

Granite Oaks Water Users Association

Board Meeting Minutes

Meeting of August 24, 2022

Approved October 5, 2022

THOSE PRESENT

BOARD MEMBERS

Contract Staff

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

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

Bill Whittington- Legal Counsel
Carlos Ronstadt – Legal Counsel

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

2. Approval of Minutes of meeting of July 27, 2022

There were several typographical corrections noted in the minutes.

Motion: Ken Nelson moved to approve the minutes of June 22nd as corrected. Ron Weber seconded. Motion passed unanimously.

3. Reports:

3a. Financial Report

Allen Kaplan handed out his summary for July, 2022. He said that Revenue, at 154k is about the same as last year. Expenses are about 2k more than a year ago. Net Income of 34k is about 5k more that last year at this time. Cash balance of 309k is in increase of 12k from June. The N.Y. Bank C.D. of 75k matures on September 2nd. Current C.D. interest rates are at about 1.75% for 12 month C.D.s vs current rates at .3%.

There was some discussion about whether or not to invest at the new rates.

Action Item: Jim Bricker will visit the bank and recommend an action to the Board via email.

3b. Operator's Report

In Derek Scott's absence, Bob Busch reported that a few days ago, a lightning strike near the Deerfield well knocked out the automatic controls for all three wells. Daryl Mathern commented that the strike hit his neighbor's mailbox, knocked it across the street and blew a hole in the concrete driveway. It did not damage the control cable. The problem was apparently discovered by the Operator during a site visit. The wells were operated manually for several days to maintain water levels in the tank, until repair parts arrived and the auto controls were restored.

Action Item: Bob Busch will investigate to determine if an alarm would have occurred when water in the tanks reached a low level.

Bob Busch reported that following discussions with Jim Bricker, he had requested A Quality Water have a test performed to check for the PFOA compound that has been discovered in wells in Prescott and Chino Valley. He said the cost of the test is about \$2,000. Bob stated he would advise the Board when results are obtained.

Action Item: Bob Busch will investigate to determine what can be done to treat water containing the PFOA, PFOS compounds.

3c. Arizona Utility Billing

Cheryl Ibbotson handed out an activity report covering the past few months. She reported that there were three past due customers for the month, one paid by credit card, voicemails were left with the other two. She reported that the convenience fee for credit cards has increased. The fee is passed thru to customers.

3d. Manager's Report

Bob Busch reported that the unaccounted for water was about 2.2%. 55 customers used over 30,000 gallons. He said he has not submitted the credit application to Cummins Generator for the propane generator. Cummins wanted payment in advance without credit. He said he has not sent it because of concerns about having enough funds to cover the ARPA projects. He asked the Board for a recommendation on whether to proceed with committing to purchasing the generator. Bob reported that he had obtained a quote for addition of barbed wire on the new fence at Glenshandra and forwarded to the Board. Action on that is pending. He reported that he has investigated the test well applications filed with ADWR by McGee Drilling. According to McGee Drilling, the applications were filed, but no action was taken on the applications. No test wells were drilled. Ken Nelson asked whether GOWUA had access to any of the sites. Bob Busch replied that he has determined the location of all the proposed wells and they are currently on private property.

Bob reported that he attended a meeting with Yavapai County representatives concerning the ARPA grants, also attended by Bill Whittington, who can give an account of what transpired. Bob reported that he has prepared Amendments to Statements of Claimant for the three wells. That item is also on the agenda for discussion with Carlos Ronstadt.

Bob also reported that he prepared a draft newsletter for the Board's consideration. Ken Nelson commented that he thought the comparison with the City of Prescott was a poor comparison. Jim Bricker asked about the status of the totalizing meter. Daryl Mathern commented he believes it is on hold. Bob Busch stated that quote for installation has not been obtained and that the Board preferred to consider it in cool weather since a system shutdown is required.

There was a discussion about whether or not to issue the newsletter in black and white or in color.

Motion: Daryl Mathern moved to issue the newsletter in black and white with the August billing. Ron Weber seconded. Motion passed unanimously.

Bill Whittington reported that he attended a meeting with the County Attorney and Public Information Officer to discuss ARPA procedures. He said that some of the staff leadership is about to retire and the County is scrambling to understand and convey the requirements of the contacting and funding process. There was some discussion about the contracting process, such as the requirement for competitive bidding. Since the GOWUA awards are under \$250,000, competitive bidding is not required by regulation, but should be entertained as the Board's fiduciary duty. There was some discussion about engineering proposals already received for the APRA projects. No action was taken on the proposals. The matter will be put on the agenda for next month's meeting.

Carlos Ronstadt reported to the Board on his activities in regard to the water rights issues concerning GOWUA. He provided background information about the stream adjudications initiated

in Arizona over 40 years ago involving the Indian tribes, SRP and other water users in the Gila and Little Colorado Watersheds. He reported on the process used by ADWR and the Courts in dealing with the determination of water rights in the various watersheds. He reported that adjudications began in southern Arizona along the San Pedro River. He provided an overview of Court findings to date. He anticipates that adjudications will begin in the Verde River Watershed in the near future. He stated that there are sub-flow reports/maps of the mainstem of the Verde River available on ADWR's website. He suggested that he provide a link to those reports that could be included on the Company's website. In the meantime, he suggested that GOWUA should update its water claims (referred to as Statements of Claimant). He said he has reviewed GOWUA's Statements of Claimant and recommended that amendments be filed to the same. He recommended including the Certificates of Convenience and Necessity (CCN) and the service area boundary map with each Amendment. The Board thanked Mr. Ronstadt for attending and giving his report.

OLD BUSINESS

4a. Action Items

Action Item: Bob Busch will investigate the test well applications filed in the GOWUA service area.

Completed. See Manager's Report.

4b. Discussion and possible approval of proposal to replace the backup generator at Deerfield.

No action taken.

4c. Discussion of possible actions to be taken concerning ARPA Grants, ie seeking bids or proposals.

No action taken.

5. NEW BUSINESS

5a. Discussion and possible action concerning Statements of Claims for the GOWUA wells.

Motion: Ken Nelson moved to complete the Amendments to the Statements of Claimant for the three wells. Daryl Mathern seconded. Motion passed unanimously.

Motion: Ken Nelson moved to authorize the Manager or the Board President to sign the Amendments to the Statements of Claimant. Daryl Mathern seconded. Motion passed unanimously.

5b. Discussion regarding election or appointment of new Board Members.

No action taken.

Meeting was adjourned at approximately 11:05 AM.

Next meeting is scheduled for Wednesday, September 28th at 302 W. Willis.

Minutes transcribed by Bob Busch

Submitted By:

Secretary