

DIAMOND VALLEY WATER DISTRICT P.O. BOX 26527 PRESCOTT VALLEY, AZ 86312
OFFICE (928) 778-1888 Mon.-Thur. 9AM-3PM WEBSITE: diamondvalleywaterdistrict.com

SPECIAL PUBLIC SESSION MINUTES

The Diamond Valley Water District Board of Directors met at the
STEPPING STONES COMPLEX, 6719 E. 2nd St. Prescott Valley, Az. 86312 on
Saturday, March 14th, 2015 at 2:45PM

CALL TO ORDER

Chair, David Mason called the meeting to order at 2:45pm

ROLL CALL

Present were: David Mason, chairman; Bill Hunt, Vice Chairman; Gloria Mason, Clerk/Secretary; Jean Heberer, Treasurer; Kurt Womack, Member at Large
District Accountant Stephen Crandall was present to provide Budgeting guidelines as well as District Manager, Don Bohlier. In addition there were approximately 16 attendees.

BUDGET AND RATE REDUCTION STUDY SESSION

David introduced Stephen Crandall and explained his work of producing a budget with the 2013-2014 Water Rates.

Stephen explained that changes have taken place in expenses since January 2015 like Management, Office Rental, Annual Audit but most other expenses would remain the same. This doesn't include new projects the board has in mind and how to use the current resources. A Budget Session would help achieve that. He provided a detailed item work sheet showing what is included in the projected reduced rate budget. These detailed items are used to track the budgeted items with invoices attached to the line items. He briefly discussed our goals and options. He felt we need a cohesive board to get outside financial help.

Kurt wanted to know where to put Engineering as a line item. Gloria felt we need a Capital Improvement item that can be used for whatever we need because we do not have enough time to get Cost Estimates before we have to come up with a Budget.

Stephen had toured the meters in the alleys before the meeting and felt that might be a high risk area and that an assessment of what is at highest risk should be considered. Kurt was concerned with lowering water rates and not having enough money for Capital Improvements down the road. Gloria pointed out that (according to Don Bohlier) we now have 37% of our residents that are 30 days or more behind on their payments and that it does no good to have high rates if the residents can't pay them. Helping those who are behind on payments generated some audience participation.

Discussion on needed funds and what is available ensued. Gloria again presented her plan at the Old Rate Structure to use Full Time Employees to do Leak Repairs and System Replacement at the same costs we presently encounter using Contracted Management and Leak Repairs done by Contractors. Discussion about District Employees between the Board and Residents ensued.

Stephen encouraged the Board to do independent research into cost of new Budgeted items.

The Notice of Rate Hearing was discussed and the process needed to reduce rates was explained and how the Notice of Hearing previously presented would need to be updated to allow enough time.

Gloria Motioned to Return to all the Rates of FY 2013-2014. Bill seconded. The motion passed with Kurt and Jean voting no.

TRANSACTION PRIVILEGE TAX REPORTS

The Notice of Unpaid Sales Taxes was given to Stephen and passed on to Gloria who has been researching to find proof that we paid those taxes. Ms. Hart from the Az. Dept. of Revenue met with Gloria on March 10th when Gloria presented to her what she had found and explained the reason for the lack of information. Ms. Hart said they mostly just wanted information on responsible parties and she did not think they would require payment since most of the missing returns were from 2008 & 2009. The information they are requiring includes Social Security Numbers of Each Board member which the Board is uncomfortable with so we are waiting on our attorney's recommendation.

FUTURE AGENDA ITEMS

Kurt and Bill agreed to report on a Leak Detection Plan.

Jean and Kurt wanted a Budget Study Session ASAP. Each Board Member is to come up with a line item budget that could use some of the reserves.

Jean and Kurt wanted the Employee Issue included in the Budget Discussion.

ADJOURNMENT

Chair, David Mason adjourned the meeting at 4:30 PM

Approved on Mar 23, 2015. Prepared by Gloria Mason, Clerk/Treasurer
Posted at Hope Chapel 5145 Ramada Dr. Prescott, Az. 86301 2015.