

MINUTES

PINE CREEK CANYON DOMESTIC WATER IMPROVEMENT DISTRICT

PO Box 945, Pine, AZ 85544

December 12, 2020

Regular Meeting

Date: Saturday, December 12, 2020

Place: Teleconference Only-Due to Covid-19 Social Distancing Requirements

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, Bill McClung, Tom Kelly, and Dave Karr. Others Present: Harry Jones, District Manager, Pat Watson, Administrative Assistant, and Tom Jones, Property Owner.

A quorum is declared.

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

a. September 19, 2020 Regular Meeting

Mr. Karr moved to accept the Minutes of the meeting listed above. Mr. McClung seconded. Roll Call: Mr. Crews, Dr. Johnson, Mr. Karr, Tom 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

Treasurer's Report

Mr. Crews reported the cash position as of 11/30/20 had increased significantly with \$298K in operating and reserve cash plus \$88K in WIFA required reserves. He noted the YTD increase in cash was significantly above budget. In terms of revenues and expenses and the budget, Mr. Crews noted there was over \$25K in impact fees from new homes, cash flow of approximately \$37K from depreciation, and expenses \$11K under budget. The only expense above budget, about \$1,700, was for excess hours of the District Manager who had spent extra time to update the District's Rules and Regulations and By-Laws.

Mr. Crews made the motion, seconded by Mr. McClung to approve the cash disbursement for the month of September 2020 through November 2020. All Say Aye. None say Nay.

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In terms of future revenues from impact fees, the District Manager noted that during 1996-2005 the District had received impact fees of up to \$1,700 and then installed water meters on four properties where the homes were never constructed. Because of the earlier payments we should not expect impact fees to be collected when the homes are finally constructed up to 24 years later.

District Manager's Report

Mr. Harry Jones noted depth to water and efficiencies of wells were in line with expected and historical standards. He noted total water billings were up 37% in July, 60% in August, 27% in September, 54% in October and 47% in November, mostly due to new homes added and major increase in occupancy days due to the residents responding to COVID-19 pandemic needs to avoid close contact with others. The District Manager reported additional impact fees are expected to be collected over the next couple of months on lots #52, #103, #78, and #92, and Tract A (Elk Rim Clubhouse sewer only). He indicated plans are in the works for a possible five home addition to the District in 2021 for the property between Elk Rim and the LDS church.

Mr. Harry Jones reported the every three years ADEQ inspection of the water system had occurred on November 13, 2020 and concluded "No deficiencies were noted...and no action will result from this inspection".

Additionally, the District Manager reported there was no change in the status of possible water sales to the Pine-Strawberry District, and that we should not expect any detailed response from Manager/Ex-Chairman Arbuthnot for a few months. Mr. Harry Jones did note their water demand had increased about 30% this year, and that was expected to continue during the pandemic.

6. Presentation of Certificates of Election and acceptance of Loyalty Oaths of Office.
The District Manager and Pat Watson noted the Certificates of Election had been presented to Mr. Kelly and Mr. Crews, and their Loyalty Oaths of Office had been sent to Gila County Elections. Mr. Crews and Mr. Kelly terms are January 1, 2021 to December 31, 2024.
7. **DISCUSS AND TAKE POSSIBLE ACTION RELATED** to Election of Board Officers for the calendar year 2021.
Mr. Karr moved to retain Dr. Johnson as Chairman, Mr. Crews as Treasurer and Mr. McClung as Secretary. Mr. McClung Seconded. All say Aye. None say Nay. Motion Passed.
8. **DISCUSS AND TAKE POSSIBLE ACTION RELATED** to District interest in purchase of well inside PCCDWID emergency exit gate at Aztec and Hwy 87.
Mr. Harry Jones explained the history and ownership of a well near the emergency exit gate at the intersection of Hwy 87 and Aztec Lane. Mr. McClung and Mr. Karr has expressed interest in possibly purchasing that well (mostly unused) as an additional water resource. After a brief discussion, Mr. McClung moved to authorize the District Manager to explore the public technical data on the well, ownership status, the opinion of consultant Mike Ploughe, and the possible hookup and purchase cost, so the Board can assess the advisability of adding it to our water resource portfolio. Mr. Crews seconded the motion. All say Aye. None say Nay. The motion passed.

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9. **DISCUSS AND TAKE POSSIBLE ACTION RELATED** to approval of updates to By-Laws. Discussion included Item #10.
10. **DISCUSS AND TAKE POSSIBLE ACTION RELATED** to approval of updates to Rules and Regulations.
Mr. Harry Jones explained that there had been three drafts of minor updates to the By-Laws and Rules and Regulations, and only two comments had come back from Board members. Therefore, Mr. Crews moved to accept the updates of the By-Laws and the Rules and Regulations. Mr. McClung seconded. All say Aye. None say Nay. The motion passed.
11. **DISCUSS AND TAKE POSSIBLE ACTION RELATED** to approval of the annual CPA Financial Statement Review Report.
Mr. Harry Jones explained the bound copies of the June 30, 2020 Independent Accountant's Review Report from Heinfeld Meech had been distributed to all Board Members for their Review. Mr. Harry Jones noted the review indicated "we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America".
12. **CALL TO THE PUBLIC FOR NON-AGENDA ITEMS RELATED TO DISTRICT AFFAIRS.**
Mr. Tom Jones discussed the water on the roads during the test of the fire hydrants and asked about the new construction at Lot #31.
The District Manager explained they tried to spay the water away from the resident's yards and structures using the roadway and bar ditch to capture water used during testing.
The District Manager indicated the Pine-Strawberry Fire Dept. had tested all the hydrants last week, and everything tested proper with normal results except the pump state had a default for lack of full pressure at the start of the first hydrant tested. Mr. Harry Jones said he will immediately investigate the cause of the system shutdown at test one, noting the next 18 tests all performed as expected.
The construction on Lot #31 has been delayed due to the lack of a contractor to lay the stem wall and retaining wall.
The District Manager had a meeting with the new Fire Chief of the Pine/Strawberry Fire Dept. and asked about using the meeting room for board meetings. That permission has not yet been granted.
13. **CONFIRM ESTABLISHED DATE OF THE NEXT BOARD OF DIRECTORS MEETING TO BE HELD:**
March 20, 2021. Date confirmed. No parties objected to the date of the next scheduled Board Meeting. Mr. Crews asked that the next meeting agenda include a special report from the District Manager related to the viability of the District pursuing a State approved 100 year water adequacy designation for the District, since such a status may influence values and "ease of sale" for properties within Portal IV.
14. **MOTION TO ADJOURN.**
Mr. Kelly moved to adjourn the meeting. Mr. Crews seconded. All vote Aye. The meeting was adjourned at 10:01 AM.

Submitted By: _____ Posted as of _____ M