

MINUTES
PINE CREEK CANYON DOMESTIC WATER IMPROVEMENT DISTRICT
PO Box 945, Pine, AZ 85544
September 18, 2021

Regular Meeting
Date: Saturday, September 18, 2021

Place: Pine-Strawberry Fire Department Training Room, 6198 W. Hardscrabble Road, Pine, Arizona 85544
Teleconference Number: 1-877-594-8353, Participant Pass code 20932491#
Phone in participants will be placed on hold listening to music until the
Chairperson joins the meeting
Covid-19 restrictions on social distancing, temperature tests and masks to be required, for entry

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 - Jim Crews, Allan Johnson, Bill McClung, Tom Kelly and Dave Karr. Others Present: Harry Jones, District Manager, Pat Watson, Administrative Assistant.

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

a. June 19, 2021 Regular Meeting

Mr. McClung moved to accept the Minutes of the meeting listed above. Mr. Karr seconded. Roll Call: Mr. Crews, Dr. Johnson, Mr. Karr, Mr. Kelly and Mr. McClung. All say Aye. None say Nay. Motion passed.

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

There was no public input.

5. REPORTS

a. Treasurer's Report

Balance Sheet

After Mr. Crews' discussion, Mr. Jones commented on the Balance Sheet also showing \$94K of WIFA Required reserves to add to the \$353K in our regular cash accounts, for total cash of \$449K.

Budget vs. Actual Comparison

On the Budget vs. Actual Expenses report, Mr. Jones also pointed out the WWTP Operator Labor was double the budget for the first two months because the operators spent considerable time working with the ADEQ inspector for the once every two year inspection.

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Check Registers/Cash Disbursements for last three months (vote of Board of Directors required)

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

b. District Manager's Report

i. Depth to water in Wells

Mr. Jones reported the water levels in the wells were at normal expected levels at 291.6' and 1341'.

ii. Performance of Wells

Mr. Jones noted performance of both wells is probably normal, but recorded numbers seems to be off, probably because the meter on the shallow well is starting to fail (may cost about \$2,000 to replace after 15 years). The issue with the deep well may be related to the bypass valve being sticky, causing more water to go down the ditch than expected. He is in the process of further investigation of causes.

iii. Water Usage

Water usage by customers is about normal with demand being 30%+ over the prior years due to higher home usage from Covid-19 and the addition of 18 new homes in Elk Rim and about six or more inside the gates over the last two years.

iv. Status of Elk Rim (B-1 B-2) Development

All 18 lots in Elk Rim have paid their impact fees, and 17 of 18 have water now turned on. Sewer connections for 16 units are now connected and being charged monthly. The connection of the sewer to the Club House is still on hold.

v. Repairs to fire hydrants

Repairs to six of the different type 25 year old fire hydrants will start this coming week, maybe costing us \$2,500-\$3,500 in parts and labor. No disruption of water services is expected to occur.

vi. Weed Abatement at WWTP

Mr. Jones mentioned that the weed abatement process would start on September 20, 2021 with the work being done for \$2,250 by Doug Crawl, a certified lake management specialist. The second treatment of the same cattails would occur two weeks later, and will be completed before the cattails go dormant.

vii. Possible acquisition of well by exit gate

There has been no contact with John Anderson for the last 45-60 days, and the District should not incur any costs from the Manager until Mr. Anderson appears more likely to proceed with a transaction for us to control or own the well.

viii. Inspection of Wastewater Treatment Plan

The Manager suggested the Board review the 8-2-21 ADEQ inspection report that showed "no deficiencies" and no further action expected by ADEQ. A question arose from Dave Karr related to the fact we did have one each exceedence months ago for total nitrogen and nitrite, both previously corrected promptly and that the airflow backflow prevention devices to be installed this week will help us to stop injecting as much methanol needed to keep the parameter within specification.

MINUTES

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At the end of his normal report, Mr. Jones indicated we had a problem brought to our attention a couple days ago related to the location of a water meter curb stop connection made 25 years ago; and it being about 18 feet off the property line of the customer who is starting construction. Mr. Jones indicated Dr. Johnson had reviewed the situation yesterday morning and that the District would solve it by supplying a trench to go between the existing curb-stop to a second curb-stop that is located on the property under construction. He indicated there were several documents with different locations, causing the confusion 25 years ago, however, under our rules and regulations we need to get the meter and customer's shut off valve onto the customer's property, so the new customer does not need to access the neighbor's property to access the customer shutoff valve he should use when leaving his property for extended periods of time. Mr. Jones said he would avoid additional hassle for the new homeowner by making the trench wide enough to also handle extension of the electric, cable, TV and phone lines, noting as Dr. Johnson indicated to avoid the trench staying open over an extended period of time awaiting installation by other utilities.

Additionally, Mr. Jones noted a problem the HOA Road Committee brought to his attention three days ago. That was issue that the recent monsoon rains had created flood waters in the bar ditch that had created a waterfall that exposed the district's sewer line on the back side of Ruin Hill Loop. He reported this issue is being discussed the Tom Jones and Bill Brack of the Road Committee, and that the issue also is probably going to expose the gas line in the same trench/bar ditch, so it is imperative the HOA take care of the situation promptly, probably by building up the backfill materials and rock that has washed away through a downstream culvert.

6. DISCUSS AND TAKE POSSIBLE ACTION RELATED to status of the Annual CPA Financial Statement Review Report.

Mr. Jones reported that he will answer the last minor questions from the CPA on Monday morning the 20th of September. He noted the report had already gone through review by both the Managing Partner and the Partner in Charge for Heinfeld Meech, and that he had been interviewed related to possible conflicts of interest, any new litigation, possible fraud, etc. Dr. Johnson reported that he had also been questioned by the auditor about possible unreported fraud, conflicts, etc. Mr. Jones indicated he expected a clean (no changes required) review draft to be in hand during the following week.

7. DISCUSS AND TAKE POSSIBLE ACTION RELATED to cash balances in terms of scheduled future discussions concerning establishment of target levels of District financial reserves and possible changes in monthly rates and fees, property taxes, impact fees, reductions in loan balances, and future capital projects required.

Mr. Crews led a brief discussion of possible options in terms of rates, fees, taxes, etc., prompted by the fact we may be getting near the point we may or may not need to build additional reserves, a topic that should come up during the budgeting discussions of March-April 2022. Mr. Crews indicated the recent advances in cash reserves will probably not continue since we won't likely have the impact fees from as many new homes since all 18 of the Elk Rim homes are now paid up. Mr. McClung and Jones made comments about how to determine the level we should specify, since the targeted amount will depend heavily on the risks of a major catastrophe occurring such as loss of sewer collection system, complete

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failure o the pump station, etc. Everyone agreed to think about these questions and options over the next six months.

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

There was no discussion.

9. CONFIRM ESTABLISHED DATE OF THE NEXT BOARD OF DIRECTORS MEETING TO BE HELD:

December 11, 2021, March 19, 2022, June 18, 2022, September 17, 2022 and December 10, 2022.

10. MOTION TO ADJOURN.

Mr. Karr moved to adjourn the meeting. Mr. McClung seconded. All vote Aye. The meeting was adjourned at 10:10 AM.

Submitted By: _____ *Posted as of* _____ *M*