

Granite Oaks Water Users Association

Board Meeting Minutes

Meeting of May 24, 2023

Approved June 21, 2023

THOSE PRESENT

BOARD MEMBERS

Contract Staff

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

Bob Busch, Manager, GOWUA
Allen Kaplan – Accountant
Cheryl Ibbotson – Ariz. Utility Billing Solutions- absent
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 May 3, 2023

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

Motion: Daryl Mathern moved to approve the minutes of May 3, 2023 with the corrections as noted. Jim Bricker seconded the motion . Motion passed unanimously.

3. Reports:

3a. Financial Report

Allen Kaplan handed out the financial reports for April, 2023. He reported that Water Sales of 62.7k YTD is a decrease of 7k from last year to date. Allen reported that YTD expenses of 65k are 3.9k less than last year, partially due to the accrual of property taxes for the full year late last year.

Allen reported that the cash balance is down about 2k from March and 2.5k from year end 2022. Legal fees of 8.1k were capitalized into Construction in Progress. He reported that the Schwab account balance is \$255k with a Treasury Note maturing on 5/31/23. There followed a brief discussion about the possible renewal period for the Note or setting up a new CD. No Board consensus was considered or reached.

Motion: Matt Olson moved to accept the Financial Report. Daryl Mathern seconded. Motion passed unanimously.

3b. Operator's Report

Derek Scott reported that the two-rail fence in the driveway at Glenshandra was damaged recently by person(s) unknown. Derek commented that he will purchase a couple of fence posts and AQuality will repair the fence. Static water levels have changed only slightly from last month.

Derek reported that some accounts are registering a reverse flow due to a worn check valve in the meter setter. Repair can be made, but it requires disassembly and replacing the check valve. He reported that AQuality will be making ongoing repairs to these meters.

3c. Arizona Utility Billing

No report.

3d. Manager's Report

Bob Busch reported that the unaccounted for water has been fairly consistent at 194,4440 gallons or about 5.29%.

He reported that he still does not have approval for the Purchased Power Adjustment from the ACC. A response was promised last Friday, but none has been received. He reported that the PPAM for 2022 was incorrectly made as a credit rather than a charge to customers. The total amount for 2022 was about \$500. He said it was his fault and suggested that it might be recouped with approval from the ACC. There was some discussion about whether or not to attempt to recoup the amount. It was the consensus of the Board to check with the ACC on how to proceed.

Action Item: Bob will contact the ACC regarding correcting the PPAM billing error to see if/how the billing error might be corrected.

Mr. Busch reported that he sent out about 16 letters to well owners reminding them of the requirement to have backflow devices tested and results sent to GOWUA. He will follow up to completion. Matt Olson asked what GOWUA can do to enforce. The response was that GOWUA could disconnect service. Bob Busch commented that so far, none of the well owners have objected or refused to have the devices tested.

OLD BUSINESS

4a. Action Items

- *Action Item: Derek Scott will investigate what additional generator alarms might be possible or available from each of the well sites.*
Derek indicated he is working with John Patton and Fever Controls to determine what is required. He will continue to follow up and hopefully have information for the next meeting.
- *Action Item: Bob Busch will prepare a notice to be mailed to neighbors of the Post Oak facility prior to the start of work, advising them of the construction plans.*
Bob Busch commented that a draft notice that would be sent out with bills prior to construction was included with the Board Packet. With some typographical corrections, it was the Board consensus to proceed with the notice to all customers.
- *Action Item: Jim Bricker will contact Foothills Bank and invite a representative to the next meeting to discuss a line of credit.*
Jim Bricker reported that his contact is on vacation and not available for today's meeting. There was some discussion about when a conference with the bank rep might best be scheduled. It was the Board consensus that a meeting was not needed at this time. A description of the terms of the line of credit would be helpful. It is needed as part of a finance application to the ACC.

4b. Discussion and possible action concerning the approval and execution of a contract with Matrix New World Engineering for design of an additional well and connections at the Glenshandra facility.

Ken Nelson asked if there was something indicating what exactly is being asked of Matix. Bob Busch commented that the information is included in the application to the County for funding. (It is also included in the bid from Matrix New World). Bob Busch commented that the contract is APRA compliant and Matrix has signed it.

Motion: Daryl Mathern moved to approve and execute the well design contract with Matrix New World for \$58,335.00. Matt Olson Seconded. Motion passed unanimously.

4c. Discussion and possible action concerning obtaining a line of credit for \$100,0000.

There was some discussion about some of the attachments to the finance application. The Board suggested some changes to a few of the of the exhibits. There was some discussion about the desirability of having a line of credit even though projections might indicate GOWUA will have sufficient funds -- in case it is needed.

Motion: Matt Olson moved to proceed with preparation of the Application for Financing for a Line of Credit and consider signatures by the Board at the next meeting. Daryl Mathern seconded. Motion passed unanimously.

5. NEW BUSINESS

5a. Discussion and possible approval of a Certificate of Resolution authorizing filing of the Financing Application with the Arizona Corporation Commission.

See Item 4c. above.

5b. Discussion and possible action concerning scheduling of the Annual Meeting.

The Annual Meeting is generally the last Saturday in July (July 29, 2023).

There was some discussion about the schedule for the July Board Meeting. Due to some schedule conflicts, it was the Board's consensus to hold the July meeting on July 29th, at 7am, prior to the Annual Meeting. There was a brief discussion about a speaker for the meeting but no specific program was agreed upon.

There was also a discussion about the June meeting. Again, due to schedule conflicts, the June meeting was moved from June 28th to June 21st.

5c. Discussion and possible action concerning approving Resolution 2023-1 calling for updating of the approved signers on the bank account(s) at Foothills Bank.

Jim Bricker commented that he was told by a bank representative that Felicia has access or some authority concerning the accounts. It was not clear if the resolution needed to include Felicia as a signer on the account. It was subsequently determined that Felicia has access to make deposits to the account, but not withdrawals or the ability to sign checks.

No action was taken on this item.

Meeting was adjourned at approximately 10:30 AM.

Next meeting is scheduled for Wednesday, June 21, 2023 at 302 W. Willis.

Minutes transcribed by Bob Busch

Submitted By:

Secretary