

DRAFT
GRANITE OAKS WATER USERS ASSOCIATION

Board of Directors Meeting

January 28, 2004

Board Members

Gerry Garcia, President (Absent)
Jeff Deming, Vice President
Doug Farris, Secretary
Chuck Faust, Treasurer
Duane Gann, Director
Ed Tumey, Director
Bruce Bleeker, Director

Contract Staff

Bob Busch
Lee Hixson
Allen Kaplan

Shareholders

Stella Farris

The meeting was called to order at 8:00 a.m. by Jeff Deming, Vice President.

Motion by Duane Gann to approve the December Board Meeting Minutes, seconded by Bruce Bleeker; motion passed unanimously.

1. ENVIRONMENTAL BIOMASS REPORT

Report presented by Lee Hixson and made part of the January Board Meeting Minutes.

Lee reported total monthly water usage at 2.7 mg, with the Glenshandra Well usage at 2.6mg and the Post Oak Well at .1mg. The Deerfield well is off-line for new upgrades.

The Deerfield site has been winterized. EBS flushed 6,000 gallons from the well and added chlorine. The water sample came back positive, so EBS will flush again this week ~~and disinfect as needed~~.

Action Item: Lee Hixson will inform Bob Busch when AWDR is coming out to test the wells.

Wellhead readings and meter readings continue to show a discrepancy. Bob Busch and Lee Hixson will continue to research the discrepancy.

Patton Electric's report and recommendation letter on the Post Oak distribution pump retrofit is made part of the January meeting minutes. Patton reported three alternatives to repair or replace the pumps and are recommending the purchase of two VFDs for two of the pumps.

Action Item: Jeff Deming and interested board members will take a trip to Wickenburg or view another location using VFDs and see how reliable the system is before making a final recommendation. Move forward with Patton Electric on the design portion of the project. Contact Civiltec to review the hydraulic portion of the project. Lastly, report on costs associated with the entire project.

2. MISCELLANEOUS DEDUCTIONS REPORT

The Manager's Report and MDI Reports were presented by Bob Busch and made part of the January Board Meeting Minutes.

Financial Reports

Duane Gann asked why the establishment fee adjustment was not showing in the financial reports. Bob Busch reported that the establishment fees are charges added to customer accounts because the transfer fee did not appear on their account when it was set up. The transfer fee is \$25. The tax is \$1.59 for a total of \$26.59 charge adjustment to the customer accounts.

Deerfield Retrofit: The permit to purge the well was received in December 2003. Test results will be submitted to ADEQ along with the request to place the well in service. A permit to put the well into service should arrive in early February. Also see additional information about the Deerfield site under 1. EBS Report.

Distribution Pump Retrofit: Reported under the 1. EBS section.

Glenshandra Building: The application for a use permit was granted by the Board of Supervisors on January 5, 2004, with the stipulations noted by the Planning and Zoning Board. Doug Farris has agreed to prepare plans for a building permit. Bob Busch recommended that the design have the appearance of a house with a carport entry in the back and adding a chain link fence. Other ideas were to raise the flooring, provide a fire door, include a drainage system that runs out the back of the building, and to ensure that heavy equipment will still have access to the back of the property.

Software Conversion: The new software was purchased from Core Utilities. RVS data is being converted [for Core software](#) and the handheld reprogrammed so that the new software can be used with the end of January meter readings. Bob is hopeful that January bills will be generated using the new software.

Action Item: Bob Busch will place a flyer in next month's bills explaining the new type of invoices (due to newly purchased software).

Usage History: Bob Busch compiled a report showing the top water users from 1997 to 2003.

Action Item: MDI will begin placing Water-Use-It-Wisely conservation items in monthly bills beginning in March.

Action Item: Jeff Deming and Bob Busch will write a form letter to the high-end water users letting them know they are on our top list of water users in our community. Also, to mention that we will begin reporting in our newsletter conservation efforts by the high-end water users.

Large Water Systems:

Action Item: Bob Busch will arrange for Doug Nelson to address the Board regarding large water systems sometime during the second week in March.

Capital Retirements: Bob Busch provided information to serve as the basis for removing amounts from Account 101, Plant-in-Service, that represented the original cost of the pump, electrical, and piping equipment replaced at the Deerfield well site. The capital retirements were effective December 2003.

Asset Replacement Fund Summary: The asset replacement fund summary was discussed. The board decided to defer further discussion until fall 2004.

Insurance: General Liability Insurance rates increased by 8%, which will affect our policy renewal in March.

Other Activities:

- a. MDI requested a long-range plan from Civiltec.
- b. Various audits were discussed. It was the consensus of the Board to continue with current checks and balances through MDI's reports and Allen Kaplan's services.
- c. Allen Kaplan reviewed with the board year-end financial reports and comparison reports. He noted that the number of customer sales increased by 3% and meter water sales decreased 3%. Revenues decreased from the prior year. Expenses were in line with the budget, with the exception of additional

outside contractor expenses. Also noted, was the increase in insurance over the past few years. Allen also provided an accounts receivable audit. The Board commended Allen on his thorough financial reports.

3. OLD BUSINESS

Backflow Testing: A backflow tariff is on file with the Arizona Corporation Commission, and has been since the late 1990s. The GOWUA Policy Manual has been revised with a proposed policy that conforms with the tariff. The backflow policy revisions were distributed to the Board for review and approval. Board comments and changes were provided and will be incorporated into the final backflow policy statement.

Resolution was made by Duane Gann and seconded by Chuck Faust to accept the backflow prevention policy as presented by Bob Busch with corrections; approved unanimously.

Action Item: Bob Busch will incorporate the changes into the backflow policy and send a clean copy to the board members. The corrected policy will be made part of the January meeting minutes.

Action Item: Bob Busch will draft a letter to backflow customers explaining the GOWUA backflow prevention policy and copy the corporation commission tariff pages. The letter will be sent via registered mail.

Action Items Reviewed: Doug Farris will prepare a 2003 Resolution Document and Index and hand it out at the February board meeting.

4. NEW BUSINESS

Deerfield Well Enclosure: Duane Gann proposed that an ad hoc committee be formed consisting of Bob Busch, Ed Tumey, and himself to prepare a plan for improving the Deerfield well site. This plan will include cost figures, a proposed shed, and volunteer efforts.

Annual Meter Installation Charge Refunds: Bruce Bleeker asked if and how these refunds were being tracked.

Action Item: Bob Busch will review the Annual Meter Installation Charge Refund records and balances.

Motion made by Doug Farris, seconded by Chuck Faust to adjourn the January board meeting; passed unanimously.

The January Board Meeting was adjourned at 10:15 a.m. Meeting minutes were recorded by Debbie Muse.



NEXT BOARD MEETING IS SCHEDULED FOR FEBRUARY 25, 2004