

MINUTES
PINE CREEK CANYON DOMESTIC WATER IMPROVEMENT DISTRICT
PO Box 945, Pine, AZ 85544
June 15, 2024

Regular Meeting
Date: Saturday, June 15, 2024

Place: District Office of Pine Creek Canyon DWID, 3617 N Hwy 87, Ste A, Pine AZ 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 Jim Crews and Dave Karr. A quorum is declared. Others Present: Harry Jones, District Manager; Steve Stevens, Associate District Manager; Susan Thompson-Administration Assistant.

3. ADJOURN TO BUDGET/RATE HEARING – 9:06 AM

Motion to adjourn to the Budget/Rate meeting by Mr. Crews and seconded by Mr. Karr. All say Aye. None say Nay. The motion passed.

The Budget/Rate Hearing was opened by President Allan Johnson at 9:06 AM

a. Mr. McClung presented a brief verbal and written summary of the key points in the 2024-2025 proposed budget that had been previously reviewed by all board members as to line items and change in the wastewater charges. He requested responses and questions and it was pointed out all Board members had seen and discussed the budget in detail

b. Since no public attended the hearing no public comments were received. Chairman Johnson noted no further discussion, so the Board agreed to close the Budget/Rate hearing and move back to the regular agenda.

4. RECONVENE REGULAR BOARD MEETING

Motion to reconvene the regular meeting by Mr. Crews and seconded by Mr. Kelly to reconvene the regular Board meeting. All say Aye. None say Nay. The motion passed.

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5. DISCUSS AND TAKE POSSIBLE ACTION RELATED TO THE 2024-2025 PROPOSED BUDGET, RATES, AND FEES.

Upon reconvening the regular Board meeting, Mr. Jones, Mr. Stevens and Mrs. Thompson confirmed that the proposed budget had (a) been properly posted and published in the newspaper per Arizona statutes, and (b) there had been no inquiries and no questions or requests for by the public for further details related to the proposed budget. Chairman Johnson requested a motion to approve the proposed budget to become the adopted budget for 2024-2025.

Mr. Crews made the motion to accept the proposed budget noting a modest increase to the wastewater fee of \$6.00 monthly and Mr. Kelly seconded the motion to approve the proposed budget as the adopted budget and rates and fees for the 2023-2024 fiscal year. All say Aye, and none say Nay. The motion was passed.

6. CALL FOR MOTION TO APPROVE MINUTES OF THE FOLLOWING MEETING(S):

March 16, 2024, Regular Meeting
May 4, 2024, Special Budget Meeting

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

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

No comments from the public on the current agenda items.

8. REPORTS

a. TREASURER'S REPORT

8a [i-v] Treasurer McClung then presented a brief overview of the May 30, 2024 balance sheet, P&L, Budget vs. actual reports, cash flow, and noted in particular that the total cash balance exceeded \$500,000, and total current capital loans were only \$391,000. Mr. Crew made the comment that we could pay off the ADOT/Pond project loan if we wanted. Mr. McClung summarized indicating that the District was in excellent financial position and was maintaining adequate liquidity. Ultimately the Board voted unanimously to approve the Check registers for the last three months.

8a [vi] The Board voted unanimously to approve the check register and cash disbursements.

8b. DISTRICT MANAGER'S REPORT

8b [i-iii] Mr. Jones reported the recent values for well output, depth to water, water used, etc. and concluded all the control variables appeared excellent and normal. For possible new hookups it was one for next year, but we had about 8 homes for sale, four lots for sale, and four under construction that will start to pay monthly sewer charges over the next fiscal year and will add to assessed values over the next one-two years.

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8b [iv] Mr. Jones indicated the WIFA wastewater project was fully approved and signed a few weeks ago, and we were ready to put it out to bid this next week, with bid opening scheduled for July 12, 2024. He indicated that he, Steve and Susan are busy preparing bid packages to be distributed next week or so, but were not sure what response we might receive since the bid documents cover a wide variety of activities that take different skills to complete, so many bidders will only respond to one or two of the four major sections of activities. Mr. Jones commented having to go to bid, a late decision by WIFA, has certainly added significantly to our administrative costs.

8b [v] Mr. Stevens and Susan indicated we have had no inquiries related to the upcoming elections that were brought to the attention of the qualified electors of the district by posting to the bulletin Board and mailings with May invoices to the customer. Mr. Stevens reviewed the scheduled filing dates and both Mr. Kelly and Mr. Crews indicated they were running for another four-year term, and both verified they were on track to timely submit their completed nominating petitions to the Gila County Elections Department.

8b [vi] Mr. Stevens and Mr. Jones discussed the progress toward a management transition as Mr. Jones plans to fully retire by June 30, 2025. Mr. Jones indicated solid progress was occurring in many areas. Mr. Stevens noted good progress with statutory requirements, introduction to contractors and the type of equipment and facilities they maintain, software updates, installation of ACH procedures, WIFA loan application and administration, ADEQ testing, extensive familiarity and review of budgeting procedures, and a need for more training on the accounting systems.

8b [vii] Mr. Stevens and Susan Thompson reported excellent progress on the installation of ACH bill paying procedure and we have received more than 25 applications so far, with some asking for early activation.

8b [viii] Mr. Jones informed the Board we had a pump station failure during the first test of fire hydrants a couple weeks ago. He noted the customers saw no effects of the repairs and down time that cost over \$4,000 of parts and labor related to what we believe was an APS phase failure. We replaced the 30 hp starter and the internal phase protection device with parts from inventory. All inventory replacement parts are on order through Fever Controls our electrician.

8b [ix] Mr. Stevens reviewed the status of ADEQ testing and reporting and indicated everything through the year report was now filed and in good order, but indicated ADEQ had failed to log the timely posting of the waiver document, which had properly submitted a couple weeks before it was due. Mr. Jones indicated the volume of added new testing and reporting has increased dramatically this last year, but we are closely monitoring to prepare documents and keep us in compliance.

9. DISCUSS AND TAKE POSSIBLE ACTION RELATED to the sale of emergency water to other districts that are short of water.

Mr. Jones discussed the situation that numerous other water districts in Rim country have contacted us or are concerned about needing additional backup water resources including Rim Trail, Pine Water Association, and Sea Canyon, and Pine-Strawberry. We are talking and staying aware, but no formal requests for water have been made to date. Mr. Jones and Mr. Stevens expressed concerns outside the issues of water resources. These entities also had some significant needs for management services due to system failures, Board weaknesses, and even death of management personnel. Mr. Crews suggested this may be a good time to have Mr. Stevens become familiar with how we have, in the past, estimated a unit price we could sell some of our excess water to Districts in need. Mr. McClung indicated he would certainly participate with

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that review educational process so we could come back to the Board with approval if requests for water were formally received. Mr. Crews made a motion and Mr. Karr seconded it to update our estimate unit price for water if we are called upon to meet the needs of other Districts. All say Aye. None say Nay. The motion passed.

10. DISCUSS AND TAKE POSSIBLE ACTION RELATED TO THE modification of the District’s Rules and Regulations.

At Section 5.2 – Mobile Heading

At Section 5.2 – Add Section K – Protection of Local Water Resources

At Section 7.4d – Accidental Loss of Water

Mr. Jones discussed the need to make changes in the heading for section 5.2 and adding a new section 5.2K to reflect concerns with a property owner or outside party disposing of hazardous materials (oils, old asphalt, building materials, or other controlled substances) that might leach into our water supplies. Board discussion resulted in adoption of the proposed language for section 5.2K. Additionally, the Board discussed section 7.4d and decided to lower the forgiveness dollar amount from amounts above \$1,000.00 to \$500.00 since the District has significant water available to quickly replace lost water needed to recover such accidental losses. Mr. Karr made a motion and Mr. Kelly seconded it to update our Rules and Regulations as presented. All say Aye. None say Nay. The motion passed.

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

There was none.

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

September 21, 2024 at 9:00 AM

13. MOTION TO ADJOURN

The meeting was adjourned at 10:50AM. Mr. McClung made the motion to adjourn the meeting and Mr. Kelly seconded. All say Aye. None say Nay. The motion passed.

Submitted By: _____ Posted as of _____ M