

**MINUTES**  
**PINE CREEK CANYON DOMESTIC WATER IMPROVEMENT DISTRICT**  
PO Box 945, Pine, AZ 85544  
December 11, 2021

Regular Meeting  
Date: Saturday, December 11, 2021

**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 (via telephone), Allan Johnson, Bill McClung, Tom Kelly and Dave Karr. Others Present: Harry Jones, District Manager, Pat Watson, Administrative Assistant and Tom Jones, Resident...

**3. CALL FOR MOTION TO APPROVE MINUTES OF THE FOLLOWING MEETING HELD ON  
September 18, 2021 Regular 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 CALL TO THE PUBLIC FOR INPUT ON SCHEDULED AGENDA TOPICS**

There was no public input.

**5. TREASURER'S REPORT**

**a. Balance Sheet**

Mr. Crews reviewed the balance sheet and indicated total cash on hand of \$391K. Mr. Jones noted that required WIFA cash reserves for repairs added another \$99K to the cash position for a total cash balance of \$490K.

**b. Revenues and Expenses and**

**c. - Budget Vs. Actual Comparison.**

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Mr. Crews noted the regular income and expenses were very close to budget after five months of the fiscal year except the (a) excess hours for the manager were over \$3,800 due to the higher than expected number of challenging activities and problems as described in the agenda, mostly relating to the aging of the entire infrastructure system now 25 years old, and ( ) higher than expected costs for Contract Services-Non-Operator for both the WWTP and the water system. Mr. Jones explained the \$2K extra services for the WWTP were related to a \$1.7K bill for repairs to the dual pumps in the lift station and the \$8.2K of extra services for the water system was due to \$5K for the repair of the leak at lots 4/5, \$2K for the new flow meter at the shallow well, and for extra houses for testing of fire hydrants.

**d. Status of Contingency/Reserve Accounts**

Mr. Crews noted that balances in the WIFA required reserve accounts were growing and that we should possibly consider paying off the small balance on the pond repair debt, noting that would help clean up/reduce the balance sheet debt position by a net \$8K. Mr. Jones noted the reserve accounts can be used to apply to the final payoff of any WIFA loan.

**e. Check Registers/Cash Disbursements for last three months (vote by Board Required)**

Mr. McClung moved to accept the check register list of checks. Mr. Karr seconded the motion. All said Aye. None said Nay. The motion passed.

**6. DISTRICT MANAGER'S REPORT**

**a. Depth to wells** is normal for this time of year.

**b. Performance of wells**

Both wells are performing normally with deep well yielding over 52 gpm and the shallow well back to 44 gpm after the bottom section of the column pipe that had a small hole was replaced.

**c. Water usage**

was consistent compared to prior year's usages.

**d. Status of Elk Rim construction and other new homes inside HOA gate.**

All 18 homes in Elk Rim have paid their impact fees and are being billed monthly fees except lot 15 has not yet connected to the sewer system. There are approximately 8 homes inside the gates under construction. Mr. Jones estimates there may be about two more new homes started during the current fiscal year.

**e. Status of replacement of flow meter and re-install of shallow well components after determining cause of reduced pump yields.**

A new flow meter was installed on the shallow well and it is accurately measuring output at 44 gpm. The well components, including one section of column pipe, were re-installed yesterday by Weber Water Resources and the system is working as specified.

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- f. Status of failed lead and copper testing at the lab building at WWTP.**  
No regular homes have ever reported failed lead tests, however the small sink at the WWTP lab failed a test when one homeowner was unable to return the test bottle to the operator in a timely manner. Lead and copper tests will need to continue for about 6-9 months as outlined in the ADEQ notice requiring 10 houses rather than five being tested. If future tests turn out negative, we can hopefully return to one test at five houses per year. Total costs of the testing requirements will be near \$2K. Once the extra tests are completed, we will notify the customers again as to the status. Repairs to the new sink, faucet, and hose bib at the lab building should be completed on 12-13-21.
- g. Status of 2" water main leak at lots 4/5 in Elk Rim.**  
due to it being almost under a fire hydrant and in the area of five valves and four water mains that needed to be exposed. Total cost to repair about \$5K.
- h. Mr. Jones indicated the high pressure problem below the vault at Elk Rim is still high but the 23/8" copper tube that split necessary for the repair has been difficult to get and was replaced unsuccessfully by the valve manufacturer twice. An additional part and the repair is expected to be completed within the next week.**
- i. Status of repair of the post processing outflow pumps at WWTP life station**  
The repairs to the lift station outflow pumps has been completed. One pump was dead and the backup had a burned wire allowing the system to backup in all tanks until the repair was completed. A backup pump is being purchased to put in the spare parts inventory in case of future problems.
- J. Status of repair of the 25 year old underground meter and lab readout at WWTP that measures system inflow and the resulting outflow to evaporation/percolation pond.**  
The replacement meter and digital readout panel for the inflow/outflow meter at the WWTP will be completed on December 13, 2021. The old meter and readout have been intermittent and are original equipment are over 25 years old.
- k. Status of installation of air blower back flow prevention devices at WWTP.**  
The back flow prevention devices on the WWTP dual blowers were installed in October and have been capitalized for over \$900 since the original system never had this feature.
- l. Installation of Variable Frequency Drive at WWTP blowers**  
Installation of the variable frequency drive on the blower system will be completed on December 13, 2021. This is necessary to control excess air flow into the processing tanks which if too high or low causes issues in keeping the plant in balance.
- m. Status of fire hydrant inspection and repairs**  
The fire hydrant inspections and minor repairs are completed (about \$2K), with 6 of the 19 hydrants needing servicing (lubrication, replacing seals, etc.) because of minor leaks. All are 25 years old except for the two in Elk Rim.
- n. Results of weed abatement efforts at the WWTP**  
The weed abatement project for the WWTP pond is complete around the pond edges having used a chemical procedure rather than using a hand pulling of cattails or dredging process. Total cost of \$2,200

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compares to budget \$10K this year and \$10K in a following years. We may chose to follow up with additional chemical treatment next year after we see how well the current process worked.

**o. Planned HOA upgrade of the asphalt surface of the shared use driveway at the well site and installation of "No Parking" signs on the driveway and in front of all PRV vaults.**

The planned upgrade of the asphalt driveway at the well site will be completed next spring by the HOA road contractor crew when they maintain several other road areas. The District Manager indicated he very much appreciates the cooperation of Bill Brack, Tom Jones, and Jim Cleary, all members of the HOA road committee. Mr. Jones indicated he has received the template for painting 'no parking signs' on the pavement in front of each of the underground PRV vaults and on the driveway going to the well site. Some concern was expressed related to the contractor/owner possibly parking in that driveway, thereby restricting our access to our facilities. Mr. Jones and Crews explained the recorded easement from 20 years ago requires us to allow ingress and egress only, so no parking can be enforced.

**p. Fire Department inspection of District office building and other facilities.**

The fire department inspection of the district facilities was positive with no concerns except the fire extinguishers had to all be updated. All have been replaced at the office, WWTP, and the well site.

**q. HOA repair of bar ditches at Lot \$9 and cleaning out of the cement lined erosion control ditch at the WWTP.**

Mr. Jones noted the repairs to the erosion of the bar ditch at lot 49 has been completed by the HOA and the HOA is planning on cleaning the bar ditch by the exit gate and inside the WWTP fencing since erosion has filled the ditch with soil washed off the hill.

**r. Possible request by Rick Vesci and Randal Family trust to provide water and sewer services to three large lots between Elk Rim and the LDS Church.**

Mr. Jones noted he expected no action by the Board to a request from Mr. Vesci to have the District to hopefully agree to provide water and sewer services to three lots he has under contract that are located between Elk Rim and the LDS church. Mr. Jones indicated Board members need to be aware of the request, but it was unlikely the purchasers could de-annex the property from PSWID that has the exclusive right to provide water services to that land. Mr. Jones present a chart indicating that project could likely have an approximate \$66K financial advantage to the District if it was completed and placed in service over a ten year period.

**s. Possible acquisition of well by exit gate.**

Mr. Jones reported no contact over the last few months with Mr. Anderson, owner of the well by the exit gate.

**t. Status of possible water sales to PSWID.**

Mr. Jones reported no recent interface with PSWID related to purchase of water, noting they are still on a full moratorium.

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- 7. DISCUSS AND TAKE POSSIBLE RELATED** to election of Board officers for the 2022 calendar year.  
Mr. Kelly moved the slate of officers remain the same. Dr. Johnson, Chairman, Mr. Crews, Treasurer, and Mr. McClung, Secretary. Mr. Karr seconded. All vote Aye. None vote Nay. Motion passed.
- 8. DISCUSS AND TAKE POSSIBLE ACTION RELATED** to approval of the annual CPA Financial Statement Review Report from Heinfeld Meech.  
Mr. Crews moved to accept the CPA Statement. Mr. McClung seconded. All vote Aye. None vote Nay. The motion passed.
- 9. DISCUSS AND TAKE POSSIBLE ACTION RELATED** to approval of the Revolving Line of Credit Agreement with Chase Bank that allows the District, as of safety valve, to borrow up to 100% of the property taxes levied at any time prior to their collection by the County Treasurer.  
After discussion, Mr. Crews moved the authorize Harry Jones to send documentation to the County Treasurer to obtain the line of credit.
- 10. DISCUSS AND TAKE POSSIBLE ACTION RELATED** to approval of various actions to investigate the possible wear and resulting reduced output for each of the three pumps at the pump station that has had some intermittent discharge flow faults during fire hydrant testing.  
Mr. Jones indicated that intermittently during fire pump testing that the discharge flow of water from the pump station is not consistent and after discussions with engineers and support parties we are not sure why. It appears the next steps are (a) to try to investigate the existence and possible use of a supposedly abandoned flow meter in the cement block vault just outside the roll up door which would be useful as an analytical tool to measure output of each of the three pumps on the pump station, and (b) to have the electrician staff fully analyze all the original wiring, motors, and pumps to determine if they were able to produce the designed flow to support expected demands when fire hydrants are turned on. Mr. Jones noted that the individual pumps on the station had original hour meters indicating over 5,000 hours on pump A (lead pump @125 gpm), about 2800 hours on pump B (lag pump @125 gpm), and 64 hours on the 30 hp fire pump (1,050 gpm), with the smaller pumps costing about \$5K. Since the investigative/repair/replacement project could exceed the \$5,000 spending limit of the Manager, Mr. Jones suggested they authorize him to spend up to \$10,000 to try to resolve the issues. Therefore, after further discussion, Mr. McClung moved to have Mr. Jones and our support staff take various actions to investigate the possible wear and resulting reduced output of each of the three pumps without spending over \$10,000. The motion was seconded by Mr. Karr. All voted Aye. None voted Nay. Motion Passed.
- 11. DISCUSS AND TAKE POSSIBLE ACTION RELATED** cash balances in terms of scheduled future discussions concerning establishment of target levels of District financial reserves and possible changes in monthly rates and fees, property taxes, impact fees, reductions on loan balances, and future capital project requirements.  
After some discussion, Mr. Crews commented this topic needs to be on the agenda for next March but that he would appreciate all Board members seriously reviewing the future cash balances in terms of targeted levels of

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District financial reserves and possible changes in monthly rates and fees, property taxes, impact fees, reductions in loan balances, and future capital project requirements. No action was taken and all Board members agreed to give consideration to this topic that will be central to any decisions for the next budget discussions starting in March and April of 2022.

- 12. DISCUSS AND TAKE POSSIBLE ACTION** to understand recent increases in unaccounted for water losses and to upgrade old or possibly all customer meters that are very likely reading water usage at less than actual usage. As part of any consideration of investment in new meters discuss and take possible action related to use of (a) available District cash, (b) WIFA grants or partially forgivable loans (highly likeable), or (c) to utilize funds possibly available through the new Federal Infrastructure Act of 2021 to pay for the project.

Mr. Jones introduced further details and data and the difficulty of accurately measuring unaccounted water losses likely caused by (a) customer meters under-reading used, (b) water losses resulting from leaky distribution mains, and (c) if needed, the opportunity to be able to acquire significant grants or forgiveness of debt if the district pursued a “green” type WIFA loan for new meters and leak detection equipment. Mr. Jones indicated the main motivation for considering the topic was (a) recent unaccounted for water losses had increased significantly over a three month period, and (b) the District is likely faced with replacing customer meters since over 70% of the current low tech meters are over 15 years old, with expected life of those meters probably 10 years or less. Mr. Jones pointed out he had prepared a very rough estimate of \$20K of cost savings that might occur over a 10 year payback period, assuming a 25% reduction in unaccounted for water losses. After numerous questions and comments from all Board members, and review of some technical issues by Mr. Karr and Mr. Kelly, a motion was made by McClung and seconded by Mr. Karr to authorize the District Manager to pursue solutions to the water loss issues and to seek preliminary approval of a \$100,000 WIFA loan with significant forgiveness of debt that would reduce overall District expenses (including project management time) for the potential project by hopefully up to 50% or more. All Board members voted Aye, with Mr. Crews vote being “reluctant” based on a lack of solid evidence on possible cost savings. None voted Nay. Motion passed.

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

Mr. Tom Jones reported the HOA will pave Kokopeli at the end of construction at the end of the road.

- 14. CONFIRM ESTABLISHED DATE AND DESIRED TOPICS FOR THE NEXT BOARD OF DIRECTOR'S MEETING(S)** scheduled as a regular meeting on March 19, 2022.

- 15. MOTION TO ADJOURN.**

The meeting was adjourned at 11:30 AM.

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

Posted as of: \_\_\_\_\_ @ \_\_\_\_\_ M.