MINUTES

PINE CREEK CANYON DOMESTIC WATER IMPROVEMENT DISTRICT

PO Box 945, Pine, AZ 85544

June 20, 2026

Regular Meeting

Date: Saturday, June 20, 2026

Place: District Office of Pine Creek Canyon DWID, 3617 N Hwy 87, Ste A, Pine AZ 85544

Teleconference Number: 1-866-580-6521, 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 9:00 AM by Chairman Allan Johnson.

2. ROLL CALL OF BOARD MEMBERS/DECLARATION OF QUORUM

Present - Allan Johnson, Mike Roberts, Bill McClung, Jim Crews and Dave Karr. Dr. Johnson declared a quorum. Others present: Steve Stevens, District Manager; Harry Jones, Associate District Manager; and Susan Thompson-Administrative Assistant. No public attended.

3. ADJOURN TO BUDGET/RATE HEARING – 9:02 AM

Motion to adjourn to the Budget/Rate meeting by Mr. Crews and seconded by Mr. Karr. All say Aye. None say Nay. The motion passed.

The Budget/Rate Hearing was opened by President Allan Johnson at 9:02 AM

a. Mr. McClung presented a brief verbal and written summary of the key points in the 2026-2027 proposed budget that had been previously reviewed by all board members as to line items and change in the base water charges. He requested responses and questions and it was pointed out all Board members had seen and discussed the budget in detail

b. Mr. Stevens brought to the attention of the Board, that the vendor who provides the monthly retainer in the WWTP and the Water operations has raised their rates to almost doubled and currently paying and had not raised the rates for over eight years. Discussed by the Board that we should carefully consider the need to increase the categories effected by this rate increase.

c. No public comments were received. Chairman Johnson noted no further discussion. A motion was made to reconvene back to the regular meeting by Mr. Crews and seconded by Mr. Karr. All say Aye. None say Nay. The motion passed.

4. RECONVENE REGULAR BOARD MEETING

Regular meeting reconvened at 9:24am

5. DISCUSS AND TAKE POSSIBLE ACTION RELATED TO THE 2026-2027 PROPOSED BUDGET, RATES, AND FEES.

Since the proposed budget had (a) been properly posted and published in the newspaper per Arizona statutes, and (b) there had been no inquiries and no questions or requests by the public for further details related to the proposed budget. Chairman Johnson requested a motion to approve the proposed budget as amended with the fee increases by A Quality Water to become the adopted budget for 2026-2027.

Mr. McClung made the motion to accept the proposed budget as amended with the fee increases noted above and Mr. Crews seconded the motion to approve the proposed budget as the adopted budget and rates and fees for the 2026-2027 fiscal year. All say Aye, and none say Nay. The motion was passed.

6. CALL FOR MOTION TO APPROVE MINUTES OF THE FOLLOWING MEETING(S):
March 21, 2026, Regular Meeting
May 12, 2026, Special Budget Meeting

Mr. McClung moved to approve the minutes of the above meetings. Mr. Karr seconded the motion. All say Aye, and none say Nay. The motion passed.

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

No comments from the public on the current agenda items.

8. REPORTS

a. TREASURER'S REPORT

8a [i–v] Treasurer McClung then presented a brief overview of the May 31, 2026 balance sheet, P&L, Budget vs. actual reports, cash flow, and noted in particular that the cash of $377,959.59 in the operating and reserve accounts plus $155,184.28 in WIFA required reserve for a total for cash balance of $533,143.87. Mr. McClung summarized indicating that the District was in excellent financial position and was maintaining adequate liquidity.

8a [vi] The Board voted unanimously to approve the check register and cash disbursements.

8a [vii] The Board had no comments related to the District Manager or Associate District Manager's Invoices.

b. DISTRICT MANAGER'S REPORT

8b [i-iii] Mr. Stevens reported the recent values for well output, depth to water, water used, etc. and concluded all the control variables appeared normal. Water usage in the District has decreased. This is being attributed to less frequent use of properties. For possible new hookups, the District is anticipating one new hookup for the coming year.

8b [iv] PCCDWID property taxes received as of May 31, 2026 are at 96.59%.

8b [v] Mr. Stevens presented the Engagement Letter from Haynie & Company.

8b [vi] Status of…

- **a.** WIFA Loan Rate: Mr. Stevens reported that the loan rate on the $400,000.00 loan was 3.088%. The forgiveness rate was 72 percent.
- **b.** Property Purchase: The property purchase on the for the .07-acre strip of land containing the well is complete. We closed on the property on Monday June 15, 2026. The closing costs were $992.95, which brought the total cost of the property to $50,992.92.
- **c.** Engineering Grant: WIFA has awarded an engineering grant for the well and tank recoating for our project. This will be paid to an engineering firm for our project in the amount of $50,000.00.
- **d.** Well Options: We discussed the various well options available on this project.
- **e.** Tank Rehabilitation Options: We discussed various tank rehab options for this project.
- **f.** COG Grant: WIFA is awarding a $20,000.00 grant to the Council Of Governments to assist with paperwork on this project.
- **g.** Signage: We will be required to erect an 8 x 4-foot sign for the project.

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

There was none.

10. CONFIRM ESTABLISHED DATE AND DESIRED TOPICS FOR THE NEXT REGULAR BOARD OF DIRECTORS MEETING TO BE HELD:

September 19, 2026 at 9:00 AM
Topics – Invite contractors to meeting and reaffirm District Manager had general approval and signed the Haynie & Co Engagement Letter on May 6, 2026 for our company review for FY 2025-2026.

11. MOTION TO ADJOURN

The meeting was adjourned at 10:49AM. Mr. Karr made the motion to adjourn the meeting and Mr. McClung seconded. All say Aye. None say Nay. The motion passed.

Submitted By: ______________________________ *Posted as of* __________________________ __ *M*