

MINUTES
PINE CREEK CANYON DOMESTIC WATER IMPROVEMENT DISTRICT
PO Box 945, Pine, AZ 85544
March 21, 2020

Regular Meeting
Date: Saturday, March 21, 2020
Place: Teleconference Meeting
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: 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

Via Phone: Present - Jim Crews, Allan Johnson, Bill McClung, Tom Kelly and Dave Karr
Others Present: Harry Jones, District Manager, Pat Watson, Admin. Asst. Tom Jones, Resident
A quorum is declared.

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

December 14, 2019, Regular Meeting

Mr. Karr moved to accept the Minutes for the December 14, 2019 meeting. Mr. McClung seconded.
Roll Call: Mr. Crews, Dr. Johnson, Mr. Kelly, Mr. Karr 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 input from the public in attendance.

5. REPORTS

a. Treasurer's Report

i. Balance Sheet

Mr. Crews reported our cash position is good at eight months into the fiscal year with \$218,000 in cash, a \$92,000 increase.

ii. Profit and Loss Statement

Mr. Crews reported we are ahead of budget \$51,000 on revenues mainly because of being over budget for new home impact fees. We are under budget on expenses \$21,000 due to reduced excess hours for Harry Jones, District Manager and no legal fees. Mr. Jones stated that there will be a \$2,000 charge for replacement parts for the WWTP in the near future.

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iii. Budget vs. Actual Comparison

We have paid down the WIFA debt \$25,000 plus we have a WIFA Reserve for Debt Service and a WIFA Replacement Reserve, all at normal balance.

iv. Cash Flow Statement

Mr. Crews and Mr. McClung indicated they found the Cash Flow Statement helpful.

v. Depreciation Schedule

Harry Jones discussed the depreciation schedule and indicated it illustrates the age and asset life for all fixed assets.

vi. WIFA Debt Service Invoices

Included to show Board Members and explain they are received by PCCDWID via email about the 15th of the month and show the amounts for each loan that will be withdrawn automatically from the National Bank of Arizona account on the first of the month.

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

viii. Invoices from District Manager

Mr. Karr moved to accept the Check Registers/Cash Disbursements and the invoices from the District Manager, Mr. McClung seconded. All vote Aye. None vote Nay. The motion is passed.

b. District Manager's Report

Mr. Jones indicated he had talked to all operational personnel and that they and their normal backup staff are in place and ready to perform normal activities during the corona virus crisis.

i. Depth to water in wells and well performance

Mr. Jones reported aquifers are in excellent shape with gains over 10' in the shallow well over the last four months and unexpected gains in the deep well in over 8 years that it has been with +/- 1 foot of its original depth from 10 years ago. Wells are continuing to perform at expected efficiency.

ii. Water Usage and excess gallon charges

Water usage has been normal compared to prior years.

iii. Irregular Water Pressure at lots 1-9

Problem appears to have been solved and was caused by a sticky by-pass pressure reducing valve that had a small rock or other debris from construction keeping the valve from moving automatically.

iv. New Hookups @ Elk Rim and inside gate

Total of 9 new meters and 8 new sewer connections during the first 8 months this year. About 1/2 or more are now occupied with the rest still under construction.

v. Expected hookups 7/1/20 to 6/30/21

Probably only 1-2 inside the gate and only another 1-2 in Elk Rim. A couple of those may fall into the current fiscal year ending 6/30/20.

vi. Tank Inspection Report

Everything looking great. No repairs made during inspection/cleaning.

vii. Consumer Confidence Report

Excellent report. No test failures during the last year. Report is on the website.

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- viii.** Addition of variable Frequency Drive at WWTP
Is on order and will be installed soon and charged to repairs/part replacement since there is an old failed unit within the current system. Cost about \$2K.
- ix.** Desired contingency/reserve balance
Mr. Jones indicated reserve position is improving significantly due to new hookup impact fees and that the Board needs to think about the dollar level we should target. He indicated prior target estimates were \$350,000 to \$500,000 and that we currently have reserves of \$268K.
- x.** Request for rate comparison with other districts
Due to a request from a customer, Mr. Jones has completed a mini-study that shows we are higher on water than most all others at the base rate, but at 5,000 gallon usage we are almost all in the \$60-\$70 range. Board members pointed out we have a far better system than most since we have two wells in different aquifers and large tank and very well maintained system infrastructure. In terms of sewer rate we are higher than most remote communities since most don't even have sewer systems (they use costly septic/alternative systems) but we are comparable with most small rural towns with sewer systems.
- xi.** 2020 Assessed Property Values
Property values are up 6% from prior years due to new homes in Elk Rim and a couple of new homes inside the gates, noting there is a lag between start of construction and homes actually getting fully on the tax rolls.
- xii.** Issue call for election at 6/20/20 meeting
Mr. Jones noted the terms of Mr. Kelly and Mr. Crews will end on 12/30/20 so the Board needs to do a Call for Election on June 20, 2020 to hold an election in November, 2020. Mr. Kelly indicated he intended to file nominating petitions. Mr. Crews said he planned to run.
- xiii.** Renewal of insurance policies
Mr. Jones indicated he recently renewed the property and casualty and umbrella policies and that the application is in for renewal of the Directors and Officers Liability policy. He indicated we are well covered and are dealing with top rated companies only. He indicated he raised the coverage for check signers/employee theft/forgery/ fraud to \$250K to give better coverage for any losses of our significantly higher cash positions and that three officers and Mr. Jones have access to in our bank accounts. Total cost of higher coverage was \$27 per year.

6. DISCUSS AND TAKE POSSIBLE ACTION RELATED TO proposed dates of special meetings for the 2020-2021 budgeting process.

The work-Study session will be April 25, 2020 at 9:00 AM with place of meeting to be decided at a later date due to the Corona Virus meeting restrictions. If there is no in person meeting, the proposed budget will be circulated to the Board of Directors members for comment and approval.

The meeting date to approve the proposed budget to be submitted to the public and published in the newspaper will be a telephonic meeting on Saturday May 9, 2020.

After considering input received during the public hearing, the final approval of the budget will be at the next regular board meeting to be held on June 20, 2020 at 9:00 AM.

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Mr. Crews moved to accept these dates and Mr. Kelly seconded. Roll Call: All say Aye and none say Nay. Motion passed.

7. CALL TO THE PUBLIC FOR NON-AGENDA ITEMS RELATED TO DISTRICT AFFAIRS

Tom Jones reported that the HOA will be working on the roads this year and will keep PCCDWID informed when work is to be done. North Star Survey will be working in the land bridge area. Asked about the WIFA Reserves. Harry Jones reported the reserves are contract terms with the Debt Service money held by WIFA and the Replacement Reserves are held by PCCDWID and could be used if necessary.

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

The next Regular Board Meeting and Rate Hearing will be held on June 20, 2020 at the Pine-Strawberry Fire Department (if the room is available) at 9:00 AM.

9. MOTION TO ADJOURN

Mr. Crews moved to adjourn the meeting. Mr. Kelly seconded. All say Aye. None say Nay. The meeting adjourned at 10:08 AM

Submitted By: _____