

Granite Oaks Water Users Association

Board Meeting Minutes

Meeting of January 25, 2023

draft

THOSE PRESENT

BOARD MEMBERS

Contract Staff

Ken Nelson, President- absent
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-Absent

1. The meeting was convened at 9:00 AM at 302 W. Willis St., Prescott, by Vice President Matt Olson.

2. Approval of Minutes of meeting of December 21, 2022

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

Motion: Jim Bricker moved to approve the minutes of December 21, 2022 with the corrections as noted. Ron Weber seconded the motion . Motion passed unanimously.

3. Reports:

3a. Financial Report

Allen Kaplan handed out the financial reports for the year ending December, 2022. He said that Revenue, at 252k is about 7k lower than last year at this time. Expenses of 257k are 34k more than a year ago, principally due to legal expenses, and 3k in Outside Services. APS expense was 2k higher even though the amount of water pumped was less. Interest income was 2k vs \$500 last year due to interest from the Schwab accounts. Net income at 4.6k is 32k less than last year. Cash balance is down 36k from last year. There was about 33k spent for fixed assets. There were two meter deposits during the year.

3b. Operator's Report

Derek Scott reported that the Empire Cat serviceman showed him how to access the PLC screen for the generator at Glenshandra. As a result, he is able to view the status/runtimes and other information from the backup generators. He stated he has ordered a 1 inch meter for a new customer and was told it will not be available until March. He stated that the 1 inch backflow preventer at Glenshandra has failed and the line has been shut down until the unit is repaired. Derek responded to questions about chlorination, stating that chlorine at @12.5% is injected at the well heads at Glenshandra and Deerfield. Nine gallons were used last month. The system maintains a residual of .3 ppm.

3c. Arizona Utility Billing

Cheryl reported that there are no past due accounts for the month. She reported that AUB made 16 leak notification calls after both reads this month.

3d. Manager's Report

Bob Busch reported that the unaccounted for water was about 8.71%- 223,651 gallons. He said the unaccounted for water remains fairly consistent. The percentage goes up or down depending on the amount pumped each month.

He reported that he received 5 bids on the Tank Project. He said he responded to a number of questions and sent both questions and answers to all interested firms. He said he attended two site visits involving two of the firms. He said that he has had two conversations with the County regarding the bid process, and has sent the County the bid package and the MBE solicitation efforts on this project.

Mr. Busch stated he has prepared a bid package for the design of a new well for the Board's review and consideration. He said he is awaiting a response from Cummins Generator regarding the ship date for the Deerfield generator.

Mr. Busch stated that he has sent a System Water Plan update to ADWR. An updated plan is required every 5 years. He has not received comments from ADWR as yet.

Mr. Busch reported that he has prepared the Purchased Power Adjustment Mechanism calculations for 2022 for the Board's review and consideration. 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

- *Action Item: Derek Scott will obtain a price for the tank transducers and present it to the Board for consideration.*

Derek reported that he has gotten an estimate of about \$2,500 to install the transducer. After some discussion, Matt Olson asked if there was an interest in proceeding.

Motion: J D Sale moved to authorize installation of the transducer at an amount not to exceed \$2,700. Jim Bricker seconded. The motion passed unanimously without further discussion.

- *Action Item: Bob Busch will prepare a bid package for complete design work for the project (New Well) and report at the next meeting.*

Bob Busch stated that the proposed bid package is included in the Board packet.

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

No action taken on this item.

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

No action taken on this item.

4d. Discussion and possible action including authorization to obtain bids for new well at Glenshandra.

There was some discussion about the proposed bid package. It was the consensus that a deadline for bids and a project completion date be added to the packet. There were also comments concerning some typographical changes that were needed.

Motion: Ron Weber moved to proceed with the bid package for the new Glenshandra well with the changes noted. Daryl Mathern seconded. Motion passed unanimously without further discussion.

5. NEW BUSINESS

5a. Review, discussion and possible action to evaluate bids and award a contract for design & construction service for the installation of an additional water storage tank at Post Oak.

Matt Olson asked if all Board members had reviewed the bids received. Bob Busch handed out the conflict of interest forms for board members to sign prior to proceeding. Board members signed the forms and returned them to Bob.

Bob Busch commented that the County requested he send a report of all MBE effort undertaken on the project. He said he sent over more than 15 pages of information. They also asked for a copy of the proposed contract.

Matt Olson summarized the bids:

Fann Environmental	\$ 335,667
Matrix New World	\$ 267,862
Kerns Construction	\$ 491,810.88
KEAR Civil Corp	\$ 832,000
Southwest Tank & Steel	\$ 273,839

It was the consensus of the Board that the STS bid be disqualified as not being responsive to the bid solicitation, not submitting the bid form nor the project team & qualifications.

There was a discussion about the variation in material cost among the bidders. Kerns included \$56,239 for General Conditions. There was a comment that Matrix was one of the companies making a site visit. It was the consensus of the Board to consider only the Fann and Matrix bids for further consideration.

The Board members discussed the two bids. Matrix included an option for a slightly larger tank (18ft tall) for an additional \$19,000. It was generally agreed that an 18ft tall tank was not desired. There was a comment that Matrix was the firm that asked most of the questions and had a complete bid submittal. There also was a comment that Matrix is a women owned business. There was a question concerning the Matrix proposal, indicating a \$5,000 reduction could be taken if GOWUA has a geotechnical site report. No geotechnical report has been found for GOWUA.

Motion: Ron Weber moved to select Matrix New World as the successful bidder for the Post Oak Tank Project at a bid amount of \$267,862. Jim Bricker seconded. Motion passed unanimously.

Bob Busch asked about the contract proposed to be used. He stated that he received the proposed contract late last night from legal counsel and he has not yet reviewed it. Bill Whittington discussed the background of the contract, indicated that it is extensive and the contractor may want to make some modifications.

Motion: JD Sale moved to tender the draft contract to Matrix and enter into discussions toward finalizing the contract and present it for approval by the Board at a future meeting. Jim Bricker seconded. Motion passed unanimously.

5b. Review and possible approval to submit the annual Purchased Power Adjustment information to the Arizona Corporation Commission as required by the 2020 Tariff Decision.

Bob Busch reported that the calculations were included in the Board Packet. He reviewed the data from the report. The result showed that the PPAM adjustment to be \$.0132 per 1,000 gallons sold for 2022. He commented that the kw per 1,000 gallons sold has increased from 3.43 kw/1,000 gallons to 4.09 kw/1,000 gallons used. The Company is required to submit the information to the ACC for approval prior to inclusion on customer bills.

There was some discussion, without resolution, about the apparent conflict between the increase in kw/1000 gallons and the fact that the Company installed VFD's to reduce power use.

Motion: Daryl Mathern moved to approve the PPAM calculation and submit the information to the Arizona Corporation. Ron Weber seconded. Motion passed unanimously without further discussion.

Meeting was adjourned at approximately 10:40 AM.

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

Minutes transcribed by Bob Busch

Submitted By:

Secretary