

Granite Oaks Water Users Association
Board Meeting Minutes
Meeting of June 21, 2023

Draft

BOARD MEMBERS

THOSE PRESENT

Contract Staff

Ken Nelson, President Matt Olson - Vice President Daryl Mathern, - Secretary Ron Weber – Treasurer J D Sale - Board Member - absent Jim Bricker – Board Member

Bob Busch, Manager, GOWUA Allen Kaplan – Accountant Cheryl Ibbotson – Ariz. Utility Billing Solutions Derek Scott- A Quality Water Co.-Operator
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Bill Whittington – Board Legal Counsel- absent

1. The meeting was convened at 9:01 AM at 302 W. Willis St., Prescott, by President Ken Nelson.

2. Approval of Minutes of meeting of May 24, 2023

It was noted that there were a couple of typographical errors in the minutes.

Motion: Daryl Mathern moved to approve the minutes of May 24, 2023 with the corrections as noted. Jim Bricker seconded the motion . Motion passed unanimously.

3. Reports:

3a. Financial Report

Allen Kaplan handed out the financial reports for May, 2023. He reported that Water Sales of 86k YTD is about 10k less than last year to date. He reported that YTD expenses of 83.5k are 3k less than last year, partially due to the accrual of property taxes for the full year late last year.

Allen reported that the cash balance of 320K is up about 1k from last month, but a decrease of 2k from end of year 2022. He reported that the Schwab account balance is \$255,143 with a CD maturing on 8/15/23. And, the total includes about 63K in a cash account. There followed a brief discussion about possible action concerning the cash, considering the projects that are underway. After discussing some options, reinvestment in a CD was favored.

Motion: Ron Weber moved to invest the cash presently in the Schwab account in a new 6-month CD. Daryl Mathern seconded. Motion passed unanimously.

Motion: Matt Olson moved to accept the Financial Report. Daryl Mathern seconded. Motion passed unanimously.

3b. Operator’s Report

Derek Scott reported that water pumping is down (lower than expected), chemical use is down and power use is also down. He said he and his associate are ready to assist with the new tank construction.

He reported the two-rail fence in the driveway at Glenshandra has been repaired. Static water levels have changed only slightly from last month. Glenshandra -273 ft. Deerfield - 272.3 ft Post Oak- 322.4 ft.

He passed around estimates from Fever Controls to add alarms to the three wells. One was for adding alarms to the existing hard wire setup. The other was to use a radio system for the alarms. The hard wire estimate was in excess of 10K and the radio system was in excess of 20K. There was a brief discussion about the estimates and it was the Board's consensus that we should request the vendor attend a meeting to discuss the system and the estimates.

Action Item: Derek Scott will invite a Fever Controls representative to a Board Meeting to review the system and the estimates to the alarms.

3c. Arizona Utility Billing

Cheryl Ibbotson reported that Arizona Utility Billing corrected the Power Adjustment with the May billing and they received no phone calls about it. She reported that AUB issued 4 door tags to customers who were on the list of leaks both meter readings during the month. They received no calls from the customers. There were no delinquencies for the month. Ken Nelson asked if we could get the names of the four customers in case one of the Board Members knows the customer. Cheryl obtained the customer's names and addresses for the Board. No action was taken by the Board.

3d. Manager's Report

Bob Busch reported that the unaccounted for water was 175,433 gallons this month or less than 3%. He reported that there were 42 high users accounting for over 1.9 million gallons, or 33.7% of the total usage.

He reported that he still does not have approval for the Purchased Power Adjustment from the ACC. A response was promised last Friday, but none has been received.

He reported that we have received two invoices for work on the two ARPA projects. The County reps are working on approval of the invoices. One of the invoices was received on May 24th. The County is working on it.

Mr. Busch reported he received a couple of emails from SW Groundwater in anticipation of working on the tank project. They want to conduct some soil testing and other preliminary work. Derek Scott indicated that he is available to assist and provide access.

Ken Nelson requested that the Board receive copies of the invoices and other pertinent information for the ARPA projects so members can keep informed.

Mr. Busch reported that the Consumer Confidence report for 2022 has been posted on the website and a notice will go out with this month's bills. It will also be noted on the bill. He also reported that a notice of the Annual Meeting and a candidate solicitation will be included in the billing. Two Board Members, Ken Nelson's and Ron Weber's terms expire this year.

4. OLD BUSINESS

4a. Action Items

- *Action Item: Derek Scott will investigate what additional generator alarms might be possible or available from each of the well sites.*
Discussed above.
- *Action Item: Bob will contact the ACC regarding correcting the PPAM billing error to see if/how the billing error might be corrected.*
Discussed above.

4b. Discussion and possible action concerning obtaining a line of credit for \$100,000.

Mr. Busch reported that he prepared the application to the ACC for a line of credit and included it with the Board packet. He commented that the only item he believed it needed is each Board Members' signature on Exhibit 6 of the application, which is the Certificate of Resolution.

MOTION: Matt Olson moved to approve the Certification of Resolution authorizing the filing of the Application for Financing. Jim Bricker seconded. The motion passed unanimously. Each attending Board Member signed the resolution.

4c. Discussion and possible approval of a Certification of Resolution authorizing filing of the Application for Financing with the Arizona Corporation Commission.
See item 4b.

4c. Discussion and possible action concerning scheduling of the Annual Meeting.
In connection with the discussion about the annual meeting, Allan Kaplan reported that he would not be available on Wednesday, July 26th and the proposed meeting at 7am on the 29th is also problematic. It was suggested to hold the next meeting on Thursday, July 27th at 9:00 AM at 302 W. Willis. It was the Board's consensus to hold the meeting on July 27th at 9:00AM.

4d. Discussion and possible action concerning approving Resolution 2023-1 calling for updating of approved signers on the bank account at Foothills Bank.
There was a discussion about the Bank's requirements to change signers and the status of the proposed resolution. The resolution was reviewed and discussed by the Board. It was the consensus of the Board that the content of the resolution had been previously approved and therefore Resolution 2023-1 was approved. Therefore, Resolution 2023-1 was approved and executed.

5. NEW BUSINESS

There was no new business to discuss.

Meeting was adjourned at approximately 10:30 AM.

Next meeting is scheduled for Thursday, July 27, 2023 at 302 W. Willis.

Minutes transcribed by Bob Busch

Submitted By:

Secretary