Granite Oaks Water Users Association

Board Meeting Minutes

Meeting of May 27, 2026

Approved June 24, 2026

Board Members	**Contract Staff**
Ken Nelson - President JD Sale – Vice President-via telephone Matt Olson - Treasurer Daryl Mathern, -Secretary Robert Finke – Board Member-absent Don Murphy – Board Member Nathan John- Board Member	Bob Busch - Manager, GOWUA Cheryl Ibbotson – Ariz. Utility Billing Solutions Derek Scott- Arizona Utilities Operations-Operator Devon White–Legal Counsel

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1. CALL TO ORDER

The meeting was convened at 9:00 AM at 302 W. Willis St., by President Ken Nelson.

2. REVIEW/APPROVAL OF MINUTES OF BOARD MEETING OF APRIL 22, 2026

Motion: Matt Olson moved to approve the minutes of April 22, 2026 with the corrections noted. Daryl Mathern seconded. Motion passed unanimously.

3. REPORTS:

3a. Treasures Report

Matt Olson reported that since the last meeting, two CD's have matured, and he has invested in a CD with Bank of America at 3.85% maturing on October 9th and one with Wells Fargo at 3.9% maturing on February 8, 2027. The third CD, with Texas Capital Bank, matures on July 9th. All the CD's are for 55K. Currently the Schwab Account has $175,401.85. Of that amount, $10,407.73 is cash.

Motion: Daryl Mathern moved to accept the Treasurer's Report. Don Murphy seconded. Motion passed unanimously.

3b. Operator's Report

Derek Scott reported that valve exercising will begin next month. He said he has not yet constructed shelving to get them up off the floor. One new meter was installed across from Glenshandra. He reported that all log sheets at the well sites are being modified to include more information. He stated the meters are scheduled to be read on Sunday, May 31st. Bob Busch added that the bills, along with a letter from the Board Chair and the new rate notice will go out next week.

Ken Nelson commented that according to information he has read, chlorine should not be stored in the same area with electrical equipment. Derek Scott reported that all chlorine has been moved to Post Oak and placed in the shed attached to the outside of the building. All chlorine to the system will be added at Post Oak. Derek Scott will order an eyewash station for Post Oak.

There was a discussion about an inventory for spare parts. Derek Scott and Bob Busch will prepare an inventory of spare parts for each site.

3c. AZ Utility Billing Report

Cheryl reported that all reports have been submitted. The next report is the tax return due later this year.

3d. Manager's Report

Bob Busch reported that a corrected Comparison Report for March was included with the Board Packet. He reported that in April, the unaccounted for water was 176,464 gallons. There were 39 customers with more than 30,000 gallons used, that totaled 1, 837,530 gallons, or 33% of total water used.

Bob reported that he received a report of a water hammer problem from a customer on Live Oak Dr. It appears that the problem may be coming thru the meter on the property next door. The customer has indicated he will discuss the situation with his neighbor.

4. OLD BUSINESS

4a. Discussion and possible action concerning performing maintenance on electrical equipment.

Ken Nelson discussed the work he has done at Deerfield to document the electrical system. He showed the Board a number of schematics he created for the site. He suggested he could do the same thing for Glenshandra, but that it may require someone else to complete for Post Oak.

Nathan John observed that the Company needs some kind of software/system to store Company records/drawings so that they are available to Board members.

No action taken on this item.

4b. Discussion and possible action concerning the ongoing rate case.

Bob Busch reported that he has had discussions with the Ombudsman's office at the ACC regarding the possibility of reopening the Rate Case to apply for a tariff to fund future infrastructure improvements. The Commission members seemed positive about such a tariff at the Hearing on May 7th. Bob handed out a spreadsheet showing potential revenue based on 2025 consumption by customers using more than 20,000 gallons per month . He indicated that the ACC Staff was suggesting tariffs that would generate $120,000 to $150,000 per year. He said the Staff was preparing a report that would indicate the steps needed and the timeframes involved to reopen the case.

Motion: JD Sale moved to proceed with reopening the Rate Case. Nathan John seconded.

There was a discussion about a "conservation tariff" and possibly reopening the rate case.
It was the consensus of the Board to wait until more information is received from the ACC Staff before taking any action. It was suggested that timing for a special tariff later in the year might be more appropriate. Motion was not approved.

No action taken on this item.

Matt Olson asked about the fee owed to Sonn Albrecht. It was determined that her fee is $12,000 and that we have paid $9,000 or $10,000 so far.

4c. Discussion and possible action concerning a new well.

Devon White reported on his discussions with the County Attorney's Office concerning use of County property. He summarized by commenting that a legal argument could be made to allow GOWUA to utilize county property, however, the County Attorney's office is reluctant to establish a precedent. He suggested that a meeting be arranged with County officials, staff and County legal personnel to overcome the precedent issue.

Devon White will work to schedule a meeting with GOWUA, pertinent county officials and personnel.

4d. Discussion and possible action concerning a list of items to be included in periodic reports from the Operator.

No action taken on this item.

4e. Discussion and possible action concerning well monitoring equipment.

No action taken on this item.

4f. Discussion and possible action concerning a proposal to perform vibration analysis on two pumps at Post Oak.

It was the consensus of the Board not to perform vibration analysis on the current pumps, being 20+ years old.

No action taken on this item.

4g. Discussion and approval of updated Curtailment Tariff and Cross-Connection Backflow Prevention Tariff.

Motion: Ken Nelson moved to file the undated Curtailment Tariff and Cross-Connection Backflow Prevention tariffs. Don Murphy seconded. Motion passed unanimously.

5. NEW BUSINESS

5a. Discussion and possible action to approve a quote for inspection and cleaning of water storage tanks at Post Oak.

The Board reviewed and discussed the proposals received from Rubicon and Midco Diving. It was the Board consensus to request additional information from the vendors to determine the type and extent of written reports associated with the proposal.

Bob Busch will work with the vendors to obtain additional information concerning the quotes.

No action taken on this item.

5b. Letter to Customers from Board Chair

Ken Nelson read a proposed letter to customers to be sent with bills next week. There were suggestions to modify certain portions of the letter. It was the Board consensus to accept and send the letter with the suggested changes.

6. ADJOURN

Meeting was adjourned at 11:10 AM.

Minutes transcribed by Bob Busch

Submitted By: ______________________________

Secretary