

GRANITE OAKS WATER USERS ASSOCIATION

BOARD OF DIRECTORS MEETING MINUTES

Meeting Date: September 23, 2026 (9.am Start)

Location: 302 W. Willis St. Prescott, AZ 86302

Form of Meeting: In-Person with Telephonic Participation by Matt Olson

BOARD MEMBERS & OFFICIALS IN ATTENDANCE

- Ken Nelson – Outgoing President
- Don Murphy – Board Member / Newly Elected Secretary
- Nathan John – Board Member
- Bob Busch – GOWUA Manager
- Bob Finke – Board Member / Newly Elected President
- Marv Barrish – Newly Elected Vice President
- Matt Olson– Board Treasurer (Participated via Phone)
- Derek Scott – Arizona Utilities Operations-Operator
- Cheryl Ibbotson – Arizona Billing Solutions
- Joe Stone – Board Member
- Bill – Legal Counsel

1. APPROVAL OF PREVIOUS MINUTES

The Board reviewed the minutes of the prior meeting and directed two corrections:

- **Correction 1:** Clarified that the Board previously approved only Task 2 (\$6,900) of the Matrix New World proposal for water development, not the full \$12,000 package.
- **Correction 2:** Relocated a narrative regarding immediate electrical equipment replacement evaluations out of Cheryl Ibbotson's administrative report block into a generalized category.

Disposition: Motion to approve the minutes as corrected made by Don Murphy, seconded by Marv Barrish. **Motion carried unanimously.**

2. TREASURER'S FINANCIAL REPORT

The financial and cash asset accounts were submitted as follows by Matt Olson

- **Bank of America Operating:** \$55,000
- **Wells Fargo (Account 1):** \$55,000
- **Wells Fargo (Account 2):** \$55,000 (Yielding between 3.85% and 4.05% interest)

- **Schwab Treasury Account:** \$10,000 liquid cash / \$540 secondary cash
- **Total Liquid Asset Holdings:** \$176,012

Disposition: Motion to approve the Treasurer's report made by Nathan John, seconded by Don Murphy. **Motion carried unanimously.**

3. SYSTEM OPERATOR'S COMPLIANCE REPORT

Operator Derek Scott presented the monthly utility operations report:

- **VFD Programming:** The Variable Frequency Drive (VFD) at the Post Oak facility was successfully reprogrammed. Two faulty relays controlling the work circuits for the Glen Chandra well were replaced, restoring full operations.
- **Maintenance & Sampling:** All targeted field valves were verified as completely functional and leak-free. Staff completed 14 Blue Stake utility marks, continued seasonal weed mitigation, and confirmed all state-mandated water quality compliance testing samples are fully up to date.
- **Laboratory Transitions:** A temporary billing routing delay occurred during a lab transition to Bradshaw Mountain Laboratories. Consequently, an elevated, consolidated water testing charge will appear on the subsequent month's register.

4. GOWUA MANAGER'S REPORT

Manager Bob Busch delivered updates on system consumption metrics:

- **High Consumption Data:** The system recorded 46 high-volume users, responsible for consuming a combined total exceeding 2 million gallons of water during August 2026
- **Meter Inconsistencies:** Severe recording variations were flagged in the electronic logs for August. The Glenshandra Well reflected only 833,000 gallons pumped (one-third of seasonal baseline), while the Deerfield well meter calculation dropped backwards by 1,430,000 gallons from the previous month. Operator Scott will initiate an electronic audit to verify if a manual entry error took place.
- **Regulatory Rate Case:** GOWUA continues to wait on the formal staff evaluation report from the Arizona Corporation Commission regarding the pending utility rate case.
- **Infrastructure Asset Work:** Physical tank cleaning operations have concluded. The invoice is being withheld pending submission of the formal engineering inspection report.

5. OLD BUSINESS

- **Administrative Reimbursements:** Receipts for specialized component purchases—including New Member Binders an updated electrical AC panel, lumber for Glenshandra parts shelving, a localized generator-fire alarm power supply, and regulatory facility signage—were reviewed.

Disposition: Motion to approve expense reimbursements of \$448 to Ken Nelson, \$68 to Bob Busch, and \$177.22 to Don Murphy Motion by Don and seconded by Ken Nelson.

Motion carried unanimously.

- **As-Built Mapping Initiative:** President Nelson presented four scaled maps detailing the street configurations of Granite Oaks and Royal Oaks. These will act as a physical baseline to document verified valve boxes. It was noted that later fire hydrant additions are completely absent from historical construction drafts.

Disposition: Motion to table further infrastructure mapping plans pending the evaluation of localized metal detection or alternative tracking methodologies made by Don Murphy, seconded by Marv Barrish. **Motion carried.**

6. NEW BUSINESS & ACTIONABLE RESOLUTIONS

- **Hydrological Testing Proposals (Matrix New World):** The board evaluated proposals for Task 1 (data modeling of current wells) and Task 2 (private well field testing).

Disposition: Tabled following a request from Treasurer Matt via telephone, pending receipt of physical data reports from the completed private well site studies.

- **Facility Fire Alert Infrastructure:** A proposal from B&W Fire Security Systems to install a commercial cellular smoke/fire detection transponder at the Post Oak Pump House for \$7,900 (plus \$45 monthly monitoring) was evaluated.

Disposition: Tabled to gather secondary bids and investigate localized high-decibel alarm horns or neighborhood notification networks.

- **Post Oak Pump House Electrical Upgrades:** The board reviewed a \$7,500 commercial Proposal from Fann Environmental to replace a deteriorating, hazardous submersible pump controller panel and old fuse cluster with an integrated circuit breaker and dedicated manual disconnect switch. This modification allows technicians to isolate the VFD unit safely without downing the entire water distribution system.

Disposition: Motion to authorize the \$7,500 electrical overhaul expenditure made by Don Murphy, seconded by Joe Stone. Roll Call Vote: 3 Ayes, 1 Nay (Ken Nelson). Motion carried.

- **Roadside Facility Signs:** The board discussed exterior signage modifications and the option of matching existing layouts.

Disposition: Motion to approve custom exterior asset placards as presented by Ken Nelson, allocating an implementation budget not to exceed \$500 for pole mounting hardware, made by Treasurer Matt (amended motion), seconded by Nathan John. Motion carried unanimously.

- **Historical Data Archiving Platform:** Nathen John presented a digital server structure built to house corporate meeting minutes, maps, and precise historical invoice records. The

board affirmed that access rules must enforce read-only status for general users to prevent accidental database deletion.

Disposition: Tabled to design specific hosting rules alongside Bob Busch.

- **Water Account Dispute:** A residential account holder on Bard Ranch Road protested an anomalous \$300 billing cycle revealing 62,200 gallons of logged consumption. Operator Scott confirmed the residential meter remains under warranty and will be pulled and sent to the manufacturer for precise factory data extraction.

Disposition: The billing resolution was tabled pending factory data.

7. ANNUAL SHAREHOLDER MEETING PLANNING

The board structured the agenda framework for the upcoming October 10th Annual Shareholder Meeting at the local library. The presentation sequence will encompass: An executive introduction, a President's state-of-the-association summary, a technical infrastructure report from the Operator, a financial transparency breakdown by Alan Kaplan, and a comprehensive panel on conservation.

Nathan John volunteered to spearhead the conservation block, focusing heavily on regional aquifer depletion trends (dropping an average of six feet per year), exploratory deep-well targeting, and proposed rate adjustments designed to target excessive-use tiers.

8. ELECTION OF EXECUTIVE OFFICERS

Per corporate bylaws, nominations were officially opened for the upcoming administrative term. Outgoing board members whose terms concluded on August 30th (Ken Nelson and JD) acted as non-voting facilitators for this block.

- **Office of President:** Nathan John nominated by Matt Olson; Bob Finke nominated by Marv Barrish. **Bob Finke elected President. By a Majority Vote**
- **Office of Vice President:** Marv Barish nominated by Bob Finke. **Marv Barish elected Vice President unanimously.**
- **Office of Secretary:** Don Murphy nominated by Bob Finke. **Don Murphy elected Secretary unanimously.**
- **Office of Treasurer:** Matt nominated by Nathan John. **Matt elected Treasurer unanimously.**

The Board of Directors extended an official vote of appreciation to outgoing President Ken Nelson for his years of dedicated leadership, structural system stewardship, and logistical service to the community.

Minutes Submitted By: Don Murphy, Board Secretary

Minutes Approved By: _____, Board President