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Granite Oaks Water Users Association  
**Board Meeting Minutes**  
Meeting of May 3, 2023

Approved May 24, 2023

**THOSE PRESENT**

**BOARD MEMBERS**

**Contract Staff**

Ken Nelson, President Matt Olson –Absent Daryl Mathern, - Secretary Ron Weber – Treasurer J D Sale - Board Member Jim Bricker – Board Member
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Bob Busch, Manager, GOWUA Allen Kaplan – Accountant Cheryl Ibbotson – Ariz. Utility Billing Solutions Derek Scott- A Quality Water Co.-Operator
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Devon White – 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 22, 2023**

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

**Motion: Daryl Mathern moved to approve the minutes of March 22, 2023 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 March, 2023. He reported that several adjustments that were made after the December reports were prepared that changed the Net Income for the year end 2022, to over \$27,000 from \$4,600. This was due to adjustments in depreciation and amortization along with some legal fees that were reclassified from expense to construction in progress. He said that the Net Income for March, 2023 YTD is about the same as last year at this time. He reported that total cash is now at about \$321k. Ron Weber reported that the Schwab account now has \$69,964 in a cash account from a matured note.

**Motion: JD Sale moved to accept the March financial report. Ron Weber seconded. Motion passed unanimously.**

**3b. Operator's Report**

Derek Scott reported that the aquifer seems to have come up in the last couple of months. He compared the ADWR readings which were taken in at the end of March with the readings AQuality took on March 1<sup>st</sup>, noting that the ADWR readings showed the static level several feet higher.

Meter readings went well last month and equipment is operating properly.

Ken Nelson asked about the power failure alarm that was discussed last month. There followed a discussion about the types of power alarms that are currently available and ones that might be desirable in addition.

*Action Item: Derek Scott will investigate what additional generator alarms might be possible or available from each of the well sites.*

### **3c. Arizona Utility Billing**

Cheryl Ibbotson reported that the ACC annual report was completed and filed with the ACC. All else is running smoothly..

### **3d. Manager's Report**

Bob Busch reported that the unaccounted for water has been fairly consistent at between 180,000 and 200,000 gallons per month. March was 9.68%. He said there were only 2 high users in March.

He reported that he still does not have approval for the Purchased Power Adjustment from the ACC. He reported that he finally re-filed the data with the Commission and is hoping for a response soon. The Adjustment was anticipated to take effect by March 1<sup>st</sup>. The new adjustment increases the surcharge by less than 1 cent per 1000 gallons.

Mr. Busch reported Matrix New World has signed the contract for design and construction of the new tank and that they have sent a schedule of the project. He reported that Matrix had asked if GOWUA wanted an 18ft tall tank or a 16ft tall tank, and Bob advised that a 16ft tank was desired because the existing tanks are 16ft tall.

Jim Bricker asked if the neighbors would be notified of the construction plans. After some discussion it was agreed that a notice should be mailed to neighbors.

*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.*

Ken Nelson asked if the tank was to have a gravel base. Derek Scott replied indicating that the tank base would be placed inside a metal ring on a gravel base. The bottom of the tank is to be metal. It was uncertain whether the tank will be erected with a crane or will be jacked up from the bottom, section by section.

Mr. Busch reported that there had been some vandalism at Glenshandra. The wood, three-rail fence along the wash, behind the new chain link fence, which was repaired only weeks ago, was damaged in the same area as the repair. He commented that the GOWUA insurance deductible is \$1,000 and the damage is likely to cost less than that to repair.

Ken Nelson asked about the Deerfield Generator status. Bob Busch replied that the generator is to ship in early September and the transfer switch is to arrive earlier. He has no ship date for the transfer switch as yet. When asked, he stated that no contractor has been selected to install the generator, and that prior to the ship date, he hoped to obtain a list of vendors from Cummins and get quotes.

## **OLD BUSINESS**

### **4a. Action Items**

- *Action Item: Derek Scott will investigate the cost to add a power fault alarm to the system.*  
This item covered under "Operators Report".
- *Action Item: Arizona Utility Billing will arrange to door tag any customer with no contact information and consecutive leak alarms.*

Completed

**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.**

Bob Busch reported that he received an email from Matrix indicated they had reviewed the contract and were ready to proceed. He reported that, unfortunately, the contract currently is not ARPA compliant. He reported that he discussed the matter with legal counsel yesterday, and said he would leave the matter for the Board to decide at today's meeting. Ken Nelson stated that since Matrix was familiar with the ARPA requirements, and that he was in favor of having the ARPA funding at the beginning of the project. Bob Busch referred the Board to the funding requirements included with the Board Packet. He explained that with all the projects planned, GOWUA will be short of funding if all projects are actually undertaken. Allan Kaplan and Bob Busch commented on the cash position of GOWUA in the past and the likelihood that there would be additional cash in the next few months. It might turn out that there will be sufficient cash available to fund all the projects. JD Sale commented that he would prefer to spend the ARPA money rather than GOWUA money. Bob Busch commented that he had sent information to the County assuming that the job would be ARPA funded. There was a short discussion about the interval between invoicing and funding. It was reported that the County indicated a 30-day turnaround from funding request to funding was the target, although the actual process has yet to be discussed in detail with the County.

**MOTION: Ken Nelson moved to use ARPA funding for the Glenshandra well design project. JD Sale seconded. Motion passed unanimously.**

It was the consensus of the Board that the revised contract be reviewed by Board Members prior to approval and execution.

**5. NEW BUSINESS**

**5a. Discussion and possible action concerning obtaining a line of credit for \$100,0000.**

Ron Weber commented that the Company currently had \$69,964 in cash in the Schwab account. He asked if the Company would need any of that cash to fund any of the projects. The Company also has about \$63,000 in Foothills Bank.

**MOTION: Ron Weber moved to roll over the \$69k in the Charles Schwab account for another 90 days. Daryl seconded. Motion passed unanimously.**

Ron Weber commented that he'd determined that the cash in the Foothills Bank is in a non-interest bearing account. He wondered if the Company should put it into a money-market, interest bearing account. It was the Board's consensus to move the funds to an interest bearing money market account. Mr. Weber stated that someone else would need to move the funds, as he is not a signer on the account. Jim Bricker commented that the signers had not been updated when new officers took office last September.

**MOTION: Jim Bricker moved to change the signers on the Foothills Bank Account to the current officers. Daryl Mathern seconded. Motion passed unanimously. The current officers are:**

**President: Ken Nelson  
Vice President: Matt Olson  
Secretary: Daryl Mathern  
Treasurer: Ron Weber**

Jim Bricker reported that he has spoken to a representative of Foothills Bank who indicated that a line of credit could be obtained for GOWUA. He commented that ACC approval might be needed. Bob Busch commented that according to the information he read, an actual loan would require approval by the ACC. He did not know if approval would be required for a line of credit. Devon White reported that the ACC has been queried on the subject, but he has not received a response as yet. Jim Bricker reported that a line of credit would cost \$500 to obtain and interest payment would be at prime rate on the amount of funds received. He commented that a line of credit could be helpful at some point during all the projects being considered. Unanswered questions that arose during the discussion were, "How long would it take to get approval from the bank?" , "How long would it take ACC to give approval, if required?", and "Would personal guarantees be required from the bank?"

*Action Item: Jim Bricker will contact Foothills Bank and invite a representative to the new meeting to discuss a line of credit.*

Meeting was adjourned at approximately 10:30 AM.

**Next meeting is scheduled for Wednesday, May 24, 2023 at 302 W. Willis.**

Minutes transcribed by Bob Busch

**Submitted By:**

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**Secretary**