

GRANITE OAKS WATER USERS ASSOCIATION

Annual Shareholders' Meeting
July 31, 2021
Hilton Hotel
300 Montezuma Street, Prescott,

Call to Order: President Jim Bricker called the meeting to order at 9:00 a.m.

Note: .From GOWUA Bylaws:

Quorum: The members holding 50 percent plus one of the Class B votes of the Association shall constitute a quorum at meetings of the membership of the Association. If a quorum is not present at any meeting of members, those in attendance may conduct an informational meeting, but no business upon which a vote is to be taken, shall be conducted.

There were 28 shareholders in attendance. There was not a quorum present, and an informational meeting ensued.

President Jim Bricker introduced members of the board in attendance, himself and contract staff:

Officers

John James, Treasurer (absent)
Ken Nelson, Vice President
Daryl Mathern, Secretary
Directors:
Ron Weber - absent

Contract staff:

Allen Kaplan, Auditor
Derek Scott, A Quality Water Co., Operator
Bob Busch, Manager
Cheryl Ibottson- Arizona Utility Billing

The President introduced Ed Wolfe representing the Citizens Water Advocacy Group who gave a slide presentation entitled "Granite Oaks Water Users Association; All is Well??". The presentation covered information about the Granite Oaks Water Users Association wells in the context of the aquifer and surrounding wells. He presented historical data concerning water use in the Prescott AMA, rainfall and temperatures in the region in the last few decades.

The President thanked Mr. Wolfe for the informative presentation. He then recognized Jim Peterson for all the time and assistance he provided in working with the Board and the Arizona Corporation Commission with the GOWUA rate case.

Jim Bricker announced that Board elections are coming up. Two current terms are up for election plus there are two additional vacant seats to be filled. If anyone is interested in serving one the Board, please contact any Board Member or Bob Busch.

The President reminded those present that at the last Annual Meeting (in 2019), the Company had just completed installation of new electronic water meters which are much more accurate, are quicker, easier and more accurate to read. Since then, we have rehabbed two of our wells. We have ordered variable frequency drives for all three wells that will reduce our electric costs. The Board has discussed about needs going forward, including an additional well and an additional storage tank. Either of these projects would cost more than the Company has available right now.

Mr. Bricker asked for a show of hands for the people who received the One Call Now announcement for today's meeting. He suggested shareholders put the call from number in their phones, so they would recognize the call in the future. He suggested shareholders add their

email addresses to their accounts so they would receive email notices in the future. He then introduced Allan Kaplan

Financial Report *Allen Kaplan, Auditor*

Allen explained that in connection with the rate case, the Corporation Commission decided that the Company should use various equipment lives for assets vs a fixed life for all assets, requiring the Company to recategorize all assets and depreciation rates accordingly. He noted that it required an adjustment increase of \$28,000 to depreciation.

He briefly covered the Income Statement, Balance Sheet and Cash Flow Report. He commented that the company financials are in good shape.

Arizona Utility Billing Report *Cheryl Ibottson*

Cheryl reported that the electronic meters provide a leak alert, indicating when water meter has been running continuously for a period of 72 hours. Three alert levels are indicated, depending on the volume of flow. Customer with alerts are called, and if the alert level is high, an in-person visit is made.

She reported that customers may receive bills via email by signing up. She stated that the Company also provides Autopay, where the billed amount is deducted from the user's bank account. This is a free service. She noted that the Company now accepts credit card payments, for a small fee.

Meeting was adjourned at approximately 10:10 am.