

MINUTES

PINE CREEK CANYON DOMESTIC WATER IMPROVEMENT DISTRICT

PO Box 945, Pine, AZ 855

September 16, 2017

Regular Meeting

Date: Saturday, September 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 9:00 AM by Chairman Allan Johnson.

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

Present - Jim Crews, Allan Johnson, Jim Cleary with Mike Roberts and Jim Semrad attending via phone. Others Present: Harry Jones, District Manager, Pat Watson, Tom Jones, Bill McClung and Dave Karr residents.

A quorum is declared.

3. **CALL FOR MOTION TO APPROVE MINUTES OF THE FOLLOWING MEETING HELD ON June 17, 2017.**

Mr. Crews moved to accept the Minutes of the June 17, 2017 Regular Meeting. Mr. Cleary seconded. Roll Call: Mr. Crews, Dr. Johnson, Mr. Cleary, Mr. Semrad and Mr. Roberts. 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**

i. **Balance Sheet**

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

ii. **Revenues and Expenses**

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

Mr. Crews asked how the PRV Project would be recorded. Mr. Jones reported it is recorded on the Balance Sheet and will be capitalized when it is put into service. There will be a monthly capital project report that will be made to WIFA and it will be attached to the District financials.

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- iii. **Budget vs. Actual Comparison**

Revenues are about on budget and Expenses are below budget so that we are about \$6K better than budget overall.
- 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.
- b. **District Manager's Report**
 - i. **Depth to water in wells**

Mr. Jones reported the water levels average in comparison to past years.
 - ii. **Water Usage**

Usage is right on the mark for both the shallow well and the deep well.
 - iii. **PRV Upgrade Project Status:**

Will discuss further later in the meeting. Assuming the Board approves the resolution the loan will close on September 22, 2017. The contractor, engineer, Mr. Jones, Pat Watson and system maintenance person met to tour the sites and storage of materials. Project repairs should begin on September 25, 2017. The customers will be notified a day or maybe two days ahead when their water will be off. We plan for water never to be off overnight.

Dave Karr asked about the backfill that will be used. Mr. Jones reported it will be backfilled with the proper shading materials. The current material will be taken off site and used as backfill on another property.
 - iv. **Status of Elk Rim (B-1 B-2) Development**

Developers are optimistic on closing. The County Planning and Zoning has approved the preliminary plans but the Board of Supervisors have not approved yet. The developers will be responsible for the new PRV to serve their development. The Owners have a contractor/developer that will actually do the building construction and marketing. This development is not a part of the HOA but the District must provide water for the property.

Mr. Roberts recommended a written document be on record as to the location of the new PRV in order to have the information stated in writing since the developers engineer has shown the new PRV site in the wrong location on the preliminary plat. The developer is subject to PCCDWID Interconnection Policy and must be approved by the District and the County. It was suggested this information about the location be in an email to the current B-1 and B-2 owners.
 - v. **Status of Annual CPA Financial Review**

The CPA has all the financial information and the review is in process.

In terms of other matters, the District claim that was filed with APS for damage caused by the surge of APS power equipment was denied. APS claimed their equipment worked and the damage to PCCDWID equipment (about (\$2,300) is the District's responsibility. Additionally, Mr. Jones went to a seminar with APS regarding rebates. PCCDWID will be putting a new variable frequency drives on the blower fans. Mr. Jones stated he expects the rebate will just about pay for the costs and it will be more efficient equipment.

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- 6. DISCUSS AND TAKE POSSIBLE ACTION RELATED TO** a Board resolution for acceptance of the loan terms and documentation required for a loan from WIFA to help pay for upgrades to the pressure reducing and isolation valves.

All Board Members have a copy of the loan documents. Dr. Johnson asked if there is any discussion. Mr. Crews stated the Board had previously authorized the project and approved the budget for \$250,000, and that Mr. Jones and Mr. Crews had met with WIFA staff for a pre-meeting and the WIFA Board meeting during which WIFA approved the application. Mr. Crews indicates we have prior experience with the WIFA loan process and we have no issues. The interest rate will be assigned at the close of market two days before the loan closes. There are signatures required from authorized personnel, so Mr. Jones will be responsible for getting the proper signatures and seeing that WIFA has them. Mr. Crews made the motion that the Board of Directors of the District adopt the loan resolution prepared by the District's Attorney and authorize the Chairman and the District Manager to execute all related documents for \$250,000 for WIFA loan # 012-2018. Mr. Roberts seconded the motion. All vote Aye and none for Nay. Motion is passed.
- 7. DISCUSS AND TAKE POSSIBLE ACTION RELATED TO** authorizing the Manager or Board Chairman to provide the 6-30-16 and 6-30-17 financial statements and to execute all required documents for Chase Bank to allow the District to set up a line of credit to be able to borrow up to 45% of scheduled tax collection if such funds are needed and approved for borrowing at a board meeting during the 2017-2018 fiscal year. Mr. Jones explained the loan program and reported we have no intention of using it and have never used it. It could be used for an unanticipated emergency. Mr. Crews moved to authorize the District Manager to provide the financial statements and execute any documents with Chase Bank which would allow the District to set up a lines of credit based on the tax collections. Mr. Roberts seconded. All say Aye. None Say Nay. Motion is passed.
- 8. DISCUSS AND TAKE POSSIBLE ACTION RELATED TO** the District's policy for determining PCCDWID or customer responsibility for the construction and maintenance of the interface between the District's water and sewer infrastructure and customer's service line/valves.

Mr. Roberts suggested the District amend Mr. Jones proposed wording at Section 5.4(see attached) of the District's Rules and Regulations to help clarify connection instructions so the similar wording is used for both water and for sewer. Mr. Roberts moved to accept the customer responsibility specifications as amended. Mr. Cleary seconded. All say Aye, None say Nay. The motion passed.
- 9. CALL TO THE PUBLIC FOR NON-AGENDA ITEMS RELATED TO DISTRICT AFFAIRS**
(see footnote below regarding procedures)

Mr. Karr asked to meet with Mr. Jones to discuss the PRV project.
- 10. CONFIRM ESTABLISHED DATE AND DESIRED TOPICS FOR THE NEXT BOARD OF DIRECTOR'S MEETING.**

The next regular meeting will be December 16, 2017 at 9:00 AM.
The Board of Director will need to confirm two or three Board Members at the December 16, 2017 meeting. Notice of Board vacancy will be placed in the September 30, 2017 bills to customers.

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11 MOTION TO ADJOURN.

Mr. Crews moved to adjourn the meeting. Mr. Cleary seconded. All say Aye. None Say Nay. The meeting adjourned at 10:30 AM

Submitted By: _____