

MINUTES
PINE CREEK CANYON DOMESTIC WATER IMPROVEMENT DISTRICT
PO Box 945, Pine, AZ 85544
March 15, 2025

Regular Meeting
Date: Saturday, March 15, 2025

Place: District Office at 3617 N Highway 87, Suite A, Pine, Arizona 85544
Teleconference Number: (866) 580-6521, Participant Pass code 98193837#
Phone in participants will be placed on hold listening to music until the
Chairperson joins the meeting
Time: 9:00 AM

DRAFT
Until approved at a future meeting

1. CALL ORDER

The meeting was called to order at 9:00am by President Allan Johnson.

2. ROLL CALL OF BOARD MEMBERS/DECLARATION OF QUORUM

Present Board Members – Allan Johnson and Dave Karr. Board Members present on the telephone: Tom Kelly and Bill McClung. Dr. Johnson declared a quorum of Board members were present. Others present Steve Stevens, District Manager, Susan Thompson, Administrative Assistant. Others present on the telephone: Harry Jones, Associate District Manager and Cari Kelly (homeowner).

3. CALL FOR MOTION TO APPROVE MINUTES OF THE FOLLOWING MEETING HELD ON

December 14, 2024 - Regular Meeting

Mr. Karr moved to accept the Minutes of the December 14, 2024 meeting. Mr. Kelly seconded. All say Aye and none say Nay. Motion Passed.

4. CALL TO THE PUBLIC FOR INPUT ON SCHEDULED AGENDA TOPICS

No input from the public.

5. TREASURER'S REPORT

5a. Balance Sheet: Mr. McClung reviewed the balance sheet and noted cash of \$344,360.73 in operating and reserve accounts plus \$136,598.93. in WIFA required reserve for a total cash balance of \$480,959.66. Mr. McClung moved to accept the Treasurer's Report and Mr. Karr seconded. All say Aye and none say Nay. Motion Passed.

MINUTES
PINE CREEK CANYON DOMESTIC WATER IMPROVEMENT DISTRICT
PO Box 945, Pine, AZ 85544
March 15, 2025

5b and 5c.- Revenues and Expenses and Budget vs. Actual Comparisons: Mr. McClung noted total YTD revenues for water were under budget \$8,162.00 after eight months. This may be due to a combination of budgeting and owners not using their property as much as they did during the COVID-19 years. Administration, Wastewater and Water operation expenses were each under budget and spread partially over all line items. The total of result of the P&L was a net income of \$61,090.05 which was \$33,042.00 better than the projected budget of \$28,047.91.

Mr. Karr moved to accept the Check Registers/Cash Disbursements for the last three months and Mr. Kelly seconded. All say Aye and none say Nay. Motion Passed.

6. DISTRICT MANAGER'S REPORT

6a-Depth to Water and Well performance, 6b-Water Usage: Mr. Stevens noted the depth to water, well performance measurements and water usage for both Deep and Shallow wells were all stable.

6c-Additional expected Hookups and Impact Fees before and after 6/30/2025: No discussion on this topic.

6d-Assessed Property Tax values for 2025: Discussion of the level of assessable property to tax was delayed until later in the meeting.

6e-Status of District Insurance Policies: Mr. Stevens noted the Director & Officer insurance policy (due April 2025) was not being renewed because the current company is moving away from this type of policy. He stated that we have our Insurance broker searching out another carrier. So far, one has been located but he is still looking for additional carriers. The remaining insurance policies were reviewed and coverage extended for the following year, with policies being renewed in March of this year. Coverage levels were reviewed by Mr. Stevens and Mr. Jones and adjustments made.

6f-WIFA visit: Mr. Stevens reported on the visit from WIFA to finalize our WWTP Controls Upgrade 2024 loan. The WIFA representative came for the site visit. She commented on all the work that had been completed. She did have a correction to one form we had received from the Iron and Steel company. The verbiage needed to be in a format that WIFA accepted. She sent the corrections we needed to have on the letter and since that time, we have received a corrected Iron and Steel letter for our files.

6g-Update on new signs around the pond: Mr. Stevens reported the WIFA required signs around the pond were ordered, received and installed this past week. Mr. Karr reported some of the new signs were stolen as of this morning when he drove by the pond. It was decided, after inspection of the site, that a police report would be filed and the signs that were missing would be replaced.

MINUTES
PINE CREEK CANYON DOMESTIC WATER IMPROVEMENT DISTRICT
PO Box 945, Pine, AZ 85544
March 15, 2025

6h- Dead meters: Mr. Stevens spoke on the meters that were not registering water usage. Master Meter was contacted and they inspected the meters and declared that it was caused from a water problem which was not under warranty. Mr. Jones Would like to inspect the warranty in detail to ensure that the problem is not covered. Mr. Stevens stated that it would be cheaper to service the meters in house than to send them to Las Cruces to be repaired. He will order some repair parts and see how long it will take to service them.

6i-Status of APS Leg switch and blower damage: Mr. Stevens noted APS changed the polarity of one of the legs of our power feed causing the motor to run backwards. It was not discovered for about two weeks. By that time, the blower had become damaged and could not be repaired.

6j-Status of Liens and lien releases: Mr. Steves commented that we had a couple liens placed and released during the past few months.

6k-Status of Lot 31: Mr. Stevens commented that Lot 31 has installed their grinder pump, so that property will be completed soon.

6l-Status of Shallow well meter: Mr. Stevens commented that the shallow well meter ceased working and he ordered a new ultrasonic meter from Master Meter. The basic meter was installed with manual reading capabilities and is working well. It has a ten-year warranty. PureOps will come back and install the radio read capabilities and a pulse read meter for inside the pump house in the near future.

7. ASSOCIATE DISTRICT MANAGER Report

7a-Discuss and take possible action related to completion of the WWTP Controls Upgrade Project 2024: Mr. Jones reported the WWTP upgrade, which exceeded total expected costs significantly compared to what we had planned to spend. After we had applied to WIFA, based mainly on failures of the electrical system at the blowers that had failed a couple times prior to the loan application, we ran into additional issues (both A and B sides failing at once) and WIFA disallowed about \$30K of new electric panel at the blower unit and failed blower and motors. Shortly thereafter they failed to allow funding for the \$15K-\$20K of spare motors and blowers we felt were qualified, but they were deemed pre-loan repairs, not upgrades, and therefore not allowed. Then we had the major rain (3" in an hour?) that flooded fencing and entryway gate and even into the lab building, so we spent an extra \$25K or more to greatly improve drainage coming out of the large culvert at the exit gate, such culvert having never been corrected by the HOA during the first 28 years. Since the HOA had been generous with us in terms of road repairs (by McClung's house) and at the well site I approved what I thought might be a \$5K drainage repair, that turned out to be probably \$25K, so we shaved off the side of the hill, built new deep trenches, and completely replaced fencing being pushed over by the debris washing down from the roadway and culvert and into the lab building. Additional electric work by Fever electric on the incoming service section main panel, the panel controlling the influent equipment, and the panel for the discharge of the treated water were all older components that were all upgraded to greatly enhance reliability. The costs to replace the blower building, the odor control building and the lab roof, and the work at the pond came in at about what we

MINUTES
PINE CREEK CANYON DOMESTIC WATER IMPROVEMENT DISTRICT
PO Box 945, Pine, AZ 85544
March 15, 2025

expected. So hopefully, we are in good shape for the next 25 years, including the Mission Control early warning system (phone, emails, text messages when operating conditions are out of range) built into all the control panels.

8. **DISCUSS AND TAKE POSSIBLE ACTION RELATED** to desired cash balances in terms of targeted levels of financial reserves and possible changes in monthly rates and fees, property taxes, impact fees, reduction of loan balances, and future capital project requirements: All meeting participants discussed the variables that the staff should keep in mind as we start to put together the 2025-2026 budgets. The discussion included ideas that we should

expect \$125,000 for tank recoating in about 2025-2026. Mr. Jones could not think of anything that needed to be accomplished over and above regular maintenance for the coming budget year. But if anyone had any suggestions, the Board members contact Mr. Stevens, himself or Mr. McClung with any ideas or requests they may have for possible changes in rates, fees, terms of service, capital improvement, etc. as we prepare to start the 2025-2026 budgeting process in early April.

9. **DISCUSS AND TAKE POSSIBLE ACTION RELATED to proposed dates of special meetings for the 2025-2026 budgeting process:** Mr. Jones reviewed an approximate schedule for completing the 2025-2026 budget starting with a session with Steve, Susan and Harry to be completed in early April, a review with Mr. McClung and Mr. Crews shortly thereafter, and then a work study session with the full board in the middle to late April, and if needed a meeting for a final adoption of the proposed budget (hopefully handled as part of the work study agenda if only minor changes). The proposed 2025-2026 budget, as approved by the Board would then be published in the newspaper and posted at three locations in the District, and presented at a Budget & Rate hearing as part of the June 21, 2025 Board meeting.

10. **CALL TO THE PUBLIC FOR ANY NON-AGENDA ITEMS RELATED TO DISTRICT AFFAIRS**

None noted.

11. **CONFIRM ESTABLISHED DATE AND DESIRED TOPICS FOR THE NEXT REGULAR BOARD OF DIRECTOR'S MEETING(S) AS A REGULAR MEETING TO BE HELD**

June 21, 2025 – No Special Topics

12. **MOTION TO ADJOURN**

Mr. Karr moved to adjourn the meeting and Mr. McClung seconded. All say Aye and none say Nay. Motion Passed. The meeting was adjourned at 10:12am.

Submitted By: _____ Posted as of _____ M