

Granite Oaks Water Users Association

Board Meeting Minutes

Meeting of March 8, 2023

Approved March 22, 2023

THOSE PRESENT

BOARD MEMBERS

Contract Staff

Ken Nelson, President
Matt Olson –Vice President
Daryl Mathern, - Secretary
Ron Weber – Treasurer
J D Sale - Board Member +
Jim Bricker – Board Member

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

Bill Whittington – Board Legal Counsel

The meeting was held in place of the regularly scheduled meeting of February 22nd, that was postponed due to bad weather.

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

2. Approval of Minutes of meeting of January 25, 2023

It was noted that there were a couple of typographical errors in the minutes.

Motion: Matt Olson moved to approve the minutes of January 25, 2023 with the corrections as noted. J D Sale seconded the motion . Motion passed unanimously.

3. Reports:

3a. Financial Report

Allen Kaplan handed out the financial reports for the year ending January, 2023. He said that Revenue, 14k was about .8k less than a year ago. Expenses are about 1k less than a year ago to 18k. Net Income for January was -3k vs a -3.4k last year. Cash decreased 4k from December to 316.8k. Allan reported that the Charles Schwab account had increased to just over 252k. He reported that one of the T-Notes matures on March 9th.

Motion: Ron Weber moved to accept the January financial report. Matt Olson seconded. Motion passed unanimously.

There followed a discussion about what to do with the matured T-Note.

Motion: Ken Nelson moved to reinvest the 61.7k T-Note for 6 months. Matt Olson seconded. Motion passed unanimously.

3b. Operator's Report

Derek Scott reported that aquifer seems to have come up since early February. Maintenance operations are ongoing and everything is operating normally. All samples were completed and delivered to the lab with no issues.

3c. Arizona Utility Billing

Cheryl Ibbotson reported that AUB made 22 leak notification at the first read and 25 on the second reading. This compares to 16 notifications for both readings last month.

3d. Manager's Report

Bob Busch reported that the unaccounted for water was about 10.19%- 215,558 gallons. He said the unaccounted for water in gallons remains fairly consistent. The percentage goes up or down depending on the amount pumped each month.

He reported that he submitted the Purchased Power Adjustment Mechanism to the ACC as required, but he has not received approval to begin billing the adjustment. He reported that according to Arizona Billing, the cost of the Customer Report inserted with billing has increased to \$45. It was the consensus of the Board to continue to include the Customer Report in monthly billing. Mr. Busch reported that the request for bids for the new well design has been sent out. Bids are due on March 17th. Bid packages were sent out to 5 firms. In addition, two MBE firms were sent notices of the upcoming bid. Neither responded. Mr. Busch reported that the County has contacted him to attend a conference call to review the status of the APRP projects. He said a date has not been set up, and that if any Board Member would like to participate, to let him know.

Mr. Busch reported that yesterday, he received a two page agreement to cancel the VFD project. He said he did not recall signing an agreement for the project.

Action Item: Mr. Busch will contact Yavapai County to resolve the cancelled contract issue.

He reported that he has reviewed invoices for legal fees from June thru November to determine how much might be considered ARPA related. He commented that thru November, about \$16,304 could be attributable to the ARPA project.

4. OLD BUSINESS

4a. Action Items

None

4b. Discussion and possible action concerning the proposed backup generator at Deerfield.

JD Sale reported that his contact with Cummins indicated that the generator might be available by early September. The transfer switch will likely be here sooner.

4c. Discussion and action concerning the possible reimbursement of legal fees in connection with the ARPA projects.

Mr. Busch commented that if the legal costs are considered part of the project, they should be included as a portion of the project costs and included with assets on the Balance Sheet. It will not impact the amount funded by the County. Mr. Busch reported that as of December, the amount was \$16,304.

4d. Discussion and possible action concerning the approval and execution of a contract with Matrix New World Engineering for design and construction of an additional tank at the Post Oak facility.

There was some discussion about the proposed contract. It is 19 pages plus 70+ pages of exhibits. The Board discussed the advisability of reviewing the entire contract before executing. Mr. Whittington suggested that board members should review the contract as a part of their fiduciary duty.

Action Item: Bob Busch will email a copy of the proposed contract to Board Members for their review.

The approval of the contract will be placed on the agenda for the next meeting.

Action Item: Bob Busch will email a waiver Certification of Conflict of Interest Form to Ken Nelson for signature pertaining to Tank Project, ARPA40.

Ken Nelson brought to the Board's attention, the apparent conflict with the kw used in 2022 vs the installation of the VFD's. It was anticipated the kw used would decline with the VFD's installation. It appears that kw use per gallon has increased.

Action Item: Bob Busch will email to the Board, the PPAM calculations showing KW and cost for 2021 and 2022.

5. NEW BUSINESS

5a. Discussion and possible action concerning cyber insurance coverage.

Bob Busch reported that Bill Weber was not available for the meeting today. He can be available for the March 22nd meeting. There was a discussion about the cost of the cyber coverage and whether it was necessary. It was the consensus of the Board to have Bill Weber present the proposed coverage and answer question from the Board.

Meeting was adjourned at approximately 10:20 AM.

Next meeting is scheduled for Wednesday, March 22, 2023 at 302 W. Willis.

Minutes transcribed by Bob Busch

Submitted By:

Secretary