

MINUTES
PINE CREEK CANYON DOMESTIC WATER IMPROVEMENT DISTRICT
PO Box 945, Pine, AZ 85544
June 20, 2020

Regular Meeting
Date: Saturday, June 20, 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 9:03 AM by Chairman Allan Johnson.

2. ROLL CALL OF BOARD MEMBERS/DECLARATION OF QUORUM

Present - Jim Crews, Allan Johnson, Bill McClung, and Tom Kelly. Others Present: Harry Jones, District Manager, Pat Watson, Administrative Assistant, Tom Jones and the Velotta family.
A quorum is declared.

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

a. March 21, 2020 Regular Meeting

b. April 10, 2020 Work Study Session

Mr. McClung moved to accept the Minutes of all meetings listed above. Mr. Kelly seconded. Roll Call: Mr. Crews, Dr. Johnson, Mr. Kelly and Mr. McClung. All say Aye. None say Nay. Motion Passed.

4. ADJOURN TO BUDGET/RATE HEARING

The meeting was adjourned for the Budget/Rate Hearing at 9:05 AM.

Dr. Johnson opened the Budget, Rate, and Fee Hearing and requested that Mr. Crews or Mr. Jones review the proposed budget that had been posted and published in the newspaper and was being presented to the public for their review and comments. Mr. Crews reviewed some of the highlights and assumption contained in the proposed budget, including the fact the Property Tax total is raised \$5,000 but the individual customers should not expect to see a rise in their taxes due to the additional taxes generated from new homes recently added to the tax rolls.

Mr. Jones discussed the major line item in the proposed budget by going over the Notice that had been posted for this hearing. He commented on how the beginning cash positions on July 1, 2020 were amounts projected about 2.5 month ago such that any misestimates in those amounts, especially in the amount of reserves on June 30, 2020, would influence the projected ending cash balances and reserves projected for June 30, 2021.

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He then reviewed the amounts of the income sources, expenses, cash flows from operations, upcoming capital expense, principal reductions in WIFA Debt additions to WIFA required reserves, and the Board directed transfer of \$30K into the Gila County 926 reserve account and out of the Gila County 922 operating account. Mr. Jones pointed out all the amounts on the Notice of Budget and Rate Hearing match the numbers on the preliminary Budget Overview spreadsheet approved at the April 10, 2020 Board meeting.

Mr. Jones again noted the ending June 30, 2020 Gila County 926 reserve balances and those for June 30, 2021 may be significantly affected by the fact the developer and contractor on the Elk Rim project have both indicated they may have up to three, maybe two, maybe one, and possibly no new home (all had passed credit check) ready to present to us with \$8,800 fees each to be released sometime in the next one to three weeks.

Mr. Jones then indicated he thought the proposed budget is the best estimate of financial results for the future.

Dr. Johnson ended the Budget Rate Hearing once all discussion was concluded.

5. RECONVENE REGULAR BOARD MEETING.

The Board reconvened the regular Board Meeting at 9:17 AM.

6. DISCUSS AND TAKE POSSIBLE ACTION RELATED TO THE 2020-2021 PROPOSED BUDGET, RATES AND FEES.

Mr. McClung moved to accept the Budget and Rate and Fee Schedule as presented during the just concluded hearing. Mr. Crews seconded. All vote Aye. None Vote Nay. Motion passed.

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

There was no comment from the public in attendance.

8. REPORTS

a. Treasurer's Report

Mr. Crews reported the numbers on the balance sheet, income statement, Budget vs. Actual, and Cash Flow statement are right on budget and that we have about \$300K in cash on hand, including our WIFA Reserve accounts.

Mr. Crews noted the Check Registers/Cash Disbursements for last three months were attached for review. Mr. McClung moved to approve 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 depth to water in the wells is better than last year and both wells remain steady.

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ii. Water Usage

Water usage is higher than normal, but very adequate resources were available.

iii. Well Performance

Both wells are operating efficiently

iv. Status of Recent and Current Projects

(a) New Computer and data transfer completed

(b) Review of documents for new website

We are using the Rural Water Association template to start up a new web site. This template is specific to rural water districts and is the process we are using to update our 13 year old web site.

(c) Elk Rim Customers added

Mr. Jones stated the 11 lots in Elk Rim have paid. We have been informed that three are near to close and start of construction. Lot #155 is complete.

(d) Election Activity

Mr. Jones indicated Mr. Crews and Mr. Kelly are getting their paperwork completed for filing.

9. DISCUSS AND TAKE POSSIBLE ACTION RELATED to continued engagement of Heinfeld Meech, CPA, to perform the June 30, 2020 Annual Financial Review.

Mr. Crews moved to authorize Harry Jones, District Manager, to sign the engagement letter to Heinfeld Meech, CPA. Mr. McClung seconded. All vote Aye. None Vote Nay. Motion passed.

10. CALL TO THE PUBLIC FOR NON-AGENDA ITEMS

Mr. Tom Jones asked about the interest earned on our accounts. Mr. Harry Jones stated the interest on the Gila County accounts is substantial and is an allocation of returns earned by the State Treasurer's office.

The question was asked if the Elk Rim residents are eligible to serve on the Board of Directors.

Mr. Jones, District Manager stated that all property owners in the District are eligible to serve on the Board of Directors.

11. CONFIRM ESTABLISHED DATES OF THE NEXT BOARD OF DIRECTORS MEETINGS TO BE HELD:

September 19, 2020, December 12, 2020, March 20, 2021, June 19, 2021, September 18, 2021 and December 11, 2021.

Approval granted.

12. MOTION TO ADJOURN.

Mr. Crews moved to adjourn the meeting. Mr. Kelly seconded. All vote Aye. The meeting was adjourned at 9:38 AM.

Submitted By: _____ Posted as of _____ M