

Granite Oaks Water Users Association
Board Meeting Minutes
Meeting of October 30, 2025

Board Members

Ken Nelson - President
JD Sale – Vice President
Matt Olson - Treasurer
Daryl Mathern, -Secretary
Robert Finke – Board Member

Approved November 19, 2025
Contract Staff

Bob Busch - Manager, GOWUA
Cheryl Ibbotson – Ariz. Utility Billing Solutions-Absent
Derek Scott- A Quality Water Co.-Operator

Devon White—Legal Counsel
Don Murphy -guest
Nathan John - guest

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

The President changed the order of business to Item 5a., concerning filling vacancies on the Board. He asked both guests to provide some background information about themselves. Don Murphy summarized his background, and commented that he has a technical and manufacturing background and expressed his interest in serving on the Board. Mr. Nathan John did likewise. HE commented that he has worked for various computer chip manufacturers. He stated that his experience building things & businesses would help Granite Oaks Water Users looking at the long term.

MOTION: Matt Olson moved to accept both Nathan John and Don Murphy as members of the Board of Directors, with Don Murphy taking the position with the term ending September, 2026 and Nathan John taking the position ending September, 2028. Bob Finke seconded the motion. Motion passed unanimously.

Ken Nelson welcomed the two new members to the Board of Directors.

2. REVIEW/APPROVAL OF MINUTES OF BOARD MEETING OF September 24, 2025

Motion: JD Sale moved to approve the minutes of the September 24, 2025 meeting with the correction noted. Daryl Mathern seconded. Motion passed unanimously.

3. REPORTS:

3a. Financial Report

Allen Kaplan reported that Revenue so far this year is ahead of budget and expenses are less than budgeted so far this year. Net Income at 21.6K is 22K more than budget. Compared to last year at this time, Revenue is 8K more at \$209,500 and expenses are 1k higher at \$17,000. Net Income is 3K more than last year to date. Allen reported that cash is up by 32K since January. He reported that \$6,158.31 was spent on fixed assets in third quarter. Allen reported that cash flow for year to date, was 30K thru September, 2025.

Motion: Daryl Matherne moved to approve the Financial Report. Matt Olson seconded the motion. Motion passed unanimously.

3b. Treasurer's Report

Matt Olson reported that there is \$171,727.68 currently in the Charles Schwab account. There are 3 CD's with staggered maturity dates plus some cash. As each CD matures, cash from the account has been added to bring them each to 55K. Interest rates vary from 3.8% to 4.35%.

Motion: JD Sale moved to accept the Treasure's Report. Daryl Matherne seconded. Motion passed unanimously.

3c. Operator's Report

Derek Scott reported that he had contacted ADEQ regarding the power failure at Post Oak. He commented that the Board might want to consider talking to Empire Cat about changing out the batteries before the warranty is up. The Operator is unaware of the age of the battery. There was a discussion about the cost of batteries and their replacement.

Motion: Bob Finke moved to restructure the service agreement to replace the generator batteries every two years and that the installation date be displayed on the battery. Nathan John seconded. Motion passed unanimously.

There was considerable discussion about the cost of batteries and who would be responsible for replacement

Motion: Bob Finke moved to purchase a battery set and a trickle charger to be placed at Post Oak. Nathan John seconded. After a discussion about possible Power packs or other portable means of starting a generator, the motion failed

Action Item: Derek Scott will research portable power packs.

Derek reported that the painting of the three buildings and the fence at Glenshanda has been completed. He also reported that the landscaping work at Glenshanda and Deerfield is complete.

Derek reported that meter reading went well this month. Bob Busch asked if a meter runs backwards does the meter register an alert. Derek confirmed that an alert is registered. There was a discussion about possible backflow from customer meters. Derek reported that meters have a check valve in the meter to prevent backflow. They occasionally fail and are replaced. There was a discussion about possible contamination from a residential line. Although backflow prevention devices are required for irrigation systems, there is no enforcement of a requirement that they be tested periodically for proper operation.

3d. AZ Utility Billing Report

Nothing to report.

3e. Manager's Report

Bob Busch reported that unaccounted for water in September was 198,490 gallons or 2.96% of water sold. There were 58 high users (using over 30,000 gallons) using 2,834,830 gallons. So, 12.1 % of the customers used 43.6% of water sold in September. He reported that the rate case

application was filed by Sonn Albrecht on October 20th. He reported that the notice of the rate case will be included with the bills sent out at the end of October.

4. OLD BUSINESS

4a. Action Items

- *Action Item: Derek Scott will notify his Compliance Officer of the outage situation.*
Completed
- *Action Item: Bob Busch will contact the insurance company to determine coverage.*
Completed -Insurance Agent contacted. Coverage commitment not available.

4b. Discussion and possible action concerning the filing of a rate case with the Arizona Corporation Commission.

No action taken on this item.

5. NEW BUSINESS

5a. Discussion and possible action concerning filling a vacant position on the Board of Directors.

See item above.

5b. Discussion and possible action concerning a possible amendment to the Bylaws.

Motion: Daryl Mathern moved to approve the amendment to the Bylaws. Bob Finke seconded. Motion carried.

5c. Discussion and possible action concerning a revision to the Policy manual.

Motion: Matt Olson moved to approve the revision to the Policy Manual with the typographical changes noted. Daryl Mathern seconded. Motion passed unanimously.

5d. Training on use of OneCallNow System.

This item was moved to the end of the meeting.

5e. Discussion and possible approval of a proposal to renew insurance coverage for the next year.

There was a discussion about the coverage. It was determined that the coverage is the same as last year and the cost increased from \$12,049. Bob Finke pointed out that the exception for Law Enforcement action needed clarification.

Motion: Matt Olson moved to approve the proposal to renew the insurance coverage (premium at \$13,117,00). Daryl Mathern seconded. Motion passed unanimously.

Action Item: Bob Busch will request a clarification on the exception to coverage from law enforcement liability.

5f. Discussion and possible approval of a plan to provide generator running alarms.

There was a discussion about the need to improve the alarms from the pump sites. There are no schematics or drawings of the existing wiring/controls. Bob Finke reported that he is working on schematics for the system. He suggested that a comprehensive system is needed. He said he is researching electricians to find one that can assist.

Action Item: Bob Finke will research electricians in the area and consult with other Board Members on a possible plan of action.

6. ADJOURN

Minutes transcribed by Bob Busch

Submitted By: _____
Secretary