

DIAMOND VALLEY WATER DISTRICT P.O.BOX 26527 PRESCOTT VALLEY, AZ 8631
OFFICE: 928-583-7515 WEBSITE: diamondvalleywaterdistrict.com

OPEN PUBLIC MEETING MINUTES OF
The Diamond Valley Water District Board of Directors on
Monday, December 22, 2014 7:00 P.M.
At Hope Chapel, 5145 Ramada Dr., Prescott, Arizona 86301

CALL TO ORDER

Chair LaMar called the meeting to order at 7:01 PM

ROLL CALL

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

Not Present: Pat Autrey, Treasurer.

Also Present: Margie Good, & Carie Good of Good Systems Management; Kal Miller, DVWD Project Manager; Bill Whittington, DVWD General Counsel

APPROVAL OF MINUTES

NOVEMBER 24, 2014: Gloria Mason motioned to accept her version of the November 24, 2014 meeting with corrected numbering. There was no second. Susan Echenrode motioned to accept Attorney's version & Kurt Womack Seconded. Marielle LaMar made corrections to fill in the blanks of his version. Susan amended her motion to include changes. Kurt Womack seconded motion. Vote was 3 to 1 with Gloria Mason abstaining.

NOVEMBER 24, 2014 EXECUTIVE SESSION: Gloria motioned to accept her version of the November 24, 2014 Executive Session meeting minutes. There was no second. Kurt Womack motioned to accept Attorney's version. Susan Echenrode seconded. Vote was 3 to 1 with Gloria Mason Abstaining.

DECEMBER 5, 2014: Gloria Mason motioned to accept the December 5, 2014 meeting minutes with Date, Location, & Time added. Kurt Womack seconded. Vote was unanimous.

DECEMBER 12, 2014 Gloria Mason motioned to accept minutes of the December 12, 2014 meeting with Date added. Kurt Womack seconded and the vote was unanimous.

DECEMBER 12, 2014 EXECUTIVE SESSION: Moved to Executive session due to needed editing.

REPORTS AND CORRESPONDENCE FROM PREVIOUS MONTH

GOOD SYSTEMS MANAGEMENT & OPERATIONAL REPORT FOR NOVEMBER

Margie Good had been asked about charging Tax on commodities and she reported that according to her sources it is legal and should be taxed. She said that due to the water meter being off-line in October we are showing a residual water loss in the report. An explanation of the Back Flow and Check Valve installation was given as well as an explanation of how she filled out the Variance Application form with no request since she expected the new system to be in place by the deadline. Cari Good reported that all paper work for the change in the Water Bill Due Date had been accomplished. By consensus the Board accepted the Manager Report.

FINANCIAL REPORT FOR AUGUST, SEPTEMBER, OCTOBER & NOVEMBER Marielle went over a Financial Spread Sheet that was supplied by Pat Autrey. The total Bank Balances Shown for August: \$523,604.05; September: \$556,727.97; October: \$571,462.28; November: \$571,462.28. Kurt Womack motioned to accept the Financial Reports. Marielle seconded. Gloria Mason Abstained. Susan Echenrode said they were incomplete and she would not approve of them. Susan and Marielle finally agreed that they would accept the Accountants full versions of the November Financials showing Assets & Liabilities. The Accountants versions were not at the meeting. Discussion on having Stephen Crandall do a Five Year Projections Budget was discussed which Marielle said was in his Contract. Kurt Womack felt that this would be a good idea even if we did not get a USDA loan. Gloria Mason wanted to wait until it was needed. Susan Echenrode wanted it done before Tax Season & Marielle reported that it wouldn't take long for Stephen Crandall to do it.

Kurt Womack motioned to have the Budget done. Susan Seconded and the Vote was 3 to 1 with Gloria Mason abstaining.

Marielle LaMar said the Audit has to be done and \$3000.00 was budgeted for it. Gloria Mason reported that the base price quoted was estimated to be \$6,300 to \$6,800 depending on the cooperation of those involved. Gloria Mason was concerned with the Auditor having to work with two Managers and Three Bookkeepers and the expense of a Full Audit rather than a Review. Susan Echenrode motioned to accept the Auditors Letter of Engagement. Marielle LaMar seconded. The vote was 3 to 1 with Gloria Mason voting No.

CORRESPONDENCE TO THE DISTRICT

All letters received have been responded to and recorded in the Districts Files.

OLD BUSINESS

The Chair Passed by the Executive Session items identified as : 6A. Parcel# 103-10-272 Encroachment issue on Emerald. 6B. Verizon Tower Lease. 6C. Topographical Study & Engineering Design Study for System Replacement. 6D. Payment options to Entellus for Services on Final Contract.

DRAFT OF BOARD DUTY POSITIONS Kurt Womack pointed out some misspellings to Marielle for corrections in the Member at Large Draft which she will correct. Susan motioned that both the Vice Chairperson and the Member at Large Descriptions be accepted with those spelling corrections. Kurt Womack seconded and the motioned passed unanimously.

NEW BUSINESS

INTERIM CHAIR

Marielle LaMar said that since Gloria Mason is the Clerk/Secretary she motioned to appoint Kurt Womack as Interim Chair to Preside at the January 26, 2015 meeting and conduct that meeting and to schedule a meeting between interim Chair and outgoing Chair to Transfer all Documents, Keys, and Any Pertinent Records (including RVSBBack-Ups) to Interim Chair for the 2015 Board. Susan seconded and the vote was 3 to 1 with Gloria Mason voting No.

Marielle LaMar moved that Kurt Womack become Point of Contact for Management, Attorney, Accountant, and Auditor. Susan seconded with a vote of three to 1 with Gloria Mason voting NO.

E-VERIFY PROGRAM

Gloria Mason moved to transfer the E-Verify Program Administrator from outgoing Chairperson Marielle LaMar to herself, Gloria Mason. Kurt Womack Seconded. The Vote was 3 to 1 with Susan Voting No.

SIGNATORIES

Marielle motioned to authorize ALL Board Members to complete paper work to become signatories beginning on January 1, 2015 for Foothills Bank and Yavapai County Treasurer. Gloria Mason Seconded the Motion with a Unanimous Vote. (January Board members being Gloria Mason, Kurt Womack, David Mason, Jean Heberer, and William Hunt.)

REVIEW OF ACTION ITEMS FROM PREVIOUS MEETING

GEOTECHNICAL STUDY

Gloria Mason asked how the 10% retainer was paid. It was reported that Western Technologies waived the retainer and will bill us on their regular billing cycle. She also asked about the main line on Emerald that Western Technologies hit and caused a leak in our system. Margie reported that they had no way to know where the mains were so we were required to pay for that leak repair.

OTHER past actions were reviewed and reported to have been completed.

PROPOSED AGENDA ITEMS FOR FUTURE MEETINGS

Appoint Officers of District Board Members 2015: Chair, Clerk/Secretary, Treasurer, Vice-Chair, Member at Large.

Schedule Training with Accountant/Bookkeeper, Attorney, ADWR, Auditor, RCAC, etc.

For other requests contact Chair for Directions /Guidelines for future Agenda list.

EXECUTIVE SESSION Gloria Mason moved to go into Executive session under ARS 38-431.03(A)(3), (A)(4) and (A)(7) for Agenda items 6A, 6B, 6C under Old Business. Marielle seconded and the Vote was Unanimous. Marielle LaMar excused the Public at 8:13 and called for a 5 minute recess.

PUBLIC SESSION RECONVENED at 9:40 pm

EXECUTIVE MINUTES OF DECEMBER 12, 2014 Susan Echenrode moved to approve the December 12, 2014 Executive Session minutes as modified in Executive Session. Gloria Mason seconded the motion and a Unanimous vote followed.

EMERALD DRIVE ENCROACHMENT ISSUE Marielle LaMar moved to authorize legal counsel to proceed as instructed in Executive Session. Gloria Mason seconded and the vote was unanimous.

VERIZON TOWER LEASE Susan Echenrode moved to approve and sign the Verizon Contract as modified by Verizon and to approve the County Consent in conjunction therewith. Gloria Mason seconded and the vote was 3 to 1 with Marielle LaMar Abstaining.

TOPOGRAPHICAL STUDY AND ENGINEERING DESIGN STUDY FOR SYSTEM REPLACEMENT PROJECT

Discussion on accepting the Contract Addendum as modified by Entellus was begun by a statement from Marielle LaMar expressing her concern over the limited liability Entellus was willing to accept and recommended that the addendum not be modified. By Consensus Mr. Whittington was asked to contact Entellus and see if they would accept the addendum. **No forward action will be taken without Entellus' acceptance of the original addendum.**

Marielle moved to accept the Entellus Topographical Study for \$19,213.34 with a Completion Date of 4 months from execution of the contract. Kurt Womack seconded with a Unanimous vote.

Marielle moved to accept the Entellus Contract for Engineer Design for \$98,020.59; Standby Generator for \$26,488.24; and Post Design with a two year completion date from execution of contract for \$55,311.00; Fire Protection Design for \$15,773.36 (Total Cost: \$195,593.19) with Completion Date of 4 months from execution of Contract. Gloria Mason seconded followed by a Unanimous Vote.

Kurt Womack motioned to go forward with the Preliminary Engineering and Environmental Report for \$20,841.14. Susan Echenrode seconded. The vote was 3 to 1 with Gloria Mason Abstaining.

Susan Echenrode moved to approve the \$5000.00 for Potholing. Kurt Womack seconded. The vote was 3 to 1 with Gloria Mason Abstaining.

Marielle moved to Table the Payment Options and then amended the motion to Postpone Payment Options on Final Approved Contract. Gloria Mason Seconded and the Vote was Unanimous.

ADJOURNMENT

Marielle LaMar adjourned the meeting at 10:04 P.M.

Prepared by Gloria Mason, Clerk/Secretary
Board Approved on January 17, 2015