

MEETING MINUTES OF OPEN PUBIC MEETING
BOARD OF DIRECTORS
DIAMOND VALLEY WATER DISTRICT (DVWD)
LEGAL AID BUILDING
(1277 N. RHINESTONE, PRESCOTT, AZ)
7:00 PM
Monday, July 27, 2015

CALL to ORDER

Chair D. Cracknell called the meeting to order at 7:05 pm.

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

DAVE CRACKNELL (P) BILL HUNT (P) JEAN HEBERER (P)
KURT WOMACK (P AFTER 8:00) JO ANN HOLT (P)

Also present: Don Bohler FOR DISTRICT MANAGEMENT. 11 DV Members of the Public; Prescott Valley: Richard Parker; RCAC: Deborah Patton, USDA Jeff Hays.

1. MANAGER'S REPORT

692 customers, 19% water loss. Settling of the Opal water tank, 2" fitting broken drained the tank, suggests leveling the tank which requires a standby tank. Several other repairs reported.

Meter replacements: all obvious malfunctioning meters replaced, but still expect some more.

2. TREASURER'S REPORT

J. Heberer reported not much changed, total in accounts \$714,721, total bills paid \$38,299 (new meters \$971), total liabilities and equity \$1,319,740 (2.4% increase from last month). Income for June \$53,116 (\$7,754 increase from May). Total operations and maintenance higher at \$8,626.

Fiscal Year: due to change of rate, total income is down \$63,000 from the budgeted amount, the total expenses down \$58,381. Used 87.9% of budgeted annual utility costs, Operations & Maintenance actual cost \$100,120 (113%), under professional services the Management & Operations actual is \$137,783 is 78% of the budgeted amount due to change of management. Accounting and bookkeeping actual \$19,082 is 397% budgeted, legal fees \$26,037 is 1,402% more than budgeted. Total expenses were 87.5% below budget, total income was 81.3% below budget.

3. VERIZON CONTRACT/CONSTRUCTION

D. Cracknell reported completion of foundation, meter boxes. Attorney Whittington still working with Verizon on payment details.

4. UPDATE EASEMENT ENCROACHMENT/SERVICES NOT IN DISTRICT

D. Cracknell has been consulting with attorney Kozak regarding notifications.

Considering identifying addresses outside of the District boundaries to get them annexed into DVWD.

5. COMMITTEE UPDATES

A. B. Hunt reported our help from Kevin Grief on mapping and finding more valves, stalled at the moment. J. Heberer was asking for information from Gavin Pehl, *received*. Kevin urged getting professional leak service now, knows who can. Kevin suspects a big leak between Rose Quartz pump house and Ramada tank. Still don't know what sections can be shut off because all valves not found.

B. Finance grant writing: D. Cracknell motioned to Table, J. Heberer seconded.

APPROVED: 4-0.

6. PRESENTATION BY DIAMOND VALLEY WASTE WATER WORKING GROUP

Barry McCoy reported the efforts of the Town of Prescott Valley, for adding a waste water (sewer) system. Due to increased regulations, time, failing systems, and the cost of replacing a septic system nowadays, the need is more critical.

D. Patton did a median income survey a few years ago for DV (which is lower than county average), to help apply for funding, which is still useable. ADEQ has a program available now to determine funding costs.

J. Hays gave basic explanation of funding with 40 year loan, grants if available, based on engineering report. Assessment district easier than rates only. Time frame to construction 1 to 3 years. Economy of scale is very important for lower costs.

D. Patton emphasized that engineering is required before any funding is done. She explained why WIFA won't fund twice for same projects, DVWD is limited to other things like planning and design since they helped us before.

R. Parker reported that PV retired their bonds last year. PV has a stake in receiving waste water back from DV since they supply water. Explained how the assessment amount of a property is less than increased value with paved street and sewer. For multiple lots, In Lieu Of Assessment applies for someone who wants to build a home on a lot, they pay more for hook-up then. ADEQ now requires when one wants to sell, need a septic inspection; if it fails, can't sell your home until septic is replaced (or have sewer).

J. Heberer asked about what change to codes for DV to Parker; whatever County code exists now such as RV parking, weeds, will be the same, pre-existing uses. What will owners be expected to do with abandoned septics; fill tanks with sand, crush, paid by owner (can be included in assessment).

K. Womack (arrived about 8:00) made a motion to formally acknowledge cooperation with the proposed WWD, failed to get a second. J. Heberer said the Board acknowledges the existence, wondered what *is* purpose of the motions. K. Womack explained that applying for funding by two districts for the same area could cause a problem, need cooperation to avoid conflict. D. Cracknell said we will work together.

All depends on what the community wants via proper petition.

CALL TO THE PUBLIC

Question, wanted to see picture of Verizon installation.

Extensive continued discussion about WWD.

7. FUTURE AGENDA ITEMS

Executive Session with contractors. Approval of Minutes. Resolutions review. Opal tank. Newsletter. Hiring leak detection service.

8. ADJOURNMENT

D. Crandall moved to adjourn by consensus.

Meeting adjourned at 9:35 PM

Meeting Minutes prepared by Kurt Womack, Clerk/Secretary and made available on 8-9-15. *Revisions in italics.*

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 Permanent location at 1277 N. Rhinestone Dr., #2, Prescott, AZ 86301 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: 8-24-15 by D. Cracknell, B. Hunt, J. Heberer, K. Womack, J.A. Holt.