

MINUTES
PINE CREEK CANYON DOMESTIC WATER IMPROVEMENT DISTRICT
PO Box 945, Pine, AZ 85544
March 19, 2022

Regular Meeting
Date: Saturday, March 19, 2022

Place: Pine-Strawberry Fire Department Training Room, 6198 W. Hardscrabble Road, 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
Covid-19 restrictions on social distancing, temperature tests and masks to be required, for entry

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, Chief Wisner, PSFD, Chief Morris Hellsgate FD, Tom Jones, Resident, Carri Kelly, Resident.

**3. CALL FOR MOTION TO APPROVE MINUTES OF THE FOLLOWING MEETING HELD ON
December 11, 2021 Regular Meeting
February 24, 2022 Special Called Meeting**

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

4 DISCUSS AND TAKE POSSIBLE ACTION RELATED to a request by Fire Chief Morey Morris of Hellsgate Fire Dept and Chief John Wisner of Pine- Strawberry Fire Dept. to make a presentation to our Board related to Arizona Legislature Bill #HCR 2004/citizen proposition titled Arizona Fire District Safety Act.

The fire chiefs from Pine-Strawberry Fire and Hellsgate Fire (Star Valley) made a presentation to the Board related to a proposed legislative bill entitled Arizona Fire District Safety Act that would develop sales tax funds to help finance rural fire districts that are all suffering for resources needed to cover accelerating wages, fuel costs, and equipment replacement. Currently the fire districts are restricted to a fixed percentage of 3.25% of Net Assessed Property Values within their districts. Unlike water districts, they are restricted as to maximum revenue they can collect since they cannot directly charge for services they provide. The proposal is to add a .1 of 1% to

MINUTES

PINE CREEK CANYON DOMESTIC WATER IMPROVEMENT DISTRICT

PO Box 945, Pine, AZ 85544

March 19, 2022

the current state sales tax. Since our District is key to the fire services in the Pine-Strawberry area, they have asked the individual Board members to possibly contact our State representatives to offer support for passing the proposed act.

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

Mr. Tom Jones asked about the tests the District is taking on the water.

6. **TREASURER'S REPORT**

Mr. Crews reviewed the balance sheet and budget vs. actual financial statements and indicated revenues were above budget by 10% and total expenses were approximately over budget by the same amount so that net income was close at \$2,438 over budget. He indicated the cash position including reserves totaled \$466K including cash reserves of \$101K held under agreement with the Water Infrastructure Finance Authority of Arizona. Mr. Crews referred all Board members to an email from Mr. Jones that explained all major differences in expenses that summarized the fact that this year has really emphasized the reality of the aging of our infrastructure and that we need to continue, as we have done the last eight months, to aggressively plan to repair and replace assets prior to failure or end-of-life issues effecting reliability. A motion was made by Mr. McClung and seconded by Mr. Kelly to accept the list of checks written. A roll call was taken and the motion unanimously accepted to approve the reports of checks written and the last three months of the District Manager's Invoices.

7. **DISTRICT MANAGER'S REPORT**

Mr. Jones report the depth to water in the wells, water usage, new service hook ups, installation of new equipment at the waste water treatment plant, testing for lead and copper, data totals, and renewal of insurance have been reported or progressed as expected.

8. **DISCUSS AND TAKE POSSIBLE ACTION RELATED** to a call for election for three Board Seats for terms beginning 1/1/23.

Mr. Jones brought up that the terms of three Board member seats (Karr, McClung, and Johnson) will expire on 12-31-22 and that we need to have a legally required call for election to occur. The three members all expressed the willingness to complete petitions to again run of the vacant positions. Therefore Mr. Crews made a motion to have the Manager follow up with the legal procedures to call for the election to occur next November. Dr. Johnson seconded the motion. Roll Call was taken and all say Aye and none say Nay. The motion passed.

9. **DISCUSS AND TAKE POSSIBLE ACTION RELATED** to the Status of Projects funded by the \$100,000 WIFA Loan to be funded on March 25, 2022 with 85% forgiveness.

Mr. Jones reviewed the status of the various projects to be funded by the new \$100K loan from WIFA that has been fully approved and scheduled to close on 3-25-02. He indicated cost of meters has

MINUTES
PINE CREEK CANYON DOMESTIC WATER IMPROVEMENT DISTRICT
PO Box 945, Pine, AZ 85544
March 19, 2022

increased some since initial quotes, but due to successful software adjustments and testing, new pumps and flow meters would not be required on the pump station. He passed out projected ending costs that reflected we are apt to be within about \$3K or so of earlier estimated expenses.

10. **DISCUSS AND TAKE POSSIBLE ACTION RELATED** to cash balances in terms of targeted levels of financial reserves and possible changes in monthly rates and fees, property taxes, impact fees, reduction of loan balances, and future capital project requirements.
Mr. Jones, McClung, and Mr. Crews again brought up the need for the full Board to provide some guidance as to next fiscal year's expected needs for monthly rates, fees, impact fees, property taxes, reserves, capital expenses, possible loan payoffs, etc. as they prepare preliminary numbers to be discussed at a work study session in late April. All members agreed to offer suggestions for planning purposes.
11. **DISCUSS AND TAKE POSSIBLE ACTION RELATED** to proposed dates of special meetings for the 2022-2023 Work Study budgeting meeting.
Work Study Meeting - April 30, 2022
12. **CALL TO THE PUBLIC FOR ANY NON-AGENDA ITEMS RELATED TO DISTRICT AFFAIRS**
There was none.
13. **CONFIRM ESTABLISHED DATE OF THE NEXT REGULAR BOARD OF DIRECTORS MEETING TO BE HELD:**
June 18, 2022
14. **MOTION TO ADJOURN**
The meeting was adjourned at 11:05 AM.

Submitted By: _____ Posted as of _____ M