

MEETING MINUTES
Pine Creek Canyon Domestic Water Improvement District
P.O. Box 945, Pine AZ 85544

Special Meeting
Wednesday April 19, 2023

Telephone Meeting
Time: 5:00 PM

---DRAFT---

Until approved at a following meeting

The Pine Creek Canyon Domestic Water Improvement District (PCCDWID) met in a Special Meeting as stated above. The meeting was held telephonically. The Board may vote to go into Executive Session on any agenda item for any type of Executive Session indicated below or pursuant to legal advice with the District's attorney(A.R.S. § 38-431.03(A)(3)) on matters as set forth in the agenda item.

1. **CALL TO ORDER** for Budget Session and Special Meeting
The meeting was called to order at 5:00 PM by Chairman Allan Johnson.
Present: Dr. Johnson, Mr. Karr and Mr. McClung, Mr. Crews. Also present, Mr. Jones District Manager, Susan Thompson.
2. **ROLL CALL OF BOARD MEMBERS/DECLARATION OF QUORUM**
Dr. Johnson, Mr. Karr, Mr. McClung and Mr. Crews were all present and a quorum was declared.
3. **CALL TO THE PUBLIC FOR INPUT ON SCHEDULED AGENDA TOPICS**
None - No Public Attended.
4. **DISCUSS AND TAKE POSSIBLE ACTION RELATED TO** authorizing the District Manager, with final approval of two of the three Board officers, to negotiate a multi-year lease to relocate the District offices from Suite 'E' to all of Suite 'A' at the Bishop Park complex in Pine, AZ.

Mr. Jones presented both a written and verbal summary of the expected cost of a five (5) year lease for moving the District offices from Suite 'E' to Suite 'A' at the Bishop Park complex in Pine, AZ. Various Board members commented about how utility costs were to be allocated with Mr. Jones indicating just like our current month-to-month agreement, we pay for the gas and electric and the landlord would pay for the water. Mr. Jones indicated he is yet to receive a sample lease, but he expected Mr. Pugel would probably be fair and will offer normal terms where the landlord will pay all costs for electrical, roof, plumbing, exterior maintenance, etc. Mr. Crews noted that it would be advantageous to the District and Mr. Pugel to commit to an arrangement for long-term space. Mr. Jones indicated the verbal agreement with Mr. Pugel at this time is that the asking rent is \$650/mo., and the landlord will pay to physically move all of our office equipment, furniture, telephones, computers, files, etc. Since the move is being done for the convenience of the neighboring retail store and the landlord, one or two Board members wanted to make sure the landlord did all the heavy lifting so our staff needs to do only a minimal amount of organizing for the move. Mr. Jones noted he and Susan would need to carefully control and tag what gets moved from the old location to the new location so we can easily

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find everything we need in the new location. Board members that had inspected the new facilities were all supportive of the move. Mr. Jones indicated that the landlord is willing to re-configure the Suite 'A' space, at his expense, to convert the layout to more normal small offices and a meeting room from the current layout, which is almost like cubicles in a large open space office complex. Mr. Jones indicated the landlord has not set any limits on the remodeling costs incurred, but felt like the landlord would be reasonable in light of the fact we have been a faithful tenant for 18 years and he will be better off economically by fully leasing all his space in the complex.

Therefore, Mr. Karr made a motion, seconded by Mr. McClung, authorizing the District Manager, with final approval of two District officers, to negotiate a multi-year lease to relocate the District offices from Suite 'E' to all the space of Suite 'A' at the Bishop Park complex in Pine, AZ.

Roll call was taken. All say Aye. None say Nay. The motion is passed.

5. **DISCUSS AND TAKE POSSIBLE ACTION RELATED TO** approval of a proposed budget and rate fee schedule for the District for the 2023-2024 fiscal year, such budget and rates and fees to be the topic of a public hearing that is to occur during the regularly scheduled Board of meeting of June 17, 2023.

Mr. McClung, as the District's treasurer, first summarized the revenue portion of the budget, noting we have include only one new home built in the next fiscal year and the property taxes are being increased by \$5000 to a total of \$110,000. He commented that the increase in tax should make virtually no difference in the property taxes on existing homes since about 10 new homes under construction will be included in the tax base in future years and most of the homes occupied in 2021 and 2022 are now fully on the tax rolls. Mr. McClung noted that the wastewater fees and water fees are not being changed and appear adequate to cover future expenses. He noted that the proposed budget expense numbers for administration, wastewater, and water are mostly increased slightly and appear reasonable in terms of the current FYE 6-30-23 year and compared to prior 7 years. It was noted that contingency amounts of \$12,000 for Administration, \$6,000 for Wastewater, \$6,000 for Water, \$6,000 for capital expenses, and \$5,000 for legal fees allows a reasonable amount for unanticipated expenses. The \$12,000 contingency for the Administration department is set aside for a possible transition of management talent based on retirement of Mr. Jones sometime in the next few years. No capital expenses are planned for FYE 2024.

Mr. Jones noted that the District's cash position, including debt payment reserves and repair reserves is strong (about \$500,000) and should stay strong for future year. He noted that a breakeven cash position for the coming year avoids any major change in cash resources.

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Therefore, after discussing the above topics, Mr. Crews made a motion, seconded by Mr. Karr, to approve the proposed budget and rate fee for the District's for the 2023-2024 fiscal year, such budget and rates and fees to be topic of a public hearing that is to occur during the regularly scheduled Board meeting of June 17, 2023 and for the District Manager to take all required action to properly post and publish the notice of such meetings. Roll call was taken. All say Aye. None say Nay. The motion is passed.

6. **DISCUSS AND EVALUATE THE TIMING OF THE** next meeting for the Board of Directors on June 17, 2023. The time will be 9:00 AM Pine/Strawberry Fire Dept. Training Room.

7. **MOTION TO ADJOURN**
The meeting adjourned at 5:32 PM.

CALL TO THE PUBLIC: Those wishing to address the District during the meeting for issues within the Board's jurisdiction need not request permission in advance, but they should indicate their desire to address the Board on the sign-in guest register provided. During this meeting, the Board is permitted to discuss and possibly take action for public comments related to topics listed on this agenda. Because of the restrictions of the open meeting laws, the PCCDWID Board is not permitted to discuss, or take action on any item raised in the call to the public that are not on this agenda; however, individual Board members may respond to criticism directed to them. Otherwise, for topics not on this agenda, the Board may direct that staff review the matter or that the matter be placed on a future agenda. The Chairman of the meeting may limit the number and length of public comments in order to maintain a reasonable meeting schedule.

PERSONS WITH DISABILITIES: If any disabled person needs any type of accommodation, please notify the PCCDWID prior to the schedule meeting time. 928-476-2260.

EXECUTIVE SESSIONS: After voting to do so, the Board may go into executive session at any time during this scheduled meeting for consideration of items included on the above agenda if the topics to be discussed meet the requirements of ARS 38.431.02 (a), (1), (3) and/or (5). Additionally, the Board may, during this meeting call for an executive session to be held at a future time after this meeting. Per ARS 38.431.03, executive sessions are closed to the public and only the following seven category topics are permitted to be discussed: 1) Personnel Matters; 2) Discussion of Confidential Records; 3) Legal Advice from attorney; 4) Litigation, Contract Negotiations, and Settlement Discussions with attorney; 5) Discussions with designated Representatives Regarding Salary Negotiations; 6) International, Interstate and Tribal Negotiations; and 7) Purchase, Sale or Lease of Real Property; 8) Discussion of school safety programs; and 9) Discussion related to security of the facilities, information technology, and records storage.

By: _____ Acting for the Board of Directors

Posted as of: _____ M.