

MINUTES  
PINE CREEK CANYON DOMESTIC WATER IMPROVEMENT DISTRICT  
PO Box 945, Pine, AZ 85544  
June 16, 2018

Regular Meeting  
Date: Saturday, June 16, 2018  
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: 1:00 PM

DRAFT  
Until approved at a future meeting

**1. CALL ORDER**

The meeting was called to order at 1:00 PM by Chairman Allan Johnson.

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

Present - Jim Crews, Allan Johnson, Bill McClung, and Dave Karr. Robert Langley was present via telephone. Others Present: Harry Jones, District Manager, Pat Watson, Admin. Assist. Others present are Pat Carpenter, A Quality Water Co., Jim Bossert, On-Site Operator, Doug Brimhall, Interim District Engineer and Principal Engineer, Painted Sky, Mike Ploughe, Owner of Highland Water Resources, Terri Jones and Tom Jones, Residents.

A quorum is declared.

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

- a. March 17, 2018 Regular Meeting**
- b. April 28, 2018 Special Meeting**
- c. May 12, 2018 Special Meeting**
- d. June 6, 2018 Special Meeting**

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

**4. STATUS REPORTS BY VENDORS:**

- a.** Pat Carpenter was introduced and provided information that he operates 30 systems, keeps all in compliance and regular monitoring. Jim Bossert is the local day to day operator. Mr. Carpenter mentioned the Board needs to soon start making improvements to the WWTP processing tanks that are now showing significant aging.

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- b. Doug Brimhall, Principal Engineer of Painted Sky (was formerly Tetra Tech) has all the past records of PCCDWID. He described his experience for the new board members. He acknowledged he will be signing off on final as built plans for Elk Rim and on draw requests for the WIFA loan.
- c. Mike Ploughe, of Highland Resources, is the hydrogeologist and designer of the Portal IV deep water well. He explained his experience and will be working with Harry Jones, District Manager on future plans and maintenance for the wells. He commented he had looked at the column piping now out of the deep well and that threads and quality of piping looked good.

#### 5. **ADJOURN TO BUDGET/RATE HEARING -**

Mr. Crews moved to adjourn for the Budget/Rate Hearing at 1:40 PM. Mr. McClung seconded. All said Aye.

Mr. Crews summarized the budget stating the Property Tax will be ½ of the last year amount, back to the historical average. The Operator has increased the charge after ten years.

The Board approved an increase of \$4.09 for the base water rate raising the amount from \$47.91 to \$52.00.

Terri Jones of #97 asked about the raise in rate versus a Property Tax adjustment. Mr. Crews explained that typically the water rate should cover operations costs of the water system and the sewer rates should cover the costs of the wastewater treatment system and taxes are used to cover all administrative expenses and loan payments. With no further questions or comments from the public, the rate hearing was closed.

#### 6. **RECONVENE REGULAR BOARD MEETING AT 1:50 PM.**

#### 7. **DISCUSS AND TAKE POSSIBLE ACTION RELATED TO THE 2018-2019 PROPOSED BUDGET, RATES AND FEES.**

Mr. Crews moved to accept the Budget and Rate schedule with one correction of a typographical error on the Rate Schedule. Mr. McClung seconded. All vote Aye. None Vote Nay. Motion passed.

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

Terri Jones asked if the amount of water pressure had anything to do with the new pump project for the deep well. Mr. Jones explained that installing a new pump did not have anything to do with the water pressure since the water is pumped to the tank from the wells and pressure to the homes is controlled by the pump station and the five new pressure reducing valves.

#### 9. **REPORTS**

##### a. **Treasurer's Report**

##### i. Balance Sheet

Mr. Crews reported the numbers are right on budget and we had \$199K cash on May 31, 2018.

##### ii. Revenues and Expenses

Mr. Crews reported administrative expenses are over budget due to extra expenses of Deep Well Project, Elk Rim Project, extra Board Meetings, potential bulk water sales, updates as to water loss percentages, etc.

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#### iii. Budget vs. Actual Comparison

Mr. Crews reported actual expenses compared to budget were about on target except for administrative, mostly reflecting excess hours by the District Manager.

#### iv. Check Registers/Cash Disbursements for last three months (vote of Board required)

Mr. Crews moved to approve the check register. Mr. Langley seconded. All vote Aye, None vote Nay. Motion Passed.

### b. District Manager's Report

#### i. Depth to water in wells

Mr. Jones reported the depth to water in the shallow well has increased about 8-12 feet the last few months and is affected by other wells in the Pine area; however, the PCCDWID well is higher up the fractured aquifer than most others in the Pine area so it will probably not decrease as much as others during the continuing drought.

Mr. Jones stated the deep well depth to water has not changed more than two feet over its nine year life, usually changing less than 1" during any month.

#### ii. Water Usage

Usage over the last few months is somewhat higher, but is seasonally consistent in comparison with past years.

#### iii. Sale of Excess Water

The possibility of selling water has been discussed and research has been done regarding feasibility and costs. No one has approached PCCDWID asking about purchasing water from our system, although PSWID has gone to Stage 1 water use restrictions indicating an inability to meet all expected demands.

#### iv. Water Losses

The percentage of water losses had decreased due to the installation of new PRV's. This project will help lengthen the life of the system.

#### v. Status of Active Projects

(a) **PRV Upgrade Project** – Now collecting all bills from the contractor and expect to close the WIFA Loan in the next two weeks.

(b) **Service of Deep Well** – All equipment is out of the hole and is at Weber Water Resources for evaluation. Pump and motor will be replaced.

(c) **Elk Rim Development** - Reservations now on 7 lots. State Real Estate report still not issued due to delays at the state. Should accept transfer of new assets to the District within 2-3 weeks after our engineer's final approval.

(d) **Distribute Nominating Petitions for three open Board seats.**

The election packets were handed out to Dr. Johnson, Mr. Karr and Mr. McClung. Mr. Jones provided the explanation for the process.

### 10. **DISCUSS AND TAKE POSSIBLE ACTION related to District Manager and one Board Officer taking all required actions to make (a) the final draw request on WIFA Loan #920279, and (b) to close the loan as a completed project.**

This project will close for \$250,000.

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Mr. McClung moved the authorize the District Manager and one Board officer to take all required actions to make the final draw on WIFA Loan #920279 and close the loan as a completed project. Mr. Karr seconded. All say Aye. None say Nay. Motion Passed.

Mr. Jones is to review final closing of loan with Mr. Crews.

- 11. DISCUSS AND TAKE POSSIBLE ACTION related to the District Manager and one Board Officer taking all required actions to collect any fees due from Elk Rim and to pay any obligations to Elk Rim, and to accept the capital contributions of the new water and sewer infrastructure as previously agreed to under terms of the District's Interconnection Policy.**

Mr. Crews moved that Mr. Jones, District Manager and Dr. Johnson, Chairman of the Board take the above actions. Mr. Langley seconded. All say Aye, None say Nay. Motion passed.

- 12. DISCUSS AND TAKE POSSIBLE ACTION TO (a) engage and CPA firm to review the District's financial statement as ass of 6-30-2018, (b) to approve a contract with an ADEQ approved system operator, and (c) to appoint a District Engineer.**

Mr. Jones recommended HeinfeldMeech & Co., P.C., as the CPA firm.

Mr. McClung moved to engage HeinfeldMeech & Co., P.C. and Mr. Crews seconded. All say Aye. None say Nay. Motion passed

Mr. McClung moved to accept A Quality Water Co., as the ADEQ approved system operator. All say Aye. None say Nay. Motion passed. Mr. Jones is to execute the proposed contract "as is".

Mr. Crews moved to accept Doug Brimhall of Painted Sky as the District Engineer. All say Aye. None say Nay. Motion passed. Mr. Jones is to execute the proposed contract "as is".

- 13. DISCUSS AND TAKE POSSIBLE ACTION to schedule and budget for a major overhaul of the District's shallow well.**

After discussion this may change priorities. This discussion will be moved to the next regular Board Meeting.

- 14. CALL TO THE PUBLIC FOR NON-AGENDA ITEMS.**

Mr. Tom Jones asked about the time frame for having the deep well up and running. Harry Jones indicated within 15 to 20 days it should be up and running. He indicated there are 20 or more days of water in the tank if the shallow well should happen to fail suddenly.

Board accepted a note from Board Member Dave Karr about his contact with Brian Hefley.

- 15. CONFIRM ESTABLISHED DATE AND DESIRED TOPICS FOR THE NEXT BOARD OF DIRECTOR'S MEETING.**

The Board will meet on September 15, 2018.

The schedule for regular meetings for 2018-2019 is:

December 15, 2018, March 16, 2019, June 15, 2019, September 14, 2019 and December 14, 2019

- 16. MOTION TO ADJOURN.**

Mr. Crews moved to adjourn the meeting. The meeting was adjourned at 3:07 PM

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