

Granite Oaks Water Users Association
Board Meeting Minutes
Meeting of September 27, 2017

Approved January 24, 2018

THOSE PRESENT

BOARD MEMBERS

Contract Staff

Gerry Garcia, President Matt Bornyasz, Vice President John James, Treasurer Claire Hutt, Secretary Jim Bricker, Board Member Bonnie Pearson, Board Member Ken Nelson, Board Member
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Allan Kaplan – Accountant Jim Muylle - Fann Environmental Bruce Eldredge, MDI Taxes & Accounting Bob Busch, MDI Taxes & Accounting

The meeting was convened at 8:00 am by President, Gerry Garcia.

1. Minutes Board Meeting of July 26, 2017

Claire Hutt noted a typographical error in item 4b. There being no other changes suggested to the minutes, the President called for a motion to approve.

Motion: Claire Hutt moved to approve the July 26, 2017 minutes. The motion carried unanimously without a second.

The President changed the Order of Business to allow Jim Muylle to present the Operator Report.

2a. Operator's Report

Jim reported that the August coliform sample from Post Oak tested positive, requiring a resample. The resample tested negative. All other samples tested ok.

Jim reported that ADEQ sent a letter notifying GOWUA that a MRDL (Maximum Residual Disinfectant Level) report was not received within the 10 day period following the end of the quarter, but the report was received by ADEQ. Not deficiency or violation resulted.

ADEQ performed a field inspection of GOWUA on September 14th. The inspection covers all aspects of the operation of the system and record keeping. No deficiencies were noted during the inspection. No action will be required by GOWUA.

The new control/alarm panel was installed at the Glenshandra backup generator.

Jim noted that this is the final report from Fann Environmental, since the contract expires on September 30th. All documentation, lab reports and keys will be left on the operator's desk at Post Oak. Fann's locks will be removed on September 30th. He commented that it has been a pleasure to operate the system for GOWUA these past years. President, Gerry Garcia thanked Jim and Fann Environmental for their work over the years. She noted that the change being made was simply a financial decision and that GOWUA loved the service Fann has provided and would be happy to provide a reference.

President Gerry Garcia then called on Bruce Eldredge to report. Bruce passed out a revised income statement and balance sheet. The income statement was revised because amortization for August was not included. The time period for amortization (account 404) entered into the software was up, so the monthly amortization for August was entered a "0". The revision shows the correct amount. Bruce asked the Board if they would like a year to year view of the financials. He can easily produce it from the software. The consensus of the Board was that Bruce provide that format for the report.

Bruce then discussed the status of ONE CALL NOW. He reported that he sent a message to Board Members reminding of the Board Meeting. Some Board Members did not receive the message. Bruce noted their correct phone numbers. Bruce stated he will send a test message with the corrected numbers to verify the system is reaching all Board Members. Bruce asked which Board Members will be authorized to make the ONE CALL NOW messages. Gerry Garcia, Claire Hutt, Matt Bornyasz and Bob Busch were selected. Bruce will set up a training session at his office.

Bruce then commented about the Accounting and Billing Service Responsibilities insert in the Board Report Packet. He asked for clarification about item 10- Financial Institutions. It was agreed that the item was probably redundant to items listed in Item 1- Accounting Services about item. It was agreed that Item 9- Government Filing and Reporting be expanded to list specific reports.

There was some discussion about emailing of notices and whether bulk emailing would work with our web domain.

Action Item: Bob Busch will check on the ownership of the web domain.

Bruce acknowledged that GOWUA was changing the system operator. He commented that he will keep the Board informed of any issues with meter re-reads due to high use, shutoffs or turn-ons that are needed with property sales.

Matt Bornyasz asked if MDI had the capability of reporting to credit agencies. Bruce indicated the MDI has never reported information to credit agencies.

Action Item: Bruce Eldredge will determine what is required in order to report delinquencies to credit agencies.

Bruce then reported that the State of Arizona is now requiring automatic withdrawal of sales tax payment from the GOWUA account. He stated he will need signature(s) from GOWUA to authorize the automatic withdrawal. Gerry Garcia responded that she would be one to sign.

Action Item: Gerry Garcia will visit the bank and sign to authorize automatic withdrawal of state sales tax.

There was some discussion about binders for Board Members that include appropriate records and documents for Board Member reference.

Action Item: Bob Busch will create a Board Member Reference Binder for Board Members.

2b. Financial Report

Allen Kaplan commented that this is an "in between" quarterly report. He does a more detailed report at the end of each quarter. He reported that year to date net income is about \$22,000. He noted that repairs and maintenance is less than budget so far.

Ken Nelson asked about the average monthly revenue being about \$22,000. Bob Busch responded that annually, the company receives about \$220,000 per year, and the average revenue is a bit less than \$20,000 per month. However it varies a great deal throughout the year.

John James reported that the current balance in the Corporate Account is \$78,347 and the Operating Account balance is \$26,024. He reported that he arranged for a 2yr, \$100,000 CD at Amtrust at 1.55%. He also noted that another CD will mature in November.

2c. Manager's Report

Bob Busch commented that he has identified 11 of boxes of records that are no longer needed and will be shredded.

He reported that the billed vs pumped water differences for July was 4.93% and August was 4.99%.

He reported that the Fire Department tested fire hydrants on the 19th, and called ahead of time to give notice.

The Service Application has been updated with the changes discussed at the last meeting. It is now on the GOUWA website.

Insurance quotes are being prepared and will be available sometime in October.

The System Water Plan has been revised as discussed at the last meeting and has been filed with ADWR.

The Backflow Prevention Device testing for 2017 has been completed. Bob referred the Board to a summary report included with the Board Member Packet. He discussed the summary report and explained the entries.

Bob reported that there were 52 high users in July with the highest customer use at 750,000 gallons. In August, there were 44 high users, with 406,000 being the highest use. A high user is a customer using more than 30,000 gallons in the month.

Bob reported that the A Quality Water Co. contract is ready for signature. He has arranged to meet A Quality Water Co. representatives on Sunday, October 1 to change locks and turn over the system to A Quality Water Co.

3. Old Business

3a. Action Items:

All action items have been completed.

3b. Curtailment Tariff Revision

Jim Bricker reported that the main change proposed to the tariff is the substitution of the robo call and email notification rather than US Mail. Jim asked if the tariff is approved by the Board if it has to be filed with the ACC. Bob indicated he would contact the ACC staff to determine if some review would be required prior to filing.

Motion: Gerry Garcia moved to approve the revised Curtailment Tariff as submitted: Matt Bornyasz seconded. The Motion was approved unanimously.

There was some discussion about whether or not to proceed with finalizing the signs for the subdivision entrances.

Action Item: Jim Bricker will continue to finalize cost estimates for the signs.

4. New Business

4a. State Sales Tax (New requirements)

See above.

Jim Bricker asked for comment about the operator's responsibility to augment the water supply in the event of emergencies. Bob Busch commented that the Operator Services Contract calls for the operator to maintain a list of possible supplier/haulers of water in case of emergency. Claire Hutt indicated that a water hauler must meet a number of requirements.

Action Item: Board Members will review the various responsibilities of Board Members and contractors prior to the November 15th meeting.

b. Review of Company Policies

Matt Bornyasz commented that the write-off policy concerned him because there is not penalty associated with non-payment. There was some discussion of the pros and cons of credit reporting. Bob Busch reported that during the last 12 months, 5 accounts have been written off for an

approximate total of \$144. The principle of non-payment was the issue discussed. Write offs only occur when the customer has discontinued the account and not paid the final bill. Current customers are subject to water shutoff for non-payment. GOWUA customer's water has have been shut off for delinquent payment. A certified letter is sent giving the customer 10 days to pay the balance.

This issue was tabled until the results of Bruce Eldredge's investigation of credit agency reporting is known.

4c. Review of Bylaws

The Board had briefly discuss the possible change in the date for election of directors. The Board discussed the possibility of moving the time for electing officers to follow the annual shareholder meeting rather than before. Bob Busch read a section of the Bylaws covering amendment of the Bylaws. Section XIII calls for notice, but there was a discussion about to whom the notice is given (shareowners or Board Members).

Bob Busch stated that there is reference to the Arizona Nonprofit Corporation Act in regard to notice that should probably be investigated.

Action Item: Bob Busch will review the Arizona Nonprofit Corporation Act to determine if there are notice provisions that would impact GOWUA changes to bylaws. .

4d. Review of Board/Contractor Responsibilities

See above

4e. Newsletter

Members discussed the draft newsletter included with the Board Report packet. It was suggested that an article about seasonal adjustment/inspection of irrigation systems be included.

Action Item: Bonnie Pearson will forward a suggested article to all for comment.

There being no other business...

Motion: John James moved to adjourn. Motion carried without a second.

The meeting was adjourned at approximately 10:10 am.

Next meeting will be Wednesday, November 15th at Post Oak, 8:00 am.

Minutes transcribed by Bob Busch

Submitted By:

Secretary