

GRANITE OAKS WATER USERS ASSOCIATION

Annual Shareholders' Meeting
July 27, 2019
Central Yavapai Fire and Medical Station #57
Outer Loop Road, Prescott, AZ

Call to Order: President Jim Bricker called the meeting to order at 9:00 a.m.

Note: .From GOWUA Bylaws:

Quorum: The members holding 50 percent plus one of the Class B votes of the Association shall constitute a quorum at meetings of the membership of the Association. If a quorum is not present at any meeting of members, those in attendance may conduct an informational meeting, but no business upon which a vote is to be taken, shall be conducted.

There were approximately 30 shareholders in attendance. There was not a quorum present, and an informational meeting ensued.

President Jim Bricker introduced members of the board in attendance, himself and contract staff:

Officers

John James, Treasurer (absent)
Claire Hutt, Vice President
Bonnie Pearson, Secretary
Directors:
Ken Nelson
Daryl Mathern
Gerry Garcia (absent)

Contract staff:

Allen Kaplan, Auditor
Derek Scott, A Quality Water Co., Operator (absent)
Bob Busch, Manager

The President introduced Ed Wolfe representing the Citizens Water Advocacy Group who gave a slide presentation entitled "Granite Oaks Water Users Association; All is Well??" The presentation covered information about the Granite Oaks Water Users Association wells in the context of the aquifer and surrounding wells. He presented historical data concerning water use in the Prescott AMA, rainfall and temperatures in the region in the last few decades.

The President then gave a brief summary of significant events that have occurred since the last annual meeting. He reported that about a year ago, the Company was working to repair and rehabilitate the Deerfield well. It took several months, longer than expected, to complete the repairs. Mr. Bricker reported that in the last months of 2018 and early 2019, the Company replaced all customer meters in the system with radio read meters. These new meters along with new meters at the wells have resulted in lowering the unaccounted for water to less than 3% last month.

Financial Report *Allen Kaplan, Auditor*

Allen explained that MDI Taxes & Accounting does all the accounting for GOWUA. He reviews the financial reports and analyzes results.

Allen reviewed each page of the financial reports covering the first six months of 2019.

He reported that the number of customers for June was 461. Revenue is under about \$5,000 from the budget forecast for year to date. Operating Expenses are under budget by about \$25,000, mostly as a result of the Glenshandra Well Rehab project not occurring in the first part of the year as forecast. For the first six month of the year, the Company shows a loss of \$4,633.

Revenue is down about \$13,000 from last year. Expenses are up about \$6,000 compared to last year, due mostly to Fortiline training. Net income last year was \$13,600 vs a loss this year of \$4,600. The Balance Sheet shows about \$196,000 in cash now, down about \$57,000 from last year.

He reported that \$177,820 in assets were capitalized in the first half of 2019. The new meters cost approximately \$150,000. Cash on hand is down \$56,800 from January, 2019. Allen reviewed the list of asset purchases since the inception of the Company.

MDI Report *Bruce Eldredge, President, MDI Taxes & Accounting*

Bruce explained that his company does the accounting and monthly billing for GOWUA. He Reported that customers usually pay bills one of three ways: by return check in the mail, by internet banking and by automatic payment withdrawal (ACH). He reported that there have been issues with the US Postal Service at times, causing some customers payments to arrive after the 25th of the month. Also, banks tend to group internet banking payments, so there have been times those payments have arrived after the 25th. He encouraged customers not to wait until the last minute to pay their bill. Automatic payment withdrawal has been the most reliable method of payment.

He commented that a number of customers receive email bills. Those occasionally are rejected by the server, or go to customer's junk mail. He advised customers to call if they have not received a bill by the 5th of each month.

There was a very brief question and answering period, then Jim Bricker thanked everyone for attending and adjourned the meeting at approximately 10:30 am.