

GRANITE OAKS WATER USERS ASSOCIATION

Annual Shareholders' Meeting
July 30, 2022
Hilton Hotel
300 Montezuma Street, Prescott,

Call to Order: Vice President Ken Nelson 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 38 shareholders and guests in attendance. There was not a quorum present, and an informational meeting ensued.

Vice President Ken Nelson introduced members of the board in attendance, himself and contract staff:

Officers

President, Jim Bricker
Ron Weber - Treasurer
Daryl Mathern, Secretary
Directors:
Matt Olson
Jay Dee Sale - Absent

Contract staff:

Allen Kaplan, Auditor
Derek Scott, A Quality Water Co., Operator
Bob Busch, Manager
Cheryl Ibbotson- Arizona Utility Billing

He also reported that a presentation from Dr. Peter Kroopnick, a retired hydrologist from the Citizens Water Advocacy Group would be making a presentation later in the meeting. He reported that there are two openings for the Board of Directors, and that there was a sign-up sheet at the door for anyone who might be interested in serving.

Financial Report *Allen Kaplan, Auditor*

Allen Kaplan reviewed Company financial reports. He reported on the income and expenses for year to date vs the budget and compared to last year at this time. He itemized details of cash on hand, cash flow year to date and the company balance sheet. He referred to the list of assets purchased by the Company since its inception, at nearly 1.4 million dollars. There was a question about whether the Company has a fund for replacements. Allen responded that the Company has CD's that it uses when replacements are required.

Ken Nelson reported that the Company has reconditioned all three wells in the last 3 years and installed new meters in early 2019. He reported that the Company has begun reading meters twice during the month to help identify possible water leaks. He said the new meters are very sensitive and accurate. They are guaranteed to be with 1% accuracy for 20 years, while the Ariz. Corp. Commission requires meters to be with 3%. The meters monitor water going through the meter and if any water has been continuously passing through the meter for 24 hours or more at the time the meter is read, an alert will be generated. When the meter reading data is forwarded to the business office (Arizona Utility Billing), they call the customer to let them know. The second reading during the month shortens the time a leak might occur until it is noted. The cost of the second meter reading costs only a few extra hours each month.

In response to a question about whether or not bills could be mailed out earlier, the responses from a number of people suggested that there are several options to pay bills: email billing, credit card payments, auto withdrawal, and prepayment.

Ken reported that the Company has received notice of the awarding of two grants from Yavapai County under the American Rescue Plan Act (ARPA). He said one grant is for additional storage of about 100,000 gallons for a tank at the Post Oak site. The other grant is for an additional well on the Glenshandra property to be used as a backup well.

Ken Nelson commended Cheryl Ibbotson of Arizona Billing and Derek Scott of A Quality Water Company for doing a great job for the Company.

There was a question about the water loss in the system. Ken Nelson responded that the three wells are read each month and compared to the total of all the water used by customers each month. He noted that in between are the storage tanks, plus there may be usage by the fire department in testing the hydrants. Given all these factors, the amount of difference runs between two and seven percent.

Bob Busch reported that the water company is in good shape, both financially as reported by Allen Kaplan, and operationally. The operator, Derek Scott is doing an excellent job as is Cheryl Ibbotson and her staff at Arizona Utility Billing. Bob reminded attendees that the Consumer Confidence Report for 2021 is available on the Company website: www.gowaterusers.com. He reported that the Company utilized the One Call Now system to call customers, notifying them of Annual Meeting. The system is also intended to call customers in the event of an emergency or other situation requiring quick notification to customers. He suggested attendees make sure they have a current phone number on file with the business office. There was some discussion about water level information about the wells shown on the website.

Bob Busch reported that the County has awarded GOWUA two grants under ARPA. The Company has signed the contracts with the County and the process of competing the projects has just started. There are still many detailed steps the Company yet has the follow in completing the projects.

Ken Nelson introduced Dr. Kroopnick, who then gave a video presentation about the water situation in the Prescott Management Area. He reported about the general decline in water levels in the area and discussed the methods used in forecasting water use and recharge. He responded to a number of questions about wells, declining water levels, projections for the future and the conundrum of decline water levels accompanying continued new development involving even more demand for water.

Meeting was adjourned at approximately 11:00 am.