

Granite Oaks Water Users Association
Board Meeting Minutes
July 25, 2007

Minutes approved:

THOSE PRESENT

Board Members

John James, Director
Ken Mino, Director
Jim Peoples, Director
Dirk Stringham, Director

Contract Staff

Bob Busch, MDI
Alan Kaplan
Jim Muylee, Fann Environmental

The meeting was convened at 8:05 by Dirk Stringham, the 2006 Sec/Treas. Directors not present were; Jeff Deming, Ken Adkins and Balin Strickler.

1. Election of Officers

After a discussion of officers to be elected being President, Vice President, Secretary and Treasurer, nominations were opened for President.

Motion: Jim moved that Dirk be elected as President for the upcoming year. Motion seconded by Ken; Motion carried.

Motion: John moved to reelect Jeff as Vice President and Jim as Secretary; seconded by Ken; motion passed.

Motion: Ken moved to elect John as Treasurer; seconded by Jim; motion carried after discussion about the duties involved.

Officers of the Corporation for the 2007-2008 year are:

President: Dirk Stringham
Vice Pres: Jeff Deming
Secretary: Jim Peoples
Treasurer: John James

Meeting was then called to order by President, Dirk Stringham at 8:15 am. Dirk requested that the agenda order of business be modified to hear the Operator Report first on the agenda due to pressing time constraints on Jim Muylee.

2. Operator Report

Jim Wiley reported that for the quarter, 1450 meters were read (450 per month), with one meter replacement, 12 in/out read requests. 75 meter verifications remain to be completed this season, but Jim felt that would be accomplished, especially with a new Fann Env. employee, Mike Riddle, being assigned part time for GOWUA.

Jim Wiley commented on the motor failure at Glenshandra, stating that it appeared to be due to un-balanced power at Glenshandra. There have been several reports of the need to reset the Glenshandra pump due to power problems.

Action Item: Fann will attach a recording power meter to monitor the power feed to the Glenshandra well.

Action Item: Bob will prepare a letter to APS regarding GOWUA's concerns about the power supplied to Glensandra, and coordinate with Jim Peoples.

Jim Wiley reported that a notice of violation was received from ADEQ for failure to report nitrate sample tests for 2006. A sample bottle had been misplaced and the error was not noticed. A notice to the public is required. (A notice to customers will go out with bills at the end of July.) Jim noted that the highest pumping day on record was reached on July 9th. 431,967 gallons were pumped through the distribution system that day.

3. Minutes of last meeting

Minutes of the Board Meeting of April 24, 2007 were reviewed.

Motion: Jim Peoples moved to approve the Minutes of the April 24, 2007 meeting as written; seconded by Ken Mino; motion approved.

4. Financial Report

Alan Kaplan presented the financial report as of the end of June 2007. Operating Revenues are virtually the same as compared to last year. Expenses are approximately \$9,000 less, with net income being about \$9,000 more than YTD for 2006. Cash on hand increased \$16,600 from January 2007. Assets of \$56,352 were added so far in 2007.

Bob reported that the cost for the Glensandra pump replacement was \$14,327.58 and that it had been handled as a capital replacement and retirement. Alan Kaplan and The Board felt it should be handled as expense, because it was a replacement in kind rather than an improvement.

Action Item: Bob will arrange to have the cost expensed.

Dirk mentioned that the Operating Account balance was unexpectedly negative as of July 25th, because of unusual expenses related to the pump replacement. He arranged to transfer additional funds from the Corporate Account.

Action Item: Bob will notify MDI to advise the Treasurer when large or unusual expenditures arise so that additional money can be transferred from the Corporate Account, if needed.

5. MDI Report

Bob summarized activities since the April meeting:

- a) Backflow testing has been completed and a report sent to the Board.
- b) The Consumer Confidence Report was mailed to Customers in June.
- c) The System Water Plan was filed with ADWR. Within the last two weeks, a letter from ADWR advised that since GOWUA was not a "Designated Water Provider" it is not exempt from the requirement to include a water supply plan with the System Water Plan.

Action Item: Bob to follow up with ADWR to obtain more information about designated water providers and the nature of the rejection of the exemption. (The System Water Plan is due to ADWR by January 2008).

- d) Arrangements have been made at the old fire station for the Annual Meeting on Saturday.
- e) Bids were obtained from four contractors for the Post Oak repairs and forwarded to the board.

Bob mentioned that the MDI contract expires in October, and since the board may not have time to consider action before the expiration if it waits for the October meeting, the board may want to initiate some action now in regard to contract renewal or replacement.

Action Item: Ken will head a committee to review and recommend action to the board regarding the financial services contract. Bob will advise Ken of exact expiration dates of MDI contract and obtain and submit a renewal proposal from MDI.

6. Old Business

6a. Review Action Items:

It was noted that all action items from the April 24th meeting have been completed except:

Action Item: Bob will contact title companies to see if they will call for a final reading on sales in the subdivision.

Jim Peoples stated that according to an acquaintance from APS, they require notification from the outgoing customer prior to changing accounts to a new customer.

Action Item: Bob will implement a policy of requiring the outgoing customer to contact the business in connection with a change to a new customer at the address.

6b. Landscaping at Glenshandra

Duane Gann reported that the water service with backflow device, drip system and 4 zone valves is completed. The system is equipped to handle the existing trees on the lot, a planter area around the building and planting in the front yard. The Granite Oaks Garden Club will decide on shrubs to be planted. All will be low water use. Most or all will be donated. To date, \$1,115.45 has been spent on the project.

Action Item: Jim Peoples will serve as the board contact for the project while Jeff Deming is away.

Dirk asked if anything had been done to review/analyze operations to determine if any capital or other expenditures should be made to improve the system. Bob suggested that the board might want to consider a permanent backup generator at Glenshandra. The portable at Post Oak is presently "available" if required at Glenshandra.

Action Item: Jim Peoples will head a committee to analyze the requirements at Glenshandra and Post Oak and recommend to the board and action in regard to placement of a generator at Glenshandra. Options could include moving the portable from Post Oak to Glenshandra and purchasing a new generator for Post Oak, among other options.

7. New Business

7a. Post Oak Repairs

The board discussed the four bids obtained for the Post Oak building repairs. Bids were received from: All There Construction Service, Granite Peaks Construction, Home Improvement, Inc., and E & D Construction. Bids ranged from \$4,240 to \$7,350. All bidders except E & D Construction are licensed contractors. E & D Construction is Ed Tumey and Duane Gann, both former board members who have performed most of the volunteer work involved with the Deerfield pump house and the interior remodeling at Post Oak. The E & D bid was \$4,384, or less than \$200 more than the low bidder. A comment was made that the work Ed and Duane had done previously was excellent and they did not have a license to do the previous work. Plus, both live in the community.

Motion: Ken moved to accept the proposal from E & D Contracting, with the provision that repairs to the door on the chlorine room would be done on a Time and Materials basis, not exceed \$600. Motion seconded by Jim Peoples; motion carried.

7b. Annual Meeting

Arrangements have been made for the annual meeting. Notices have been sent to shareholders. Since a quorum is not expected, the meeting will be an informational meeting, with the introduction of board members and officers, a financial report and a report on operations for the year.

Action Item: Bob will arrange for a gift certificate for outgoing board member and president Gerry Garcia in the amount of \$100 for dinner at a restaurant of her choosing in appreciation for her service to GOWUA.

The board discussed the recent death of Bruce Bleeker, a former board member and officer of GOWUA. The board had sent a sympathy card to Gayle Bleeker and discussed a contribution to the charity mentioned in the obituary. (The Fisher Foundation of Rockville, MD) It is a charity associated with US military service.

Action Item: Bob will arrange to have a \$100 contribution sent to the Fisher Foundation in the name of the board of GOWUA.

Motion: Jim Peoples moved to adjourn the meeting; seconded by Ken; motion passed. Meeting was adjourned at 9:30 a.m.

Next meeting is October 24th at 8:00 a.m. at the Post Oak building.

Minutes recorded by Bob Busch

Addendum to Meeting Minutes

Subsequent to the meeting, it was determined that an approved motion would be required to change authorized signers on the National Bank Account.

Motion: Gerry Garcia and Jeff Deming shall be removed as signers on the Granite Oaks Water Users Association account at National Bank of Arizona in Chino Valley. Richard "Dirk" Stringham shall remain as a signer. John James shall be added as a signer. Motion carried via email.

Submitted By:

Secretary