

MINUTES  
PINE CREEK CANYON DOMESTIC WATER IMPROVEMENT DISTRICT  
PO Box 945, Pine, AZ 85544  
December 9, 2023

Regular Meeting  
Date: Saturday, December 9, 2023

**Place: District Office at 3617 N Highway 87, Suite A, 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**  
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 - Allan Johnson, Bill McClung, Tom Kelly, and Dave Karr. On phone-Jim Crews. A quorum is declared. Others Present: Harry Jones,-District Manager, Susan Thompson-Administration Assistant, Steve Stevens.

**3. Introduction of possible candidate to assume some District Manager Duties:**

Mr. Jones introduced Steve Stevens as a possible candidate for the position of Associate District Manager

**4. CALL FOR MOTION TO APPROVE MINUTES OF THE FOLLOWING MEETING(S):  
September 16, 2023, Regular Meeting**

Mr. Kelly moved to approve the minutes of the above meeting. Mr. McClung seconded the motion. All say Aye, and none say Nay. The motion passed.

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

No comments from the public on the current agenda items.

**6. TREASURER'S REPORT**

**6a.** Mr. McClung reviewed the balance sheet, noting the strong cash position of \$405,054 plus WIFA required debt payment and replacement reserves of \$124,087 for total cash of \$526,141. We only had one capital project during the period for the Blower Upgrade of \$7042 at the Waste Water Treatment Plant. Additionally, he commented on the capitalized Right-to-Use asset lease of the office building

## MINUTES

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(10-year term including options) that is offset by a long-term liability. The Total Liabilities of \$468,043 are now fully offset by the District's cash position.

**6b. and 6c.** The Treasurer then reviewed Profit & Loss and the Budget vs. Actual Report noting that property tax collections through five months were \$64,000 and slightly ahead of the planned \$110,000 total for the full year. Total Revenues were \$13,000 over budget, while having only one new home start during the first five months of the year, which now meets the plan for the full year in terms of impact fees for water and sewer. Total operating expenses were \$20,000 under budget, resulting mostly from a less than expected expense for the excess hours of the District Manager of over \$6,000. Other major operating expenses were under control. The resulting Net Income was \$35,000 better than budgeted

**6d.** The Cash Flow statement appeared normal.

**6e.** Mr. McClung moved to approve the Check Registers/Cash Disbursements for the last three months. Mr. Karr seconded the motion. All say Aye, and none say Nay. The Check Registers/Cash Disbursements for the last three months were approved.

**6f.** There was no discussion concerning the District Manager's invoices for the last three months..

#### **7. DISTRICT MANAGER'S REPORT**

**7a.** Aquifer conditions held steady and better than any of the last eight years in terms of the shallow well. A question was asked about the mix of time using the deep well vs. the shallow well and it was explained that we regularly switch back and forth for a little more of the total time on the deep well because we reduce use of the shallow well some during the summer since that is time of the year PSWID tends to rely heavily on the upper aquifer.

**7b.** Total water usage has been as expected; however, we did have one high usage at a home that had a 50,000 gallon leak due to a stuck toilet for over a month. Mrs. Thompson noted the bill for that excess usage has already been paid.

**7c.** Mr. Jones noted that we have three homes under construction, all of which have paid their required water and sewer impact/access fees. Mrs. Thompson commented we have no additional new homes coming on line although we continue to have transfers of ownership of existing homes.

**7d.** Mr. Jones indicated we plan to inspect the interior of the storage tank, once a vendor is located with the best equipment and price (maybe \$4,000 or less), to video and make possible minor repairs. It is expected that no major problems exist, but if the inside of the tank requires a new coating it could cost \$80,000-\$100,000. The cost relates to bringing in temporary tanks and piping to be able to bypass the existing tank during the recoating.

**7e.** The new surface on the driveway to the tank and well site looks nice; however, the HOA road Committee is working with the owner of Lot 111 to improve the drainage off their property from going across the new pavement and the cul-de-sac.

## MINUTES

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December 9, 2023

**7f.** Mr. Jones indicated the new electronic meters and drive-by reading system are generally working as expected and it appears we are gaining several percentage points in reduced unaccounted water losses because the new meters read much more accurately than the old meters, especially at low flow volumes.

**7g.** The upgrades to the pump station in terms of the new flow meter and the digital displays, that track pump starts, flow rates, hours running, etc., give us an ability to monitor the accuracy of the meters on the wells and the efficiency of the pumps on the pump station. With that information we now can predict better the gradual wear of the pumping systems resulting in more reliability of operations and predictability of capital expenses for major equipment replacement.

**8. ADJOURN TO EXECUTIVE SESSION under ARS 38.431.02 (a)(1)(5) for personnel matters.**

A motion to adjourn to Executive session was made by Mr. Kelly and seconded by Mr. Karr at 10:38am. All say Aye, and none say Nay. The motion passed. The Board did request Mr. Jones and Mrs. Thompson to stay during the session, and Mr. Stevens was asked to step out until the Executive session was completed.

**9. RECONVENE OF REGULAR MEETING**

The regular meeting was reconvened at 11:04am.

**10. DISCUSS AND TAKE POSSIBLE ACTION RELATED TO the Board of Directors may consider a succession plan for new personnel to transition into the existing position of District Manager.**

At the restart of the regular meeting, Mr. Stevens was invited to step back into the meeting. The Board confirmed with him that he desired to accept the position of Associate Manager of the District. Dr. Johnson then announced that the Board had discussed the management transition plan and the proposed Jaylou/Steven Stevens independent contractor service agreement as presented by Mr. Jones (on behalf of the Board of Directors) and that the Board would like to vote on the matter. Mr. McClung made a motion and seconded by Mr. Kelly to engage the services of Mr. Stevens. All say Aye. None say Nay. The motion passed. Dr. Johnson and Mr. Stevens executed the Agreement and instructed Mr. Jones to start the training and involvement of Mr. Stevens effective as of January 1, 2024.

**11. DISCUSS AND TAKE POSSIBLE ACTION RELATED TO election of Board Officers for calendar 2024 calendar year.**

After a brief discussion, Mr. McClung made a motion and seconded by Mr. Kelly to retain all Board members in their current positions as officers and members-at-large on the Board of Directors. All say Aye. None say Nay. The motion passed.

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**12. CALL TO THE PUBLIC FOR ANY NON-AGENDA ITEMS RELATED TO DISTRICT AFFAIRS**

No public comments.

**13. CONFIRM ESTABLISHED DATE AND DESIRED TOPICS FOR THE NEXT REGULAR BOARD OF DIRECTORS MEETING TO BE HELD:**

March 16, 2024 at 9:00 am

**14. MOTION TO ADJOURN**

The meeting was adjourned at 11:14am. Mr. McClung made the motion to adjourn the meeting and Mr. Karr seconded. All say Aye. None say Nay. The motion passed.

*Submitted By:* \_\_\_\_\_ *Posted as of* \_\_\_\_\_ M