

BOARD TRAINING OPEN PUBLIC SESSION MINUTES
5pm at Hope Chapel, 5145 Ramada Drive, Prescott, AZ
JANUARY 27, 2014

1. CALL TO ORDER

Chair LaMar called the training session of the Diamond Valley Water District Governing Board to order at 5:01pm.

2. ROLL CALL

PRESENT = P (P W/ TIME AFTER IF LATE) NOT PRESENT = NP

Marielle LaMar (P)	Pat Autrey (P)	Mona Welsh (P at 5:06pm)	Susan Echenrode (P)	Gloria Mason (P)
CHAIR	TREASURER	VICE CHAIR	CLERK/SECRETARY	MEMBER

Chair recognized: Deborah Patton from the RCAC and for Good's System Management (GSM): Margie Good at 5:08pm, Manager and Cari Good, Customer Support Specialist.

3. RCAC FACILITATING RISK MANAGEMENT FOR DISTRICT POLICY AND PROCEDURES FOR EDUCATIONAL PURPOSES ONLY

Handouts provided: Risk Management Concepts, A guide to help in the risk management assessment process for the DVWD, 13-pgs, The RCAP 2012 The Big Guide for Small Systems: A Resource for Board Members.

Other resources that can be found on-line: RCAP 2011 A Drop of Knowledge, The Non-Operator's Guide to Drinking Water Systems (link: <http://www.rcap.org/print/DWguide>) and website: Ready.gov for Emergency Preparedness Guidance from the U.S. Department of Homeland Security.

After Deborah Patton did an overview of the handout for Risk Management Concepts, which was specifically written for DVWD, she requested that both handouts be thoroughly read as a homework assignment. Also she would be sending a Technical, Managerial, Financial (TMF) assessment tool for all to fill out individually. She suggested the Board and Management meet sometime in February to review the scoring of TMF and send the DVWD final scoring so she can complete the RCAC summary.

4. ADJOURNMENT

Chair LaMar adjourned the training session at 6:41pm.

REGULAR OPEN PUBLIC SESSION MINUTES
7pm at Hope Chapel, 5145 Ramada Drive, Prescott, AZ
JANUARY 27, 2014

1. CALL TO ORDER

Chair LaMar called the regular session of the Diamond Valley Water District Governing Board to order at 7:05pm.

2. ROLL CALL

PRESENT = P (P W/ TIME AFTER IF LATE) NOT PRESENT = NP

Marielle LaMar (P)	Pat Autrey (P)	Mona Welsh (P)	Susan Echenrode (P)	Gloria Mason (P)
CHAIR	TREASURER	VICE CHAIR	CLERK/SECRETARY	MEMBER

Chair recognized: Deborah Patton from the RCAC and for Good's System Management (GSM): Margie Good, Manager and Cari Good, Customer Support Specialist.

3. CALL TO THE PUBLIC

None present

NEW BUSINESS

G. Review DVWD RCAC Draft Work Plan for Educational Training in 2014 with Possible Action

The Chair requested that above item be moved to here so Deborah Patton could leave after it was addressed. By Board consensus the above can be addressed now.

By Board consensus, the DVWD RCAC Work Plan for 2014 was approved as drafted.

ACTION: CLERK/SECRETARY TO GET APPROVED WORK PLAN SIGNED BY CHAIR AND THEN TO DEBORAH PATTON TO GET THE RCAC SIGNATURES NEEDED. RCAC SIGNED WORK PLAN TO BE SENT BACK TO CLERK/SECRETARY TO BE RECORDED.

4. APPROVAL OF DRAFT MEETING MINUTES

A. Regular Public Session on December 23, 2013 at 7pm

B. Special Session (Bookkeeping-Services) on January 8, 2014 at 7pm

By Board consensus both above sets of minutes were approved as drafted.

5. REVIEW OF ACTION ITEMS FROM PREVIOUS MEETINGS

A. GSM Update of Rose Quartz Erosion Project by Pehl Contractor until Complete

COMPLETED: MARGIE GOOD REPORTED THE PROJECT HAS BEEN FINISHED.

B. District's Reimbursement Expense Claim Form (Rev.12.23.2013)

COMPLETED: CLERK/SECRETARY EDITED, GOT SIGNATURES, SENT OUT, AND IN THE RECORD.

C. Resolution R2013-12-23A (Updated Legal Guidelines)

1.) Draft Form When Requesting Legal Services

COMPLETED: CLERK/SECRETARY EDITED AS APPROVED, GOT SIGNATURES, BOTH RESOLUTION AND FORM SENT OUT, AND IN THE RECORD.

D. Resolution R2013-12-23B (GSM using Contractors)

COMPLETED: CLERK/SECRETARY EDITED AS APPROVED, GOT SIGNATURES, SENT OUT, AND IN THE RECORD.

E. ~~Master Plan Preliminary Engineering Long Term Planning Project~~ use below name henceforth DVWD System Replacement Project

1.) GSM's Submitted Project Report to Start Process for Applications for Grant and Loan

COMPLETED: SUBMITTAL OF GRANT AND LOAN APPLICATIONS STARTED AS APPROVED AND ABOVE GSM REPORT IN THE RECORD.

2.) Resolution R2013-12-23C (WIFADebtAuth)

COMPLETED: CLERK/SECRETARY GOT SIGNATURES, SENT OUT, AND IN THE RECORD.

F. RVS Software Upgrade - On-Line Billing for Customers

COMPLETED: CARI GOOD REPORTED THE UPGRADE SOFTWARE REQUIRES A DISTRICT BOARD MEMBER INFO BEFORE THE SOFTWARE CAN BE STARTED. SEE FURTHER ACTION NEEDED IN BELOW GSM OPERATIONAL REPORT UNDER 3.)

G. The Draft District Form for the 5-Member Board Positions (Current Items/Supplies from each)

COMPLETED: ALL 5-MEMBERS HAVE SUBMITTED THEIR INVENTORY SHEETS, WHICH WILL GET RECORDED.

1.) District's Purchase of Paper Shredder

COMPLETED: CLERK/SECRETARY HAS PURCHASED SHREDDER, WHICH IS AT HER HOUSE, AND ENCOURAGES MEMBERS IF THEIR SHREDDED MATERIALS ARE ACCUMULATING TO ARRANGE A TIME TO COME BY AND USE HE SHREDDER.

6. REPORTS AND CORRESPONDENCE From PREVIOUS MONTH

A. (GSM) Operational Report – December 2013

Margie reported there were two emergency leak repairs and the monthly RVS System Totals Report was provided and sent out. Also provided was a chart report (GSM, Cari Good's work-in-progress) reporting RVS Operation data from January 2013 to December 2013 along with showing GSM's management progress since GSM started in October 2013. The below are the RVS December 2013 data results:
Total Receipts on account \$53,626.90; Adjustments \$1,673.23; Water Loss 778,909 gallons (28%); Past Due \$26,040.69; and 30-day Past Due (Age 3) \$6,936.29.

1.) Approval of Further Emergency Repair Charges to the Ramada Booster Pump

Margie Good reported the two further needed repair options following the 1/17/2014 incident of the 10hp pump at the Ramada booster station. Pump Tech remedied the immediate leak situation on 1/20/2014 and found after closer inspection the cycle stop valve was also broken. To repair:
Option #1 costs to replace the failed cycle stop valve that controls the constant pressure is \$1,171.78 (parts and labor). The drawback to this option means the pump runs 24/7, which increases the APS power costs and is hard on the pump's on-going operations.

Option #2 costs to replace the existing inoperable pressure switch to control the booster pump versus the cycle stop valve is \$2,149.88 (parts and labor). This option is preferred because the mercoird pressure switch allows a 10PSI differential between ON and OFF, thus the pump has rest periods. This option is recommended, even though the costs are more, because the payback would be lower utility power and operating costs. Pump Tech said both options were not to exceed the above costs.

After some discussion Member Autrey motioned to approve Option #2 and have Pump Tech do the work at the \$2,149.88 total cost, seconded by Member Echenrode, and carried by unanimous vote.

ACTION: GSM MANAGER GOOD TO MOVE FORWARD WITH OPTION #2 FOR THE ADDITIONAL REPAIR AT THE RAMADA BOOSTER STATION.

2.) Manager Training on Reading the RVS Systems Total Report

To be done once operations and bookkeeping can be tracked together.

3.) Verbal Update on RVS Software Upgrade - On-Line Billing for Customers

As reported earlier by Cari Good, a DVWD Board Member’s information is required to start the RVS PayClix for the customer billing software upgrade. After some discussion and by Board consensus Treasurer Autrey will provide her required information to Cari Good.

ACTION AND FOLLOW-UP: TREASURER AUTREY TO GIVE CARI GOOD THE NEEDED INFORMATION SO THE SOFTWARE CAN BE ACTIVATED. CLERK/SECRETARY TO REMIND TO ADD TO THE TREASURER’S DRAFT BOARD POSITION OF DUTIES DURING CONSIDERATION NEXT MONTH.

B. Financial Report – December 2013

Treasurer Autrey reviewed the submitted 4-page financial report. Figures from bookkeeping report:

	<u>December (one month)</u>	<u>December (6-months)</u>
Total Income	\$52,060.88	\$302,096.38
Total Expenses	\$53,954.62	\$245,916.39
Gross Profit (Loss)	(\$1,893.74)	\$ 56,179.99
Bad Debt Expense	\$ 1,639.37	\$ 1,639.37
Total Operating Costs	(\$3,533.11)	\$ 54,540.62
Total Expenditure from Reserves	\$ 8,453.50	\$ 35,912.46
Net Income (Loss)	(\$11,986.61)	\$ 18,628.16

Statement of Assets, Liabilities, and Equity

Current Assets:	\$1,021,108.52	Current Liabilities & Capital: \$1,021,108.52
Reserve Fund Balance:	\$ 106,030.42	
Equipment Fund Balance	\$ 85,048.33	
Emergency Fund Balance	\$ 83,048.50	
Cash in County Warrant-General	\$ 111,159.21	
Cash In Foothills Bank	\$ 61,181.42	

C. Correspondence(s) to the District - December 2013

A.) Rental Catherine Drive Customer Billing Issue

Billing issues resolved by GSM’s Cari Good. All related documents have been recorded in Correspondence Received by the District under its specific folder.

7. OLD BUSINESS FROM PREVIOUS MEETINGS

A. Update Report of DVWD Website

GSM submitted report along with Sadie Sarti Design proposal was reviewed and discussed. The total estimated costs are \$2,920.00 and the report showed the breakdown of the costs.

After further discussion Member Autrey motioned to approve the total estimated costs of \$2,920.00 for Sadie Sarti Design Co. to proceed with the design of the DVWD website, and that GSM select a Board Member of their choosing to collaborate with as the website moves forward. The motion was seconded by Member Welsh and carried by unanimous vote.

ACTION AND FOLLOW-UP: GSM IS APPROVED TO MOVE FORWARD WITH WEBSITE PROPOSAL AND SELECT A BOARD MEMBER TO COLLABORATE WITH FOR DISTRICT INPUT.

B. Verbal Update on District Changing Pass-Thru Bank

This item can be taken off (postponed) as the two GSM issues of not having on-line billing and not having the ability to access Foothills Bank’s server has been resolved.

POSTPONED

C. GSM Update Report on DVWD System Replacement Project

1. Approval Process to Move Forward on Applications for Grant and Loan

Margie Good reported the grant deadline was 4/16/2014 and the loan deadline is in May 2014. WIFA has pre-authorized the grant so far but will need the WIFA Water Rate Analysis to be done ASAP for further consideration.

D. Final Report Update on District 2009 Pending Verizon Contract

A final report on the latest situation of the pending lease was submitted several weeks back. The results of the report confirm that any possible DVWD pending Verizon lease agreement that upgrades the old equipment is not likely to occur on the Ramada WAPA regulated power tower, which the District owns the parcel property its on. The WAPA regulations/restrictions prevent any update to the old Verizon cell tower equipment. Verizon since 2010 had decided to move forward with another cell tower location within the community that’s more cost effective with less County and governmental regulations. Also reported was the District at some point will loose its \$250/month Verizon lease income once the proposed new cell tower and equipment is up and running.

The District's Verizon contact, Reg Destree, requested of the District to write a letter stating the District has no problem with the proposed cell tower going up elsewhere. However, between Reg Destree's request and the recent emails sent to our Manager, which have surfaced and were forwarded to the Board by other parties, requesting that the District object to the proposed cell tower on Hope Chapel's property. The proposed Verizon cell tower site is tentatively going up on Hope Chapel's property as the Verizon's research showed it's one of two locations that will service the community the best. The other location was not a feasible location because the other property site is located near a steep embankment close to the Hope Chapel site.

After some discussion and by Board consensus, the District does not have any stand on the situation in supporting any of the parties involved in the approval and/or objecting of the proposed Verizon cell tower site. And the Chair was directed to email Reg Destree saying the District has no stand on this matter.

COMPLETED/CLOSED MATTER: CLERK/SECRETARY TO RECORD THE FINAL REPORT IN THE VERIZON LEASE RECORDS ALONG WITH CHAIR'S RESPONSE EMAIL LETTING REG DESTREE KNOW THE DISTRICT HAS NO STAND ON THE MATTER.

8. NEW BUSINESS

A. Consideration and Possible Action on Engineering Water Rate Analysis for WIFA

Margie Good reported on the immediate need to have a water rate analysis done for the DVWD Replacement System Project and for the upcoming proposed budget process. She explained her previous experience working with the engineer, Kal Miller, on the completed Groom Creek Water Replacement System for its water rate analysis, was very positive and done effectively and efficiently. Because of the looming deadline of needing this rate analysis, the Manager recommended approving Kal Miller's proposed letter for providing the engineering service. The engineering analysis costs will not exceed the \$1,500 in the proposed letter and could be done within 30-days of approval.

After some discussion Member Autrey motioned to approve the proposed letter of Kal Miller to provide the engineering water rate analysis for WIFA and not to exceed the \$1,500 costs. The motion was seconded by Member Echenrode and carried by unanimous vote. During the discussion after the motions it was suggested by Treasurer Autrey for the District to draft a resolution for when additional funds can be drawn from the Reserves for circumstances, like this one, when the current approved budget has not specifically allocated for it, but the need makes for sound business practices.

ACTION AND FOLLOW-UP: APPROVED LETTER WAS SIGNED BY MANAGER AND CHAIR AFTER MEETING, RECORDED AND SENT OUT LATER THAT NIGHT. CHAIR AND CLERK/SECRETARY TO DRAFT ABOVE MENTIONED RESOLUTION FOR CIRCUMSTANCES AND MAXIMUM AMOUNT WHEN FUNDS CAN BEEN APPROVED AND DRAWN FROM THE RESERVES WHEN NEEDED AND NOT IN THE CURRENT BUDGET, LIKE THIS NEEDED MATTER.

B. Approval for District Bookkeeping Services

Pat Autrey gave an account on the evaluation and interview process, which she and Margie Good were directed by the District to accomplish and report on. Initially the District looked at four potential candidates to include the bookkeeping services that the District currently utilizes. Two candidates were not interested, two were interviewed and of those two, one declined on the requested District services needed. A written report will be submitted and filed for the record of this process.

The immediate and future bookkeeping services need to be in compliance with auditing practices as the District moves forward with its System Replacement Project. Both the bookkeeping and operations monthly reports need to be tracked and tied together. The evaluations and interviews resulted in one candidate that well-matched the District requested and necessary bookkeeping services.

The candidate that satisfied the District immediate and future requirements was Tara Sholle who does bookkeeping services, is a CPA, and is familiar with the RVS customer billing software. Tara Sholle has given a \$45/hour for approximately 7-hours/month amount per the Treasurer and Manager, and is willing to recover past financial records should any future governmental audits require District past fiscal year financial records. She has conducted other governmental audits and is familiar with the process. Tara Sholle is also familiar with QuickBooks, which the Manager intends to use, and she is in agreement with collaborating with the Manager - a key strategic issue for the District.

After discussion Member Echenrode motioned to approve Tara Sholle for the District's bookkeeping services, at her hourly rate of \$45/hour for approximately 7-hours/month, and request that her services start ASAP. (As Bennett Accounting has given the District notice of ending their services at the end of January 2014). The motion was seconded by Member Mason and carried by unanimous vote.

ACTION AND FOLLOW-UP: TREASURER AUTREY TO NOTIFY TARA SHOLLE OF HER APPROVAL FOR THE DISTRICT'S BOOKKEEPING SERVICES AND REQUEST HER SERVICES START ASAP. ALSO THE TREASURER WILL

REQUEST A LETTER OF ENGAGEMENT FROM TARA SHOLLE TO SEND TO CLERK/SECRETARY FOR THE DISTRICT RECORD AND SEND HER THE APPROVED R2014-1-27 (BOOKKEEPING SERVICES). CLERK/SECRETARY TO UPDATE BOARD AND MANAGEMENT LIST WITH CORRECT BOOKKEEPING SERVICES.

1.) Possible Action on Transition Letter for Bookkeeping Services if Needed

As reported above Bennett Accounting has given the District notice they are no longer providing their services after January 31, 2014

C. Approval of Draft Resolution R2014-1-27 (Bookkeeping-Services)

After a brief review Member Mason motioned to approve the resolution as amended (1-typo), seconded by Member Autrey and carried by unanimous vote.

ACTION AND FOLLOW-UP: CLERK/SECRETARY TO EDIT, GET SIGNATURES, SEND OUT, AND FILE FOR THE RECORD. TREASURER AUTREY TO SEND TO TARA SHOLLE FOR HER RECORDS.

D. Fiscal Year 2014-2015 Proposed Budget Process

1.) Review of Suggested Time Line until Proposed Budget is Approved

- **Approval of Proposed Budget by 4/28/2014 and for Publication (see below)**
- **Proposed Budget Published in Two Consecutive Weekend Newspaper in May 2014 (Saturday: 3rd, 10th, 17th, 24th are options), and be within 30-days of the Public Hearing**
- **Public Hearing on Proposed Budget 5/26/2014**
- **Proposed Budget Approved 5/26/2014, and any changes in rates and fees effective 7/1/2014**
- **Approved Budget to Yavapai County Office before 7/1/2014**

2.) Report on Proposed Budget Process

Treasurer and Manager are the leads on this. No report at this time as the bookkeeping services process took up most of January and the water rate analysis for WIFA, approved at this meeting, is needed to really begin the process.

E. Appointment of 2014 District Board of Directors

- | | |
|-----------------------------|-----------------|
| 1.) Clerk/Secretary | Susan Echenrode |
| 2.) Treasurer | Pat Autrey |
| 3.) Chairperson | Marielle LaMar |
| 4.) Vice Chairperson | Mona Welsh |
| 5.) Member at Large | Gloria Mason |

By Board consensus the same Board positions from 2013 will carry over to 2014 (see names above)

ACTION: CLERK/SECRETARY TO UPDATE THE 5-MEMBER BOARD AND MANAGEMENT LIST AND SEND OUT.

F. Drafts of Board Position Description and Duties for Approval

- 1.) Clerk/Secretary**
- 2.) Treasurer**
- 3.) Chairperson**
- 4.) Vice Chairperson**
- 5.) Member at Large**

By Board consensus the above drafts are tabled until next month's 2/24/2014 7pm meeting.

TABLED: DUE TO LENGTH OF 5PM MEETING AND THIS ONE, WILL BE ADDRESS NEXT MONTH.

G. Review DVWD RCAC Draft Work Plan for Educational Training in 2014 with Possible Action

Addressed earlier: See after Call to the Public on page 1.

H. Draft a District Policy and Procedure for each 5-Member Board Position in Proper Record Retention

1.) Draft a Form for each Board Member Position (Items Received and Items Returned Before Leaving Office)

By Board consensus the above items will be postponed.

POSTPONED: TO BE REQUESTED AT THE RIGHT TIME AND WILL BE INCLUDED WITH WHAT THE DISTRICT MOVES FORWARD ON IN ITS UPDATED AND NEW POLICY AND PROCEDURE PROJECT. THE INFORMATION ALREADY WORKED ON WILL BE KEEP ON-FLE.

I. RWAA Conference on March 4-6, 2014, Chandler, AZ

After the conference material was looked at, the conference is more for technical/operational matters and not relevant for the Board Members to attend.

J. Start Time for next Educational Board Training Session if Possible

By Board consensus, a Board Training Session Open Public Meeting will be scheduled for Monday, February 17, 2014, 5pm at Hope Chapel. The Clerk/Secretary is to make arrangements and send out ASAP the

RCAC Technical, Managerial, Financial (TMF) worksheet. **The TMF worksheet is the Board Members homework that needs to be completed before this Board training session. In addition, the booklets and/or hand-out: The Big Guide to for Small Systems: A Resource for Board Members; RCAC Risk Management Concepts; and RCAP A Drop of Knowledge need to be read before filling out the TMF worksheet and the 2/17/2014 5pm meeting.**

9. PROPOSED AGENDA ITEMS FOR NEXT MEETING: [February 24, 2014 at 7pm](#)

A. All Action, Tabled, and Update Items from this Meeting

B. Other Requests please Contact Chair for Direction/Guidelines of District's Future Agenda List

C. Manager requested: under New Business: Reserve Holding Tanks Be Approved for Cleaning and Maintenance

10. ADJOURNMENT

Chair LaMar adjourned the meeting at 9:01pm.

Acronym Used in Agendas and Meeting Minutes

AFO	=	Administrative, Financial and Operational Manual for DVWD
AICPA	=	American Institute of Certified Public Accountants
AMR	=	Automatic Read Meter
A.R.S.	=	Arizona Revised Statute (State laws that DVWD governs by)
GAAP	=	Generally Accepted Accounting Principles
GAGAS	=	Generally Accepted Government Auditing Standards
GSM	=	Good's System Management (District's Management)
RCAC	=	Rural Community Assistance Corporation
RCAP	=	Rural Community Assistance Partnership, Inc.
RWAA	=	Rural Water Association of Arizona
RVS	=	Billing Software Used for Customers
WAPA	+	Western Area Power Administration (Desert Southwestern Regional Governmental Agency)
WIFA	=	Water Infrastructure Finance Authority

Respectfully submitted by: [Susan Echenrode](#), DVWD Clerk/Secretary and made available on [1/29/2014](#)

The DRAFT to Be APPROVED of the above Minutes (PDF) was emailed on the above date (within 3-business days of meeting) to current Board Members and Management for review before the next meeting. All corrections to the draft minutes are considered District business and need to occur and be addressed at the next Regular Public Meeting before the minutes are approved. Board approval to show as an agenda item for the next scheduled DVWD Open Public Meeting. In addition, two copies provided at the official DVWD posting site (Hope Chapel) for interested public/community members.

All public/community members wishing to receive emailed copies of the Draft DVWD Meeting Minutes and Agendas can do so by requesting to be put on the DVWD electronic PerDVEmailRequest group list. This group list will be sent out using the Blind Carbon copy method so addresses are protected.

To be put on this group email list, please provide your full name and an email address to gsmllc_azgsmllc@phxcoxmail.com.

[Follow-Up: Good's System Management \(GSM\)](#) to please forward all emails regarding this request to the Clerk/Secretary to maintain and update the email group list.

[NOTE:](#) This electronic group list will be re-instated as soon as the information is provided to the Clerk/Secretary. Confidentiality will be maintained and all emails provided will only be used for sending the District Agendas and Draft Minutes, and until such time the DVWD Website is up and running to provide the public with this kind of District information.

APPROVED ON: 2/24/2014 by Pat Autrey, Marielle LaMar, Mona Welsh, and Susan Echenrode abstained due to preparing the minutes.

Once approved the draft minutes document needs the footer changed to "APPROVED at the DVWD Meeting (insert date)", made into a PDF, sent via email to the current Board Members and Management, and to the "OTHER DISTRICT CONTACTS" listed in the up-to-date 5-MEMBER DVWD BOARD-MANAGEMENT CONTACT LIST document as directed under NOTES.

The Clerk/Secretary maintains and records Meeting Minutes by: recording an electronic PDF and filing 1-hard copy in the appropriate Fiscal Year binder in plastic protector sheet(s) for District records.