

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

Regular Meeting
Date: Saturday, March 11, 2017
Place: PCCDWID Office, 3617 N Hwy 86
Pine, Arizona 85544
For conference call-in
Teleconference Number 1-877-594-8353, Participant Passcode 20932491#
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 - Jim Crews, Allan Johnson, Jim Semrad and Jim Cleary with Mike Roberts attending via phone.
Others Present: Harry Jones, District Manager, Pat Watson
A quorum is declared.

3. CALL FOR MOTION TO APPROVE MINUTES OF THE FOLLOWING MEETING HELD ON December 17, 2016 Regular Meeting.

Mr. Roberts moved to accept the Minutes of the December 17, 2016 Regular Meeting. Mr. Cleary seconded. Roll Call: Mr. Crews, Dr. Johnson, Mr. Cleary, Mr. Semrad and Mr. Roberts. All say Aye. None say Nay. The motion Passed.

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

There was no public in attendance.

5. REPORTS

a. Treasurer's Report

i. Balance Sheet

Mr. Crews reported the unrestricted cash is in the \$120,000 range.

ii. Revenues and Expenses

Mr. Crews reported our revenues are on budget and the expenses are about \$30,000 under budget. Dr. Johnson asked how the Property Tax is figured. Mr. Jones stated that PCCDWID tells Gila County the total number required and the County figures the individual lot amounts.

iii. Budget vs. Actual Comparison

Mr. Crews reported Revenues on budget and expenses under budget about \$30,000.

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iv. Check Register last three months

Mr. Cleary moved to accept the financial report. Mr. Semrad seconded. All say Aye. None say Nay. The motion passed.

v. Budget Schedule for 2017-2018

Mr. Jones and Mr. Crews will have a Special called meeting to discuss the 2017-2018 Budget. Mr. Crews moved to have the pre-budget meeting on April 29, 2017 at which time a formal proposed budget for customer review on June 17, 2017 can be adopted. Mr. Roberts seconded. All say Aye. None say Nay. Meeting date approved.

b. District Manager's Report

i. Depth to water in wells

Mr. Jones reported the water level for the shallow well has depleted slightly over the years. The deep well has held steady through the years and that very adequate water resources are available for the PCCDWID service area and beyond.

ii. Water Usage

Usage is average for the year to date.

iii. Status of Other Projects:

(a) State of Odor Improvements at WWTP

The plant is working well after the upgrades were completed. The plant will be monitored to make sure it continues to operate as planned as inflow volume increases in the summer.

(b) Status of Application for Interconnection by Rim Ranch LLC (B-1, B-2)

The developers held a Public Hearing. There were realtors present, Mr. and Mrs. Jones, the HOA Treasurer, a couple from the HOA, Ralph Bossert and Owner Terry Gorton. They will be working out use of roads with the HOA. They will be working with PCCDWID on the interconnection and will pay for a PRV Valve.

(c) Status of Rat removal at Pump Station Banking and Storage Facilities.

Mr. Jones, District Manager accepted the proposal from 'Ratitude'. Ratitude is owned and operated by Mark Watson. It is a business he has operated for nine years in the Payson area. Mark is the son of Pat Watson, Administrative Assistant for PCCDWID and the local "go to" person for rodent control..

In addition, Mr. Jones made the statement that the maintenance check for the generator has been completed and will also be sealed for rat and mice control..

6. DISCUSS AND TAKE POSSIBLE ACTION RELATED TO OPENING A NEW CHECKING ACCOUNT FOR CUSTOMER PAYMENTS AT NATIONAL BANK OF ARIZONA, including a listing of authorized signers.

Mr. Crews moved to open a new bank account at National Bank of Arizona, with the President, the Treasurer and the District Manager as signatories. The current Chairman is Dr. Johnson, Treasurer is Mr. Crews, and the District Manager is Mr. Jones. Mr. Jones is authorized to complete the administrative duties to open this account. Motion was seconded by Mr. Cleary. All vote Aye, None vote Nay. The Motion Passed.

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7. DISCUSS AND TAKE POSSIBLE ACTION RELATED TO BIDDING CONSTRUCTION AND EXECUTION PLANS for upgrades to the District's water pressure control system.

Mr. Jones and Mr. Roberts presented a proposed design of system improvements, bid package and construction contract for the replacement of the pressure relief valves and vaults as recommended by Tetra Tech Engineering. Mr. Jones stated under terms of the proposed agreements the contractors must attend a mandatory prebid meeting and site tour on March 31, 2017. The bid opening would be scheduled for April 7, 2017. A proposed bid award is tentatively scheduled for April 15, 2017, assuming all financing and appropriate contractor pricing, capability, and responsiveness is in place. It was noted that any and all bids could be rejected by the District up to the date of signing of the Construction Agreement and issuance of a Notice to Proceed.

It was also discussed that the District Manager should immediately call the developer of B-1 and B-2 related to the fact the District has added an optional bid item in the proposed construction contract to cover a 5th valve and vault that would ultimately be required for the developer to install near the entrance to Tracts B-1, B-2, and A. It was discussed that the 5th valve, if to be installed under the District's optional bid item at the request of the developer, would be priced to include a reasonable overhead for the District handling the transaction, and it would require a 50% down payment by the developer, with the balance due upon presentation of the contractors invoice.

After extensive discussion and consideration, Mr. Roberts made the following motion. The Board authorizes the District Manager to proceed with finalization and solicitation of bids to complete the PRV project and to notify the Developers of parcels B-1 and B-2 that we are proceeding with the PRV project and request their written concurrence that they are interested in the District soliciting bids for the 5th PRV. The motion was seconded by Mr. Crews. All say Aye. None say Nay. The motion passed.

8. DISCUSS AND TAKE POSSIBLE ACTION RELATED TO POSSIBLE COMMUNICATIONS IMPROVEMENT DISTRICT should they contact the PCCDWD Board of Directors for such assistance.

Harry Jones indicated that to avoid a Conflict of Interest for himself (also District Manager for Pine/Strawberry Water Improvement District), all communications, discussion and decisions must be made by the Board of Directors of PCCDWD.

Mr. Roberts suggested if calls from the PSWID should occur that the Board should create a report for its customers showing how any decision was made and whether PCCDWD has enough water available to sell. The term of the agreement should be for no more than one year and the PSWID must demonstrate they are taking steps to solve their problem. There should also be a clause that PCCDWD could stop providing water at any time. No formal action was taken.

**9. DISCUSS AND TAKE POSSIBLE ACTION RELATED TO APPROVAL OF CASH DISBURSEMENTS FROM December 1, 2016 through February 2017.
See Item 5.a.iv.**

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10. CALL TO THE PUBLIC FOR NON-AGENDA ITEMS.

There were none.

11. CONFIRM ESTABLISHED DATE AND DESIRED TOPICS FOR THE NEXT BOARD OF DIRECTOR'S MEETING.

The next regular meeting will be June 17, 2017 at 9:00 AM.

A Special called Meeting for adoption of a proposed budget was tentatively set for April 29, 2017.

A Special called Meeting for review and approval of the bids related to the upgrades of the District's water pressure control system was tentatively set for April 15, 2017.

12. MOTION TO ADJOURN.

Mr. Crews moved to adjourn the meeting. Dr. Johnson adjourned the meeting at 11:00 AM

Submitted By: _____