

**MEETING MINUTES OF OPEN PUBIC MEETING**  
**BOARD OF DIRECTORS**  
**DIAMOND VALLEY WATER DISTRICT OFFICE**  
**(LEGAL SHIELD BUILDING)**  
1277 N. RHINESTONE, PRESCOTT, AZ  
**10:30 AM**  
**Wednesday, April 20, 2016**

**CALL to ORDER**

Chair Dave Cracknell called the **Special Session** to order at 10:38 am.

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

**DAVE CRACKNELL (P)    JEAN HEBERER (P)    JO ANN HOLT (P)**  
**KURT WOMACK (P)    BILL HUNT (P)**

**Also present: Don Bohler** for District Management; 3 DV Members of the Public. B. Hunt excused at 12:04 (\*).

**ADMINISTRATIVE HOUSEKEEPING**

No report.

**1. BUDGET WORKSHOP PART THREE**

A) D. Cracknell had passed around Worksheet to Board members Two members of the Public requested copies, they were informed that it was for Board members use only. Noted revisions, Capital improvements and Outlay line item \$140,000 (includes allocation of \$12,200 for survey at Lisa, and fencing at both Lisa and Opal tanks).

D. Cracknell listed the following figures on the whiteboard:

INCOME: \$600,000

EXPENSES \$607,460

Contingency portion of the budget will be funded from reserves, \$60,000. After allocation for contingencies \$240,000 is left in Reserves. For a “non-profit” water district, this is “cash to burn”. No justification for a rate increase. Base rate to remain the same (\$43) for FY2016-2017.

Jean Heberer started discussion about meters, notably larger sizes. She pointed out that 1” was showing at \$35.70, when 5/8” or 3/4” was \$43.00. Then discussion about what size meter DVWD would have. It was determined that 2” would be the largest meter used at this time. Meter sizes 3” to 6”, will be removed from rate and fee schedule.

D. Cracknell asked do we want to increase the Systems Improvement Surcharge. No changes suggested Improvement surcharge to remain the same (.70 cents per 1000 gallons) for FY 2016-2017.

J. Heberer said we should incorporate the 2% increase for Prescott Valley into usage charges. D. Cracknell calculated new costs with the 2% increase: 0-3,000 Gallons \$6.17, 3-8,000 Gal. \$7.65, over 8,000 Gal. \$9.59. D. Cracknell added a hearing would be required.

J. Heberer motioned to increase Commodity Rates 2%; D. Cracknell seconded.

**APPROVED: 5-0.**

C) D. Cracknell opened the discussion on hookup fees by listing the following figures on the whiteboard:

INCOME:

94% user rates

02% Hookup fees

04% Misc.

D. Cracknell stated that the Hookup Fee was such a small percentage of the district income. I was also brought to the attention by some of the board members that the hookup fee was too high citing that building would have to add a septic system since there is currently no sewer system in place, thus a lowering of the hookup would probably make good business sense. J. Heberer said the original thought was new hookups tax a system. K. Womack asked what the trade off of lowering the fee with bringing in a few more new homes. Discussion about costs with D. Bohlier. J. Heberer suggested \$4,400, asked what the fee would be figured out, if it had been increased 3% per year since 2009 it would be around \$5,000.

Open discussion began trying to compare to fees in surrounding municipalities but couldn't find any that would be a fair equivalent as the development fees in the surrounding areas included all public services (Police, Library, Parks etc) in addition to water service hookups.

B. Hunt suggest a fee of \$4,000. J. Savage from the public audience suggested a fee \$3,500. The question was posed how many more new houses would be needed to make up for lower hookup fee? K. Womack calculated approximately 2.2 additional homes. D. Cracknell suggested a fee of \$3,800 (roughly splitting the difference).

D. Cracknell motioned that the HOOKUP FEE be \$3,800; J. Heberer seconded.

**APPROVED:** 5-0

Separate Hearings for Rate Hearing / Hookup Fee to be scheduled.

D. Bohlier was asked for input. He asked for the "Deposit" be increased to \$250. Discussion ensued about credit checks; J. Heberer wanted to consider knowing more work for Manager. B. McCoy saw a service for \$19.95/mo for credit, with background, eviction reports. K. Womack asked for "jackrabbit" report in his Manager Report; average skipper account \$200. D. Cracknell proposed a \$30 establishment fee to cover the credit check. Further discussion on fees was tabled until 4-27 monthly session while the Board awaited further direction from counsel and CPA regarding the Establishment fee \$2.22 tax and if we could only run credit checks on renters. (\*)

D. Cracknell Tabled the setting Hookup Fee, Deposit, Commodity Rates after District Consul Kozak approves. Discussed timeline for Hearing ads. Proposed May 9 for Hookup/Rates Hearing, May 16 Rate Hearing.

## **CALL TO THE PUBLIC**

No Comments.

## **2. 4-25 AGENDA**

Regular monthly reports, plus draft resolution for mandated Hookup to system facilities, legal opinion on subdivision easements, and finalize the fees portion of the rate and fees schedule. J. Heberer commented that was a long agenda to go along with the regular monthly reports and asked if any of the items can be reschedule to another meeting(s). D. Cracknell revised the upcoming agenda to only finalizing the fee schedule along with the regular monthly reports. D. Cracknell stated a revised draft agenda for April 25 will be sent out for review and comment prior to finalizing for web posting Thursday morning.

## **ADJOURNMENT**

**Meeting adjourned at 12:18 PM.**

NOTE: [M00.00.2015] Indicates reference to Minutes from previous meetings.  
[aa] Robert's Rules Of Order.

Meeting Minutes prepared by Kurt Womack and Dave Cracknell, Clerk/Secretary and made available on 5-24-16.

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:** \_\_\_\_\_ by D. Cracknell, J. Heberer, J.A. Holt, K. Womack, B. Hunt.