

Granite Oaks Water Users Association
Board Meeting Minutes
Meeting of January 28, 2015

Approved March 25, 2015

BOARD MEMBERS

Gerry Garcia, President Jim Peoples, Vice President John James, Treasurer John Monroe, Secretary Larry Dorrell, Director Jim Peterson, Director Gerry Tumey, Director

THOSE PRESENT

Contract Staff

Bob Busch, MDI Taxes & Acctg Allen Kaplan – Accountant Jim Muylle - Fann Environmental
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Guest : Kristin Robison - MDI Taxes & Acct'g

The meeting was convened at 8:00 am by Vice President Jim Peoples. Gerry Garcia was absent.

**1. Minutes of Previous Meeting
Meeting of November 19, 2014(draft2).**

There were no comments or corrections suggested for the minutes.

Motion: John Monroe moved approve the Minutes of the November 19, 2014 Board Meeting, with the changes included from draft2. John James seconded. Motion carried.

2. Reports

2a. Financial Report

Allen Kaplan reported that year-end profit was \$28,000. He noted that the payment for insurance was made by MDI in January. It throws off year to year comparisons, so he had Bruce accrue the insurance payment in December. The \$5,900 shows up as a December expense and payable on the December Balance Sheet. Billings were up slightly from the previous year. Maintenance was higher this year, due to higher expense from Fann Environmental and billing from Empire Cat. (for generator maintenance). Most other expenses were in line with the previous year.

Cash is down about \$133,000 from a year ago. \$179,000 was spent on capital items in 2014. Only \$3,700 remains to be paid for Advances in Aid of Construction. One deposit was received in 2014 for a new meter.

The new money market account with Compass Bank is paying 1.5% interest vs less than 1% with the old M&I account.

John James reported that the Operating Account has a balance of \$23,789 and the Corporate Account balance was \$88,755 as of last night.

Allan reported that revenue and expense have been running very consistently for the past three years.

Allan discussed his process for conducting the audit of customer billing. He checked several major accounts, checking usage and amounts billed. All accounts checked out to the penny.

In connection with the audit, it was discovered that the Fulton account has been under-billed by \$60.00 per month for over 10 years. Billing has been for a 1 1/2 in meter, when a 2 in meter is actually in place.

Bob suggested that future audits might be to check the billing records against the actual meter size to make sure the billing rate is correct. There are 1", 3/4" and 5/8" meters in the system, each billed at a different rate.

2b. Operator Report

Jim Muylle reported that Fann has Blue Staked the main for Pehl Construction, who is the contractor for the property owner at 2850 W. Granite Oaks Drive where the new service connection is being installed.

Jim Muylle reported that Gary Regnier, Fann's electrician has parts on order for the modification to the system control panel that has been discussed by the Board.

He stated that the starter for the backup power generator at Glenshandra is going bad, and that the price quoted from Empire Cat seemed high (\$1,900). He is looking at alternatives.

Jim Peoples asked if the low pressure complaint issue has been resolved. Bob stated that he has gotten no complaints recently. John Monroe added that the pressure at his home seems to have returned to normal.

Jim Muylle commented that no meter verifications were done, and that Fann would begin verifications soon. Bob commented that he thought only 20-25 verifications were done in 2014. Nearly 50 per year should be done.

2c. Manager's Report

Bob Busch commented that the unaccounted for water amount was very high again in December - almost 16.8% or 550,000 gallons. He said he suspected it was an administrative issue rather than a theft or a leak.

He reported that he contacted Steve Hutt and was advised that Steve had a doctor appointment and could not attend the meeting. He asked for the date of the next Board meeting.

Bob mentioned the contact by Mr. Stanley Hobbs complaining about a late charge for his November bill. Kristin Robison indicated that Mr. Hobbs was upset because he mailed his payment on December 22nd, and it was not received until after December 26th. He wanted the due date for December changed to something other than the 25th, and complained about a \$.34 late fee. He subsequently wrote to several Board Members and to Allan Kaplan. The complaint is considered closed.

3. Old Business

3a. Review of Action Items:

Action Item: Bob will contact MDI regarding access to data.

MDI has all data in the CORE system which is double password protected. Public or unauthorized access to data is very unlikely.

3b. Water Provider Designation

Bob summarized his contact with ADWR and the subsequent response received and forwarded to the Board. It indicated that for GOWUA to be considered for a Water Provider Designation, the company would need to purchase nearly 12,000 acre feet of groundwater credits. That would cost well over 2 million dollars, and effectively closes that avenue for consideration. Bob offered that if the Board wanted to pursue the issue of drilling of private wells in the service area, legislation might be the only solution.

3c. Line Extension Agreement -2850 W. Granite Oaks Dr.

Bob reported that after several contacts with ADEQ, Corp. Commission, ADWR and Yavapai County concerning the procedure for connection of the Granite Oaks property, the prospective contractor obtained an email from ADEQ indicating that a permit was not required. The property owner is proceeding and the contractor (Pehl Contracting) has requested Blue Staking the area. (Board members approved via email, the connection to the GOWUA system with the owner paying all costs). Fann will install the meter after the owner completes the application.

Larry Dorrell questioned whether or not it was a good policy to have outside contractors work on the system. He suggested that it might be best to have Fann Environmental do the work since they have an interest in the whole system. There followed a general discussion on the subject. Jim Peoples concluded the discussion by noting that the matter has been decided in the current instance, and that it could be discussed on any future project. Larry Dorrell asked if something should be decided and included in the minutes. Jim Peoples responded that a motion could be made to that effect. After further discussion, no action was taken.

4. New Business

4a. 2015 Budget.

A copy of the proposed budget was included with the monthly Board Report package. Allan Kaplan suggested that Office Supplies be increased to \$5,000 since it now included postage, and that interest income be increased to \$1,200. No other comments were offered.

Motion: John James moved to approve the 2015 Budget with the changes discussed. Gerry Tumey seconded. The motion carried unanimously.

There being no further business, Jim Peoples asked for a motion to adjourn.

Motion: John James moved to adjourn. Gerry Tumey seconded. It passed unanimously.

The meeting was adjourned at approximately 9:15 a.m.

Next meeting: Wednesday, March 25, 2015, 8:00am – Post Oak Site.

Minutes transcribed by Bob Busch

Submitted By:

Secretary