

Granite Oaks Water Users Association

Board Meeting Minutes

Meeting of December 4, 2024

Approved January 22, 2025

Contract Staff

BOARD MEMBERS

Ken Nelson, President
Matt Olson - Vice President
Daryl Mathern, -Board Member
Ron Weber – Treasurer -Absent
JD Sale - Board Member

Bob Busch, Manager, GOWUA
Cheryl Ibbotson – Ariz. Utility Billing Solutions
Derek Scott- A Quality Water Co.-Operator

Bill Whittington—Legal Counsel
Bill Weber – Weber, NFP Insurance

1. The meeting was convened at 9:00 AM at 302 W. Willis St., by President Ken Nelson. Ken Nelson changed the order of business to New Business item 5a to accommodate Bill Weber of NFP Insurance. See below.

2. a. Review/Approval of Minutes of Board Meeting of October 23, 2024, 2024.

Motion: Matt Olson moved to approve the Minutes of October 23, 2024 with corrections as noted. Daryl Mathern seconded. Motion passed unanimously.

3. Reports:

3a. Operator's Report

Derek Scott reported that October was a quiet month. He stated that there were 13 Blue Stake requests. He stated that the wells would be sounded on December 5th. He said that the wells are shut down for at least two hours before the static levels are read.

3b. AZ Utility Billing Report

Cheryl said that the only item to possibly discuss was the Work in Progress amount on the balance sheet. There followed a discussion about the items on the balance sheet. After some discussion, it was the consensus of the Board to remove (expense) the amount of \$23,144 shown in connection with ARPA 0036, New Well Project.

3c. Manager's Report

Bob Busch reported that there were 327,725 gallons of unaccounted for water October, or 5.07% of water sold. Bob reported that there were 47 high users, using 2,199,670 gallons or 35.9% of total usage.

Bob reported that Deerfield Generator is still not complete. Plumbing has been completed but Elan has been unable to start the generator. They have contacted the factory, and a factory rep is being sent to the site.

Bob reported that for the period of August 26th thru September 25th GOWUA has paid \$2,152 for legal fees in connection with ARPA 0036 and \$4,040 in connection with the Glenshandra/New Well issue.

4. OLD BUSINESS

4a. Action Items

- *Action Item: Legal Counsel will contact Deepwell Ranch representatives to determine whether the Deepwell Ranch easement at Post Oak Rd. could be used for GOWUA access and pipeline.*

Bill Whittington reported that he is anticipating a contact from Deepwell representatives. He said he has received the waiver of conflict of interest from their attorney.

4b. Discussion and possible action concerning the addition of alarms at the GOWUA wells.

There was some discussion about the possibility of using existing cables between Post Oak and the well sites in lieu of radio. Ken Nelson commented that he wants to pursue the use of cabling, as it would cost less than radio equipment and tower.

No Action taken on this item at this time.

4c. Discussion and possible action concerning filing a rate case for GOWUA.

There was a discussion about when to file a rate case and the test year period that might be used. Bob Busch suggested the Sonn Albrecht be invited to attend the next meeting and discuss a recommended approach.

Action Item: Bob Busch will invite Sonn Albrecht to attend a future meeting to discuss rate case options and strategy.

No further action taken on this item.

4d. Discussion and possible action concerning the disposition of the property at Glenshandra.

Ken Nelson reported that Verizon appears to be interested in the Glenshandra property. During a phone call meeting with DWTower representatives, they seemed to be interested in assisting to get property owner approval to modify the CCR's. They also had prepared sketches showing possible antenna alternatives (tree vs water tower). Bob reported that he and Ken had a followup discussion with a representative that had financial authority. He was more cautious about interest in the site. He indicated that property in the area seemed to be selling for around 125k per acre.

We are presently awaiting their interest in attending a future meeting to discuss the matter with the Board.

4e. Discussion and possible action concerning a possible location for a new well.

There was a discussion about the possible site at the end of Post Oak Rd. If access is granted by Deepwell Ranch, an engineering study would be the next step to determine the viability of a well at that location

No action taken on this item at this time.

4f Discussion and possible action to fill vacancy on the Board of Directors.

Ken Nelson stated that he had received contacts from a couple of people who might be interested in serving on the Board. He will invite them to the next meeting.

5. NEW BUSINESS

5a. Discussion and possible approval of Harassment Policy – required for insurance coverage.

Mr. Bill Weber reported that most insurers now require that a Harassment Policy be in place. He commented that the insurer noted that the renewal application indicated that GOWUA had no policy in place, and wanted verification. He noted that the proposed policy would be satisfactory. Bill Whittington commented that his firm has reviewed the proposed policy and find it acceptable for Board approval. There was a question as to whether the insurer would cover costs during administrative level handling of a complaint. Mr. Weber was uncertain and stated he would follow up with the carrier.

Note: Mr. Weber later advised that coverage is not automatic during administrative handling of an issue. Facts of the situation determine if coverage is provided.

Motion: Matt Olson moved to adopt the proposed Harassment Policy and that each Board Member separately sign a copy. JD Sale seconded the motion. The motion passed unanimously.

5b. Discussion and possible approval of Operating and Capital Budget for 2025.

Bob Busch handed out copies of a proposed Operating and Capital Budget for 2025. The Board went thru the proposed Revenue, Expense and Capital Expenditure line items and made some changes to the proposal.

Motion: Matt Olson moved to adopt the 2025 Budget with the changes made by the Board. JD Sale seconded. Motion passed unanimously without further discussion.

Meeting was adjourned at approximately 10:50 AM.

Next meeting is scheduled for Wednesday, January 22, 2025..

Minutes transcribed by Bob Busch

Submitted By:

Secretary