

Granite Oaks Water Users Association
Board Meeting Minutes
October 24, 2007

Minutes approved:

THOSE PRESENT

Board Members

Jeff Deming, Vice President
Ken Mino, Director
Jim Peoples, Director
Dirk Stringham, President

Contract Staff

Bob Busch, MDI
Alan Kaplan
Jim Muylee, Fann Environmental

Shareholders

Duane Gann
Ed Tumey

The meeting was convened at 8:00 by President, Dirk Stringham. Directors not present were; Balin Strickler, John James and Ken Adkins.

1. Minutes of Previous Meetings

The minutes of the Annual Meeting were discussed.

Motion: Jim Peoples moved that the minutes of the July 29th annual meeting be approved as writer; seconded by Ken; motion carried.

Dirk reviewed aloud the board minutes of July 26th.

Motion: Jim Peoples moved to approve the minutes of the July 26th board meeting as written; seconded by Jeff; motion carried.

2. Financial Report

Alan presented the financial results for the end of the 3rd quarter 2007.

Revenues: \$194,187
Expenses: \$116,893
Income : \$ 82,353

Income is 18K above last year at this time and 30K more than projected in the 2007 budget. This is due in part to higher revenues than budgets and about 12K less expense. The difference in expense is a result of repairs for Post Oak not yet being realized vs budget. After a review of the cash on hand, there was some discussion about placing additional funds in a CD for the replacement fund.

Motion: Jeff moved that \$23,000 be transferred out of the checking account to a CD designated for the Asset Replacement Fund; seconded by Ken; motion passed.

Alan reported that GOWUA had a cash flow of \$43,400 for the first 3 quarters of 2007. Alan also reported that after some review of material from NARUC and corporation commissions, he was in agreement with handling the replacement of the Glenshandra pump as a capital replacement following utility accounting guidelines. This would mean none of the cost is recognized as expense. The new plant is capitalized and the amounts for the removed plant is credited to Accumulated Depreciation.

3. Operators Report

Jim Muylee reported that 65 meters have been verified this season, completing the annual program for this year. He reported that 2 chlorine pumps had been ordered to replace existing pumps. He recommended that vents be installed in the Chlorine shed during the upcoming remodeling to lessen the caustic atmosphere in the shed. He indicated that no events have been recorded on the power recorded placed at Glenshandra this summer.

Action Item: Bob will follow up with APS concerning the status of response to our letter regarding Glenshandra well.

Action Item: Jim/Mike Young to get information on generator for Glenshandra/Post Oak before next meeting so that a generator can be in place at Glenshandra by next summer.

4. Managers Report

Bob reported that after discussions with ADWR about requirements for exemption from the water supply section of the System Water Plan indicated GOWUA would not get the exemption, he added a water supply section, completing the System Water Plan. He then forwarded it to ADWR as required.

He pointed out that annual water use per customer went up from 1995 to 2002 for a high of 181,880 gallons per customer per year. Annual use then went down over the next three years to 141,190 in 2005, only to go up to 148,650 per year per customer in 2006. 2007 is on a pace to exceed last year. The highest daily use ever was July 8th, at 431,967 gallons delivered to customers.

Bob reported that he is following up on a new well added in the subdivision. He has talked to the customer about the requirement for a backflow device and will continue following the situation until backflow test information has been received.

5 Old Business

a. Review of Action Items

Ken Mino reported on his review of the upcoming MDI contract expiration. He received a proposal for a renewal of the three-year contract at the same rates with a 3% year to year increase starting November 1st. Ken recommended that the board enter into the 3 year agreement as presented, and further recommended that the board start earlier before the next expiration and obtain other bids.

Motion: Jeff moved to approve the 3-year contract with MDI as presented; Jim seconded; motion carried.

Action Item: Bob will add contract expiration dates for MDI and Fann Environmental on the cover page of the monthly report package as a reminder to board members.

b. Landscaping Improvements – Glenshandra

Duane Gann reported that fencing & basic work is about complete. Boulders will be added in a few weeks, compliments of Fann Environmental. Plants will be added next spring. The plants are being provided by members of the Garden Club. Once plants are added, the area will be covered with decorative rock.

Possible articles for the upcoming newsletter were discussed. Among them, protecting meters from freezing this winter, conservation and updates of well sounding data.

Motion: Jeff moved to adjourn; seconded by Ken; meeting adjourned at 9:50am.

Next meeting: Wednesday, January 23rd, 8:00am – Post Oak Site
Minutes recorded by Bob Busch

Submitted By:

Secretary