

Granite Oaks Water Users Association

Board Meeting Minutes

Meeting of March 22, 2023

Approved 5/3/23

THOSE PRESENT

BOARD MEMBERS

Contract Staff

Ken Nelson, President
Matt Olson –Vice President
Daryl Mathern, - Secretary
Ron Weber – Treasurer -absent
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

1. The meeting was convened at 9:01 AM at 302 W. Willis St., Prescott, by President Ken Nelson.

2. Approval of Minutes of meeting of March 8, 2023

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

Motion: Matt Olson moved to approve the minutes of March 8, 2023 with the corrections as noted. Daryl Mathern seconded the motion . Motion passed unanimously.

President Ken Nelson then changed the order of the agenda and called on Bill Weber to discuss the cyber insurance proposal.

Bill Weber of Weber NFP Insurance handed out information from Cowbell Insurance, describing a cyber insurance plan. Mr. Weber discussed the information, commenting the premium of \$6,400 was more than he expected and he was not specifically recommending this coverage. He said he would focus more on educating on the types of cyber insurance coverages available. He said he believed that as the industry advances, the coverages and pricing will improve. He described some of the cyber attacks that have occurred, and advised the Board to have the appropriate safeguards in place to protect against fraud or attacks. Ken Nelson commented that the Company had no devices or software and that all the information is handled by our vendor, Arizona Billing. Bill Weber suggested that the Board ensure that the contractor have the appropriate cyber coverage.

3. Reports:

3a. Financial Report

Allen Kaplan handed out the financial reports February, 2023. He said that February’s results were nearly identical to last year. He said year to date sales were .8k less than last year and expenses were 1k less than last year. He said the net income of -2.8k was the same as last year. He reported that February water sales of 15.3k are the same as last year. He reported that the cash balance of 320K was an increase of 3k from January. He reported that the Charles Schwab account was up to 253.3k, an increase from the beginning of the year of \$1,100.

Motion: Daryl Mathern moved to accept the February financial report. JD Sale seconded. Motion passed unanimously.

3b. Operator's Report

Derek Scott reported that the aquifer seems to have come up about .5ft since early February. Maintenance operations are ongoing and everything is operating normally. All samples were completed and delivered to the lab with no issues. He reported that there were a couple of power faults at Post Oak, but all is operating normally at this time. He commented that this is not one of the alarms for Post Oak.

Action Item: Derek Scott will investigate the cost to add a power fault alarm to the system.

3c. Arizona Utility Billing

Cheryl Ibbotson handed out a spreadsheet showing the leak calls for the past few months. It showed each property owner with a leak, the date, the leak amount and the action AUB took to notify the customer. There was one customer with a sizeable leak that has been on the list for several consecutive months.

Action Item: Arizona Utility Billing will arrange to door tag any customer with no contact information and consecutive leak alarms.

3d. Manager's Report

Bob Busch reported that the unaccounted for water was about 9.86% - 237,185 gallons. This was about 35,000 gallons more than last year. He said the amount pumped was almost the same as last year, but sales were 35,000 gallons less than a year ago. He said there were 5 high users, with the high use of 89k gallons.

He reported that he is still waiting on approval of the 2022 Purchased Power Adjustment Mechanism from the ACC.

Mr. Busch reported that he and Ken Nelson participated in a call with Yavapai County regarding the status of ARPA agreements. He said the County has indicated GOWUA is progressing satisfactorily thru the process. Ken Nelson added that in response to a question about the use of legal fees in ARPA projects, the County said that in order to use legal fees for ARPA projects, the work must be bid. Mr. Busch commented that legal fees connected with ARPA projects are being capitalized as part of the project, and that the APRA funding doesn't cover the total project, so legal fees are more of a Company issue.

4. OLD BUSINESS

4a. Action Items

- *Action Item: Mr. Busch will contact Yavapai County to resolve the cancelled contract issue.* Yavapai County advised that the cancellation contract was not necessary. Completed. The County has advised that the cancelled contract is not needed.
- *Action Item: Bob Busch will email a copy of the proposed contract to Board Members for their review.* Completed. Bill Whittington commented that he sent a new version with a table of contents. Bob Busch stated that Matrix expected to sign the previous version with a change to the signor as the company President. Matrix expected to sign it this morning. There were questions about Matrix's role in managing and overseeing the project as well as the requirement to follow Davis-Bacon wages and use US Steel. It was determined that Davis-Bacon wages are not required nor is US Steel required.

There were comments about whether or not the signed contract would contain any changes. Bill Whittington noted that his firm has software to compare versions.

Motion: Matt Olson moved to approve the Matrix New World contract for \$267,862 and authorize the Board chair to sign, contingent that there are no substantive changes to the agreement. Daryl Mathern seconded. Motion passed unanimously.

- *Action Item: Bob Busch will email a waiver Certification of Conflict of Interest Form to Ken Nelson for signature pertaining to Tank Project, ARPA40.*
Completed. Ken Nelson has signed the form.
- *Action Item: Bob Busch will email to the Board, the PPAM calculations showing KW and cost for 2021 and 2022.*
Completed.

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

No action taken. See Action Items above.

4c. 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.

Covered above.

5. NEW BUSINESS

5a. Discussion, review and possible approval of a proposal to obtain cyber insurance.

Covered above.

5b. Review of bids for design of an additional well and improvements at 2275 W. Glenshandra Dr., selection of successful bidder and awarding contract to successful bidder. Execution of Certification Concerning Conflict of Interest forms by members of the Board.

It was determined that only one bid was received- from Matrix New World. Several companies had received the bid packet. The bid from Matrix New World was \$58,335. Bob Busch reported that since the ARPA award was \$221,900, and the design portion is only a part of the project, the contract could either follow the ARPA format or not. If it does not, no ARPA funding could be applied. Bob Busch handed out a report showing the, costs and funding for GOWUA projects in the near future. The spreadsheet showed that GOWUA does not currently have the funds to complete all portions of all projects. He suggested that if not all portions of all projects can be completed, the well design project should probably follow ARPA format in order to insure funding.

It was determined that the design portion of the project includes all portions of the design; well design and design of connections.

MOTION: Daryl Mathern moved to accept to bid from Matrix New World and award the project to Matrix New World subject to a mutually agreeable contract form that is to follow the ARPA requirements. JD Sale seconded. Motion passed unanimously.

The Certification Concerning Conflict of Interest forms were executed by the Board Members present.

5c. Discussion and possible approval of an agreement with Yavapai County cancelling the County's grant for ARPA 037- for variable frequency drives.

No action was required on this item.

Meeting was adjourned at approximately 10:20 AM.

Next meeting is scheduled for Wednesday, April 26, 2023 at 302 W. Willis.

Minutes transcribed by Bob Busch

Submitted By:

Secretary