an excellent report.

4. OLD BUSINESS

Backflow Prevention Device on Glenshandra Well – Currently the meter is locked off, so we are in compliance with backflow prevention policies. The question now is - do we put in a backflow prevention device on the well, which will require testing each year. If so, should we continue to water the trees (possibly put more irrigation around the building), or provide xeroscaping. Or, consider pulling the meter and let the trees go?

Action Item: Mike Young agreed to look into the cost for a backflow prevention device for the Glenshandra well and minimal xeroscape surrounding the well.

Action Item: Jeff Deming, Mike Young, Ed Tumey, and Gerry Garcia will work on a site plan to zeroscape the Glenshandra Well site.

Backflow Prevention Device Customer Compliance – The Board continued discussion about when customers are required to place a backflow prevention device on their meter. At question is - “what is considered a water source?” Mike Young stated that, the State of Arizona places the responsibility on the water company to determine if the well needs to be hooked up to be considered a source (or not). Also, Attorney, Doug Nelson stated that all wells not operational are required to be capped.

Motion was made by Jeff Deming to reaffirm the original backflow prevention policy from June 2005, stating, “the water company shall require a backflow prevention device to be installed at the customer expense on any customer’s service where a well is located on the property and is operational,” seconded by Chuck Faust; motion passed, Ken Mino abstained.

Ratify Bylaw Amendment

Motion was made by Chuck Faust to amend the bylaws to conduct quarterly Board meetings, seconded by Jeff Deming; passed unanimously.

Generator Maintenance – The cost annually for generator maintenance through AGM in Cottonwood is \$2,600. Two bids were received for generator maintenance, one from Gentec and the other from Fann Environmental.

Motion was made by Dirk Stringham to accept Fann Environmental’s proposal to provide generator maintenance, but with a request to receive more details in writing, seconded by Chuck Faust; motion passed unanimously.

Review Action Items – All action items have been completed.

5. NEW BUSINESS

Fire Hydrants – At the July 2005 GOWUA Annual Business Meeting, the Board indicated that fire hydrants would be budgeted in 2006.

Action Item: Reconvene the ad hoc Hydrant Committee (Jeff Deming, Dirk Stringham, Duane Gann) to determine how many hydrants will be installed this year, when, and the cost – to be presented at the April Board Meeting.

Tank Cleaning – Tank cleaning is scheduled to be done this spring.

Motion was made by Jeff Deming to authorize Fann Environmental to proceed with tank cleaning, not to exceed the budgeted amount of \$5,000 (if cost exceeds this amount, to contact the Board for further approval), seconded by Chuck Faust; passed unanimously.

Motion by Ken Mino to adjourn the January Board meeting, seconded by Ed Tumey; passed unanimously.

The meeting was adjourned at 10:15 a.m. Meeting minutes were recorded and transcribed by Debbie Muse.

The next meeting of the Board is scheduled for April 26, 2006.

