

Granite Oaks Water Users Association
Board Meeting Minutes
Meeting of February 25, 2026

Approved March 25, 2026(rev)
Contract Staff

Board Members

Ken Nelson - President JD Sale – Vice President Matt Olson - Treasurer Daryl Mathern, -Secretary Robert Finke – Board Member Don Murphy – Board Member-absent Nathan John- Board Member

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

1. CALL TO ORDER

The meeting was convened at 9:00 AM at 302 W. Willis St., by President Ken Nelson.

2. REVIEW/APPROVAL OF MINUTES OF BOARD MEETING OF January 26, 2026

Motion: Matt Olson moved to approve the minutes of January 26, 2026 with the corrections noted. JD Sale seconded. Motion passed unanimously.

3. REPORTS:

3a. Treasurer's Report

Matt Olson reported that there are 3 CD's in the Schwab account and the account is currently valued at \$172,807.36. He reported that the CD maturing in March will be renewed for a longer period, as rates are expected to drop after the new Fed Chairman takes over in May.

Motion: Daryl Mathern moved to accept the Treasurer's Report. Nathan John seconded. Motion passed unanimously.

3b. Operator's Report

Derek Scott reported that he received the jump starter and the Rid-a-Rat units. He reported that a fire hydrant on Bard Ranch Ct. broke when the fire department was closing it after a test. The fire department reported that it was continuing to leak, so Derek repaired the broken gasket and put the hydrant back in service.

Derek reported that the backup generator at Deerfield is working and the propane tank is now full. Ken Nelson commented that the contractor spliced the generator leads in the transfer switch box within a couple of feet of the end of the run. He requested that Bob Busch contact Elan Electric to have it corrected. Derek reported that both diesel generators will be fueled by the end of the week.

3c. AZ Utility Billing Report

Cheryl reported that the Annual tax Report was sent to AZ Dept of Revenue. It is due April 1st. She commented that she has begun working on the Annual Report to the ACC, due April 15th.

3d. Manager's Report

Bob Busch reported that unaccounted for water was estimated at 267,000 gallons due to a battery failure on the well meter at Glenshandra. New batteries have arrived but the well output will have to be estimated again for February.

Nathan John commented that it seems like we should have a list of spare parts and anticipated life.

Action Item: Derek Scott will prepare a list of parts needing periodic replacement and spare parts.

Bob Busch reported that there were 6 high users in January using 345,450 gallons. 1.2% of the customers used 14.5% of water sold. He reported that the second request for data from the ACC Staff concerning the rate case was sent in on February 12th. He reported that the Annual Water Withdrawal Report was sent to ADWR and that the ACC Website has been updated with all current Officers and Directors.

Bob reported that GOWUA received two non-compliance notifications recently. One, for failure to file a report required annually showing that we have no service lines with lead. The second was a failure to collect samples in 2025 for testing for lead and copper in the distribution system. We were required to post a notice on the GOWUA website.

There was a discussion about the notice concerning lead and copper tests. It was the consensus of the Board to add information to the website notice indicating that there is no lead and copper used in our system.

Action Item: Bob Busch will add information to the website indicating that we have no lead & copper in GOWUA water lines.

4. OLD BUSINESS

10:00 a.m.

4a. Discussion and possible action concerning the assignment and consent to assignment of the service contract with AQuality Water Co. to Tri-City Backflow.

Bob Busch handed out the consent to assignment form and explained that he has a certificate of insurance from Tri-City Backflow showing GOWUA as an additional insured. The existing contract with AQuality Water will be transferred to TriCity Backflow. Derek intends to operate the company under Arizona Utility Operations.

Motion: Matt Olson moved to approve the Consent to Assignment between AQuality Water and Tri City Backflow, effective April 1, 2026. Daryl Mathern seconded. Motion passed unanimously.

4b. Discussion and possible action concerning performing maintenance on electrical equipment.

Bob Finke reported that he contacted 20 electricians and only 4 were comfortable working with 480 volt systems. He commented that Lollar Electric or Elan Electric seemed the most capable. He stated that the cost to service the Post Oak site would likely be between \$3,000 and \$4,000. He suggested servicing Post Oak first, since it is the most critical site. He stated that an accurate set of drawings need to be created as part of the service. He stated that he can work with the electrical contractor to create the appropriate drawings.

Ken Nelson suggested that since Post Oak is a critical site and can't be shutdown for long, that we start out with Deerfield or Glenshandra, both of which can be shut down. We could learn by working with one of those sites before tackling Post Oak.

Bob Finke reported that ADEQ has approve 4 hour shutdowns during the day for maintenance without having to re-chlorinate.

Nathan John suggested that we proceed with documenting the system before making a decision about which site to service first.

It was the Board's consensus to attempt to prepare drawings for each of the sites and then start maintenance work on Deerfield.

4c. Discussion and possible action concerning the ongoing rate case.

Bob Finke explained that he has contacted the Ombudsman's Office at the ACC for a possible meeting to discuss the conservation issue. A meeting is proposed to take place in the future that would involve GOWUA, perhaps ADWR and the ACC to discuss the issue focused on conservation rather than rates.

There was considerable discussion about CCR's that permit irrigation of 9,000 square feet. Bob Finke reported that he has researched the issue and it is possible to establish a range of use for 9,000 square feet in our area. He commented that any attempt to enforce the CCR's would likely involve a lawsuit.

No action taken on this item.

4d. Discussion and possible action concerning a new well.

No action taken on this item.

5. NEW BUSINESS

10:20 a.m.

5a. Discussion and possible action resulting from the tour of the City of Prescott water facilities.

No action taken on this item.

5a. Discussion and possible action concerning a list of items to be included in periodic reports from the Operator.

There was a brief discussion about this item.. Derek Scott is preparing a list. No action taken on this item. .

6. ADJOURN

Minutes transcribed by Bob Busch

Submitted By:

Secretary