

MINUTES  
PINE CREEK CANYON DOMESTIC WATER IMPROVEMENT DISTRICT  
PO Box 945, Pine, AZ 855  
December 16, 2017

Regular Meeting  
Date: Saturday,  
December 16, 2017  
Place: Pine Strawberry Fire Dept. 6306 W. Hardscrabble Mesa Rd.  
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 9:05 AM by Chairman Allan Johnson.

**2. ROLL CALL OF BOARD MEMBERS/DECLARATION OF QUORUM**

Present - Jim Crews, Allan Johnson, Jim Cleary, Bill McClung and Dave Karr.

Others Present: Harry Jones, District Manager, Pat Watson, Admin. Asst., Robert Langley, Barbara Howe, Tom and Judy Naylor, Residents.

A quorum is declared.

**3. CALL FOR MOTION TO APPROVE MINUTES OF THE FOLLOWING MEETING HELD ON September 16, 2017.**

Mr. Crews moved to accept the Minutes of the September 16, 2017 Regular Meeting. Mr. McClung seconded. Roll Call: Mr. Crews, Dr. Johnson, Mr. Cleary, Mr. Karr and Mr. McClung. All say Aye. None say Nay. Motion Passed.

The approval of the minutes for December 2, 2017 will be an Agenda item at the March 17, 2018 meeting since the copy of the draft minutes was not included in the Board Book.

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

There was no public input.

**5. REPORTS**

**a. Treasurer's Report**

**i. Balance Sheet**

Mr. Crews reported our cash position is good at five months into the fiscal year.

**ii. Revenues and Expenses**

Mr. Crews reported operation revenues are right on budget and expenses are under budget.

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#### iii. Budget vs. Actual Comparison

Revenues are about on budget and Expenses are about \$10K under budget. Mr. Jones commented the ADEQ required testing fees were over budget about \$700 due to certain MAP testing occurring earlier in the year than expected.

#### iv. Check Registers/Cash Disbursements for last three months (vote of Board required)

Mr. Cleary moved to accept the check register. Mr. Crews seconded. All vote Aye, None vote Nay. Motion Passed.

#### v. Future possible levels of property taxes:

Mr. Crews explained the need for the pressure reducing valve repairs. This capitol project on the 22 year old system was expected to require \$250,000. The District had cash at the time of approximately \$100,000. In order to generate revenue for this immediate need project and the Board not knowing whether the District could qualify for a new loan, the Property Tax Levy had to be raised. Mr. Crews mention this action was discussed at several prior Board of Directors Meetings and also presented at an HOA meeting.

The possible reduction of the Property Tax Levy will be discussed at the time the budget for the next fiscal year takes place in April and May of 2018. To complete the PRV repairs the District raised the hook-up fees for new construction and also borrowed money from WIFA on a twenty year loan at just above 2.0% interest..

Mr. Karr asked about the remaining valves that need to be replaced. Mr. Jones explained that the remaining repairs would require blacktop replacement and could not be done until warm weather next spring. Parts have been paid for and are on site.

#### **b. District Manager's Report**

##### **i. Depth to water in wells**

Mr. Jones reported the static water levels on both wells are in line with expectation in comparison to past years.

##### **ii. Water Usage**

Usage is in line with expectation for the shallow well and the deep well is in line with the highly reliable deep aquifer. Both wells are being used alternately.

The question was asked if there is a backflow valve on all homes to prevent household and yard water from coming back into the system. The answer is that is required on all homes.

##### **iii. Review of ADEQ Inspections of the Wastewater and Water Systems and the Aquifer Protection Permit:**

Consumer Confidence Report is completed each year. The testing showed no failures on the test in the past year.

Inspection – Drinking Water – Full inspection showed no deficiencies. Also the investigation of a customer complaint showed no deficiencies.

The PCCDWID Operators are Certified per the requirements of ADEQ for water distribution and treatment.

ADEQ found no deficiency on a complaint about odor at the wastewater treatment plant.

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The Aquifer Protection Permit also in compliance and was approved in 1998 to use ultra violet light process for wastewater effluent treatment. The District, however, has been using Chlorine for the same treatment for over 10 years and during two prior ADEQ inspections. The old UV System was rehabilitated for \$1,306 and the System is now using both treatment processes so the treatment process matches the requirements of the original aquifer protection permit.

#### **iv. PRV Upgrade Project Status**

The pressure reduction of all homes has been completed. However, there are three more replacements of isolation valves to do in the spring.

There have been two issues with low pressure that are being addressed by the Manager so as to provide more satisfactory service.

WIFA Financing – The budget shows \$18,000 remain to be used to complete the project in the spring.

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

The developers were supposed to go for final project approval at the Board of Supervisors meeting on December 19, 2017, however it has been moved to January 9, 2018 for final approval

#### **6. DISCUSS AND TAKE POSSIBLE ACTION RELATED TO THE acceptance of the CPA Review report dated June, 30, 2017.**

Mr. Crews moved to accept the HeinfeldMeech Review for the Fiscal Year ending June 30, 2017. Mr. McClung seconded. Mr. Crews, Mr. Karr, Dr. Johnson, and Mr. McClung all say Aye. None say Nay. (Mr. Cleary had stepped out of the room and did not vote.)

#### **7. DISCUSS AND TAKE POSSIBLE ACTION RELATED TO THE District Board ratifying past actions and approving future actions of the District Manager for executing required documents related to the Elk Rim (Tract B-1 and B-2) Developer's subdivision activity (the "Project"), as outlined in the Developer's Interconnection Process Application, including:**

--Executing the will-serve letter and related documents committing the District to provide water and wastewater services for the Project.

--Approving, along with the District's engineers, the Developer's plans and specifications for construction of the Project.

--Executing the Professional Services Agreements with Tetra Tech Engineering to provide services to the District relating to plans, documents certifying adequacy of the existing and future sewer and water infrastructure, including adequacy of water supply so the project can materialize be approved by various regulatory authorities.

--Engaging Ryley Carlock and Applewhite to provide necessary legal services for the Board related to the Project as required by the District's Interconnection Process.

--Executing the State and County applications and supporting documents related to the adequacy of the current and new additions to the wastewater collection system, the wastewater treatment system, the water lines, and the water resources.

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--Executing the agreement with the Developer to extend and existing water line easement several hundred feet to Highway 87 in exchange for the district paying 5/23 and the Developer paying 18/23 of the cost of a new Pressure control system (PRVs, vault, isolation valves, and associate piping) near the entry to the Project's private roadway.

--Execution of other necessary documents generally associated with similar projects.

Mr. Crews moved to ratify the past actions of the District Manager in executing required documents related to B-1 and B-2 as outlined above. Mr. McClung seconded. All say Aye. None say Nay. Motion Approved.

- 8. DISCUSS AND TAKE POSSIBLE ACTION RELATED TO** authorizing the District Manager, Board Chairman, and Board Treasurer to begin negotiations for the bulk sale of water to other water purveyors that may approach PCCDWID.

Mr. Jones, District Manager had a call regarding the purchase of water by Pine-Strawberry Water District which wanted to meet after January 1, 2018 to discuss the possibility.

Mr. Crews stated any purchaser would have to come get the water (hook into the system). The Board Members commented they will need to make various decisions regarding charges for water and methods of distribution.

Mr. McClune moved to authorize the District Manager, the Board Chairman and the Board Treasurer to begin negotiations for the bulk sale of water to other water purveyors that may approach PCCDWID.

- 9. DISCUSS AND TAKE POSSIBLE ACTION RELATED TO** accepting the written resignation of Jim Cleary as of December 16, 2017 and appointing a replacement Board member with a term expiring on 12-31-20, and for the Board to direct the District Manager to have the new member complete the Oath of Office form and other paperwork necessary to be seated on the Board at the next scheduled meeting.

Mr. Crews made the motion to accept Mr. Cleary's resignation as of December 16, 2017. Mr. Karr seconded. Mr. Crews, Dr. Johnson, Mr. Karr and Mr. McClung all say Aye. None say Nay. Motion passed. Mr. Cleary will provide a second more explicit written resignation to Mr. Jones, District Manager immediately after the meeting.

Mr. Langley spoke to the Board regarding his qualifications to become a part of the PCCDWID Board of Directors. Mr. McClung moved to accept Mr. Langley onto the Board with his term expiring on December 31, 2020. Mr. Crews seconded. Mr. Karr, Dr. Johnson, Mr. Crews and Mr. McClung all vote Aye. None vote Nay. Motion is approved.

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10. **DISCUSS AND TAKE POSSIBLE ACTION RELATED TO** electing a Secretary to replace the officer position held by Mr. Cleary and for the new Secretary of the Board to be authorized to sign on all District bank accounts.  
Mr. Crews moved to nominate Mr. McClung as Secretary to the Board of Directors. Mr. Karr seconded. All vote Aye. None vote Nay. Motion is approved.
11. **CALL TO THE PUBLIC FOR NON-AGENDA ITEMS RELATED TO DISTRICT AFFAIRS**  
(see footnote below regarding procedures)  
None requested.
12. **CONFIRM ESTABLISHED DATE AND DESIRED TOPICS FOR THE NEXT BOARD OF DIRECTOR'S MEETING.**  
The next regular meeting will be March 17, 2018 at 9:00 AM.
13. **MOTION TO ADJOURN.**  
Mr. Crews moved to adjourn the meeting. Mr. Karr seconded. All say Aye. None Say Nay. The meeting adjourned at 10:59 AM

Submitted By: \_\_\_\_\_