

## **OPEN PUBLIC MEETING MINUTES OF**

The Diamond Valley Water District Board of Directors on  
Monday, November 24, 2014 at 7pm  
at Hope Chapel, 5145 Ramada Drive, Prescott, Arizona

### **1. CALL TO ORDER.**

Chair LaMar called the meeting to order at approximately 7:03 PM.

### **2. ROLL CALL.**

Present were: Marielle LaMar, Chair; Gloria Mason, Clerk/Secretary; Susan Echenrode, Def'acto Member; Kurt Womack, Member.

Not Present: Pat Autrey, Treasurer.

Also present: Margie Good, Good Systems Management (*left meeting prior to Old Business Item F*); Ron Good (*left meeting prior to Old Business Item F*); Cari Good,; Richard Parker, Director of Community Development Town of Prescott Valley; Larry Tarkowski, Town Manager; Kal Miller, DVWD Project Manager; Bill Whittington, DVWD General Counsel; Reg Destree, Verizon Wireless; and Jack Smith, Yavapai County Board of Supervisors.

### **3. PRESCOTT VALLEY PRESENTATION.**

Richard Parker and Larry Tarkowski gave an overview of the requirements needed for annexation by Prescott Valley and answered questions from the public and operator.

### **4. APPROVAL OCTOBER 27, 2014 MINUTES.**

Member Mason made a motion to make three corrections to the October 27, 2014 Minutes. Member Womack seconded the motion. The motion carried unanimously.

### **5. REPORTS AND CORRESPONDENCE FROM PREVIOUS MONTH.**

#### **A. Good systems Management Operational Report for August, September & October.**

Member Mason expressed a concern with the September Report. Member Mason also asked for an explanation of the October Report. Clarification was requested regarding the inaccurate water pumped and loss due to the master meter being off line during the Rose Quartz upgrade. Operator/Manager Good clarified that the master meter was non functional when the upgrades were being performed. Member Mason expressed an additional concern on the October Report regarding a main line repair made on Topaz. A discussion ensued regarding a main vs. service line. Operator/Manager Good clarified that a main line was defined by a line serving three or more services being hooked up to that line.

#### **B. Financial Report.**

By Board Consensus the Board decided to table the item since the Treasurer was absent.

#### **C. Correspondence to the District.**

**1. Yavapai County Department of Elections Memorandum.** Memorandum from the Yavapai County Elections Department notifying the District that David Mason was elected to fill one of the Diamond Valley Water District Board of Directors positions expiring 12/31/14. Mr. Mason was notified of his election by the District.

**2. ADWR Certified Letter Dated 10/6/2014.** Member Mason asked that an application be made to the Arizona Department of Water Resources (ADWR) for a Variance. Chair La Mar directed Operator/Manager Good to file the application for Administrative Review or a Variance. There was discussion regarding the drafting of an application for variance or administrative review within 90 days of the 10/16/14 ADWR letter. Operator/Manager Good reported she was in the process and had verbally requested a variance with ADWR. By

Board Consensus the Board directed Operator/Manager Good file a written request for a variance.

- 4. OSHA Email Regarding Arizona's State-Specific Residential Fall Protection Standards.**  
No action.

**6. OLD BUSINESS FROM PAST MEETINGS.**

Chair La Mar asked that agenda items 6.A., 6.B., 6.C. and 6.D. be moved to the end of the meeting.

**E. Discussion with Possible Action regarding Vacant/ Expiring Board Seat(s) ending December 31, 2014 and Starting January 1, 2015 through December 31, 2018.**

It was explained that the newly appointed or elected Members would not be replacing the seat held by the current retiring member. Member Mason made a motion to replace Marielle La Mar with newly elected member David Mason. Member Echenrode seconded the motion. Motion passed unanimously.

1. It was explained that the County cancelled the November 4, 2014 election and appointed Mr. Mason to fill the vacancy. The Board officially notified Mr. Mason, who was in attendance, that he was considered duly elected to the District Board beginning January 1, 2015.

2. Member Mason made a motion to have David Mason replace the position being vacated by Member La Mar and to begin his term January 1, 2015. Member Echenrode seconded the motion. Motion carried unanimously.

3. Applicant Jean Heberer gave a brief explanation of her background. The Chair asked her several questions concerning her abilities to serve the District. Member Mason made a motion to appoint Jean Heberer to replace Member Echenrode as a board member. Member Echenrode seconded the motion. Motion passed unanimously.

Applicant William Hunt was asked the same questions as the first applicant. Member Echenrode made a motion to appoint William Hunt to replace Member Autrey as a Board Member. Member Womack seconded the motion. Motion passed unanimously.

The Chair reminded Member Mason to update the District's Board positions with the County when completed.

a. By Board Consensus the Board decided to move the draft of "Questions to Ask Board Applicants" to the January meeting.

**F. Update, Discussion with Possible Action re: Backflow Prevention Devices Located in Vault at Rose Quartz Pump Station.**

Customer Service Manager, Cari Good, discussed the status of the District's Backflow Prevention Devices at Rose Quartz with Operator/Manager Good (by telephone). Operator/Manager Good stated that the device was tested once a year. She advised that it failed in 2009 and was not tested from 2010 to through 2013. It again failed in the spring of 2014. Member Mason questioned the urgency of the repair. Chair La Mar explained that it was a compliance issue. Member Womack made a motion to accept option A of the proposal from All West Fire Protection Systems, LLC for a total rebuild kit for the #1 and #2 check valves on the existing 8" Watts 709 backflow prevention device and installation in the amount of \$1,079.00. Member Mason seconded the motion. Motion passed unanimously.

**7. NEW BUSINESS**

**A. Review with Possible Action on Draft Form Landlord Water Service Agreement.**

Member Mason moved to accept the document as drafted with legal changes. Member Womack seconded the motion. Motion passed unanimously.

**B. Discussion with Possible Action on Water Bill Due Date Change from the 15<sup>th</sup> to the 20<sup>th</sup> of the Month.**

After discussion on the need for a due date change, Member Mason made a motion to extend the due date from the 15th of the month to the 20th of the month. Member Womack seconded the motion. The motion passed unanimously.

Cari Good was directed to change the due date on the website electronic forms with the Secretary completing the revision on all hard copy forms.

**C. Discussion with Possible Action on Drafting Form of an “Agreement” for Customer Meter Removal Requests(s) or When Non Payment of Monthly Base Fee Service Occurs.**

By Board Consensus the Board tabled the item until January.

**D. Discussion with Possible Action re: Full Audit/Review and Request of Letter of Engagement with Auditor.**

There was a brief discussion amongst the Board members. Member Echenrode made a motion that Treasurer Autrey request a Letter of Engagement for a full audit from the District’s Auditor. Member Womack seconded the motion. The motion passed unanimously.

**E. Discussion, Consideration with Possible Action re: Hiring District Secretarial Services.**

Member La Mar made a motion to table the matter until January. Member Echenrode seconded the motion. Motion passed unanimously.

**F. Discussion, Consideration with Possible Action re: Hiring/Assigning Duties to Conduct Financial Reporting on Monthly and Annual Basis.**

Member La Mar made a motion to table the matter until January. Member Mason seconded the motion. Motion passed unanimously.

**G. Discussion with Possible Action re; Getting Bids for a Cost Analysis or Loss Ratio Analysis re: the Proposed System Replacement Project.**

Member La Mar made a motion to table the matter. Member Mason seconded the motion. Motion passed unanimously.

**H. Discussion with Possible Action re: Review by a Prescott Valley Approved Engineer of DVWD's Project Engineering Design for Feasibility re: Possible Future Annexation Process.**

Member La Mar made a motion to table the matter. Member Mason seconded the motion. Motion passed unanimously.

Chair La Mar made a motion to go into Executive Session pursuant to A.R.S. 38-431.03 (A)(3) for legal advice on the Issues of: The Encroachment issue on Emerald Dr., The Verizon Tower Lease Agreement, The Geotechnical Study Contract, The Topographical Study & Engineering Design Contract. Member Mason seconded the motion. Motion passed unanimously.

Attorney Whittington also requested to include A.R.S. 38-431.03(A)(4) to receive instructions from the Board. Member La Mar made a motion to include A.R.S. §38-431.03 (A)(4) to receive instructions. Member Echenrode seconded the motion.

Chair La Mar announced the recess of the public meeting with a 5 minute break.

**AT APPROXIMATELY 9:00 PM THE DISTRICT BOARD RECESSED THE PUBLIC SESSION AND CONVENED INTO EXECUTIVE SESSION.**

**AT APPROXIMATELY 10:15 PM THE BOARD RECONVENED INTO REGULAR SESSION.**

**6. OLD BUSINESS FROM PAST MEETINGS.**

**A. District Encroachment Issue - Emerald Dr. Parcel #103-10-272.**

Chair La Mar made a motion to direct legal counsel to proceed as directed in Executive Session. Member Echenrode seconded the motion. The motion passed unanimously.

**B. Verizon Tower Lease.**

Member Echenrode made a motion to direct legal counsel to proceed as directed in executive session. Member Womack seconded the motion. The motion passed unanimously.

**C. Geotechnical Soil Investigation Study.**

**1. Bid Awarded to Western Technologies (WT) for \$20,500.** Member La Mar made a motion to accept the contract with Western Technologies contingent on Western Technologies

accepting the full Addendum including state requirements, as presented by Attorney Whittington. Member Echenrode seconded the motion. The vote passed 3 to 1 with Members La Mar, Echenrode, and Womack voting YES and Member Mason voting NO.

2. **Payment Options to Western Technologies (WT) for Services.** Member Echenrode made a motion to accept payment option B - to pay ½ down and the balance at receipt of written report. Member Womack seconded the motion. The vote passed 3 to 1 with Members La Mar, Echenrode, Womack voting YES and Member Mason voting NO.

**D. Topographical Study & Engineering Design.**

Member Mason voiced a concern regarding the costs and payment options of the contract. Mr. Whittington advised that because Potholes & Preliminary Engineering & Environmental Reports were not agendaized the Board could not approve those portions of the contract. Kal Miller stated that without those, the District would have a delay in getting the USDA loan.

Member Womack made a motion to table the Contract until December. Member Mason seconded the motion. Additional discussion ensued. Member Womack withdrew his motion.

Member La Mar made a motion to accept the Contract with Entellus contingent on Entellus accepting the full Addendum, including state requirements, as presented by Attorney Whittington. Engineering Design \$98,202.59, Topographical Survey \$19,213.34, Standby Generator \$26,448.24 and Fire Protection Design \$15,773.36. Member Echenrode seconded the motion. Motion passed 3 to 1 with Members La Mar, Echenrode, Womack voting YES and Member Mason voting NO.

**8. REVIEW OF ACTION ITEMS.**

**A. Geotechnical Study awarded to Western Technologies.** No Action.

**B. Topographical Study and Engineer Design Study awarded to Entellus.** No Action.

**C. Appointed Member for Vacant Position Ending December 31, 2016 with Update from Member on Completion of District Prerequisites Requirements.**

Member Womack reported that he had them all done except completing the reading of the "Water Bible".

**9. PROPOSED AGENDA ITEMS FOR NEXT SCHEDULED MEETING.**

- A. Possible Action re: the addition of Potholing \$5,000 and Preliminary Engineer and Environmental Report \$20,841.14 to the Entellus Contract.

**10. ADJOURNMENT**

Chair La Mar adjourned the meeting at approximately 10:51 PM.

Minutes Approved with Modifications Respectfully submitted by: Marielle La Mar, DVWD Chairperson and made available on 12.26.2014

**NOTE 3/24/2014:** All public/community wishing to receive the DVWD Meeting Minutes and Agendas can do so by going to the **DVWD Website: [diamondvalleywaterdistrict.com](http://diamondvalleywaterdistrict.com)**, which also provides the public with other District information.

**APPROVED on: 12.22.2014** by Kurt Womack, Marielle LaMar, and Susan Echenrode. Gloria Mason abstained.

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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.