

MEETING MINUTES OF OPEN PUBIC MEETING
BOARD OF DIRECTORS
DIAMOND VALLEY WATER DISTRICT (DVWD)
STEPPING STONES COMPLEX
(6719 E. 2ND ST., PRESCOTT VALLEY, AZ)

7:00 PM
Monday, April 6, 2015

RATE HEARING

1. CALL to ORDER

Chair David Mason called the meeting to order at 7:01pm.

2. ROLL CALL of BOARD MEMBERS P = PRESENT NP = NOT PRESENT

DAVID MASON (P)

BILL HUNT (P)

GLORIA MASON (P)

JEAN HEBERER (P)

KURT WOMACK (P)

Also present: Don Bohler FOR DISTRICT MANAGEMENT, **Robert Kozak** AS DISTRICT ATTORNEY, **Supervisor Jack Smith** FOR YAVAPAI COUNTY. 34 signed in, approximately 40 attended.

3. INTRODUCTION TO HEARING BY CHAIR

D. Mason explained procedure for putting names on cards. Explained the reason to reduce rates was because the 60% increase was to be able to pay for \$5M loan, which is not longer on the table.

4. COMMENTS FROM THE PUBLIC - PUBLIC INPUT ON RATE REDUCTION

AGAINST the reduction:

1. Robert Johnson (?)- Note that no motion was made to have this meeting. Need engineering study to know what to do. Compared service charge to Prescott of \$10,333 for 3/4", \$5,300 hook-up. Need an audit.

FOR the reduction:

1. Terry Cracraft (Amber Rd.) - Commented on attendance of County meetings, establishment of District, complained about previous management, remarked about Board members, volunteered '07-'08.

2. Jim Morgan (Emerald Dr.) - Never thought problems were that serious, high rates a hardship, if it turns out we need an increase can do it later, a CPA is expensive and legal fees high. Don Bohler and Mr. Morgan were instrumental in forming the District, was Chair on first Board.

3. Dave Cracknell (Sapphire Dr.) - Need to step back get engineering study, have a reserve to tap into, reduce rates so people don't go into bankruptcy. Need to plug leaks, saw it's down to 23% because of Don. Can adjust rates after engineering study.

4. James Holt (Crystal Dr.) - Use caution before moving forward.

5. Beverly Allisone (Lapis Dr.)- Appreciates communication with Board. High rate hardship on some people. We need to raise some earnest money. Don doing great job, doing more than previous management. Priority is leak detection, then need engineering report, do in steps, don't have to pay through nose.

5. CLOSE OF PUBLIC HEARING - ADJOURNMENT

Meeting adjourned 7:16 PM.

SPECIAL SESSION

1. CALL to ORDER

Chair David Mason called the meeting to order at 7:16 pm.

2. ROLL CALL of BOARD MEMBERS P = PRESENT NP = NOT PRESENT

DAVID MASON (P)

BILL HUNT (P)

GLORIA MASON (P)

JEAN HEBERER (P)

KURT WOMACK (P)

K. Womack requested who else present, Supervisor Smith and assistant Hale William, our attorney Mr. Kozak, and Manager Don Bohler.

3. BUSINESS

1. Ratification of March 14, 2015 Special Session vote to return to 2013-14 rate schedule

D. Mason motioned to ratify the March 14 vote to return to the 2013 - 2014 rate schedule effective for the April billing cycle.

Second by B. Hunt.

APPROVED: D. Mason, G. Mason, B. Hunt.

ABSTAIN: J. Heberer.

NO: K. Womack.

2. Acceptance of Resignations

D. Mason motioned to accept the resignation of Gloria Mason.

Second by K. Womack.

APPROVED: D. Mason, G. Mason, B. Hunt, J. Heberer, K. Womack.

ABSTAINED: G. Mason.

B. Hunt motioned to accept the resignation of our Chairman Dave Mason.

Second by J. Heberer.

APPROVED: B. Hunt, J. Heberer, K. Womack.

ABSTAIN: D. Mason.

Time: 7:19 PM.

3. Board Member Appointments

Vice Chair B. Hunt opened up discussion of applicants.

Dave Cracknell: K. Womack asked about his civil engineering experience. D.C. California from 1994 to 2008 when economy dumped; retrained as pharmacy technician. Wants to progress getting system improved, not going to happen overnight, get engineering report off and running to find out what we need. K.W. asked if D.C. understood that we were ready to hire an engineer to design the system at the end of last year. D.C. Yes, understands water

systems, fire flow, etc., can look at report from technical standpoint. *K.W.* asked about timeline. *D.C.* Should get started a.s.a.p., get an engineer on board and get a report, hopes no rate increase, have good amount in reserve to tap into. *K.W.* asked about working with budgets. *D.C.* Yes. *B.H.* impressed with resume. *J.H.* asked how many meetings attended. *D.C.* This is first one, as he told the Masons, going to be all in. *J.H.* Full time resident? *D.C.* Yes.

Jo Ann Holt: *K.W.* asked about finance director experience. *J.A.H.* Non profit organization in Henderson NV assisting people. *K.W.* asked about dealing with bureaucracy for grants and loans. *J.A.H.* No. *K.W.* asked about budget experience. *J.A.H.* Yes, every year. *J.H.* asked about being retired. *J.A.H.* Yes, over a year. *J.H.* asked how many meetings attended. *J.A.H.* This is 4th.

James Holt: *K.W.* clarify about him making contact with a former manager of a county regarding grant funding. *J.H.* Person in Clark Co. was a grant writer professor before they became manager, he would be happy to help.

Bob Johnson: Stated, thought he would have gotten on the Board before ratification. Once engineering study is done, and find out we need to spend lots of money, going to have a hard time to raise the rates again. Should have an audit, would demand before coming on this Board. *K.W.* asked about budget experience. *B.J.* Believes this Board should hire people to do the budget, his school board experience showed professional staff did that.

K.W. asked attorney about appointment process, advised that it's up to the Chair.

B. Hunt motioned to appoint Dave Cracknell as a Board member, second by *J. Heberer*.

APPROVED: 3-0.

Attorney Kozak wanted clarification for what TERM to fill, *K.W.* pointed out the ENTIRE Board decides what seat for all members. *B. Hunt* motioned to have Dave Cracknell to fill David Mason's 4 year term. Second by *J. Heberer*.

APPROVED: 3-0.

B. Hunt motioned to appoint Jo Ann Holt to fill Gloria Mason's partial TERM, second by *J. Heberer*.

APPROVED: 3-0.

4. ADJOURNEMENT

Meeting adjourned at 7:42 PM

Meeting Minutes by: Kurt Womack, DVWD's INTERIM Clerk/Secretary prepared and made available on 4-20-15

DRAFT/To Be APPROVED of these Meeting Minutes sent via email to all current Board Members and Management for review. Board approval to be an agenda item at the next scheduled DVWD REGULAR Meeting. In addition, two copies maintained and available in a file box at 1150 N. Opal Dr. Prescott, AZ 86303 (until permanent location is determined) in Diamond Valley for interested public.

An email copy of future DVWD Meeting Minutes and Agendas can be sent by requesting to be put on the electronic PerDVEmailRequest group list and providing an email address to: <http://diamondvalleywaterdistrict.com>

APPROVED ON: 4-17-2015 by *B. Hunt, J. Heberer, K. Womack, D. Cracknell, J.A. Holt.*