

MINUTES OF OPEN PUBLIC MEETING

BOARD OF DIRECTORS
DIAMOND VALLEY WATER DISTRICT OFFICE
(LEGAL SHIELD BUILDING)
1277 N. RHINESTONE, PRESCOTT, AZ

10:00 AM
Friday, April 07, 2017

CALL to ORDER

Chair Dave Cracknell called the **Special Session** to order at 10:03 am.

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

DAVE CRACKNELL (P) JO ANN HOLT (P) KURT WOMACK (P)
BILL HUNT (NP) BARRY MCCOY (P)

Also present: No Members of the Public. **Don Bohler** for District Management.

ADMINISTRATIVE HOUSEKEEPING

A. Approval of Minutes for Monthly Session March 27, 2017.

D. Cracknell had revisions. K. Womack made the motion to approve amended Minutes for the January 25, Regular Meeting; seconded by J.A. Holt.

APPROVED: 4-0.

Due to S. Crandall delay, D. Cracknell requested a **change of order for the Agenda**, approved by consensus. New item number: (x).

B. McCoy *stated he is meeting with Supervisor Smith on April 21 for the proposed WWID, asked if Chairman Cracknell can attend. Chairman Cracknell requested a formal invite and will get back to Barry.* K. Womack pointed out that we cannot have more than two members attend due to Open Meeting Law, with no prior notice.

Don Bohler told us about APS hitting a 4" main pipeline on Paul St. (Unit 8) when putting in a power pole. It goes across a lot without an easement. K. Womack asked if this area that appears to be abandoned is active; yes. Discussed adding a shut-off valve for this area.

B. McCoy *stated the owner of the lot at Steven Dr. and Warren Dr. has a lot that is currently outside the DVWD, in regards to the the DVWD boundary.*

(1). ADWR POSITION ON DIAMOND VALLEY'S WATER CONSERVATION MEASURES

Former Chair Marielle LaMar contacted the Board expressing concern about lack of progress towards reducing water loss. Dave Cracknell read the response letter from ADWR:

It is ADWR's preference to work proactively with providers who find themselves non-compliant with L&U. We acknowledge that overnight success for a struggling utility is unrealistic and the best strategy for improvement is continued efforts and communication. Diamond Valley has been a model example by its continued dialogue with ADWR of its continued efforts. Diamond Valley has demonstrated their continued commitment to reducing its water loss in such a way that is feasible for its unique dynamic and available resources, yet steadily progressing towards its target. Although Diamond Valley is still over its 15% L&U, they are not in any danger of receiving sanctions from ADWR, provided they maintain the same level of commitment to improvement and communication.

Presently, ADWR preferred action plan is for Diamond Valley to continue to address and repair the pipes, meters and other infrastructure as you have reportedly been doing to meet compliance levels of 15% or less lost and unaccounted for water.

[Addendum by District Attorney Kozak was also read]: The District is to take “economically reasonable” steps to comply with the water conservation requirements. Clearly this means that you are not to spend 1,5 or \$20,000,000 to totally rebuild the system.

K. Womack explained that the previous Board had a System Replacement planned, but that it was derailed. He also mentioned having attended a Town Hall about water issues last year, partially run by former ADWR personnel who had requested more funding for ADWR.

B. McCoy stated that he is meeting with Supervisor Smith on April 21 regarding progress towards the proposed Waste Water Improvement District. See Administrative Housekeeping.

K. Womack and other board members, and Manager, complimented the Chair on doing a great job considering the circumstances.

(2). BUDGET WORKSHOP PART ONE - LED BY STEPHEN CRANDALL

Delayed due to scheduling conflict. Some discussion about Manager Bohler and Chair Cracknell who developed a Capital Improvement priority list. S. Crandall arrived at 10:29.

A. Regular Expenses: Discussed each line item. Due to increase in new construction, will have more revenue. Expect slight increase in repairs and maintenance. Possible sale of DVWD lots not included in the Budget. Some office items will have lower projection. Printing for the next newsletter added into operations, with a new sub-category. Management/Operations/Administration (Granite Springs) will remain the same.

B. Professional Consultants: Slight increase for website management. This year will be a financial review, not an audit. Steven Crandall has been billing DVWD at a lower hourly rate of \$75, typical is \$150, requested an increase to \$95, will be put on next Agenda. We are under the legal fees budgeted, but will keep the same amount *for FY 16-17 budget*. Verizon tower lease *payments are current*.

(3). BUDGET WORKSHOP PART TWO PREVIEW

S. Crandall stated that our Emergency Reserve should remain at 6 months operating expenses. Capital Improvement priority list will be reviewed.

Preliminary figures will be given to S. Crandall and returned as a more finalized Budget.

Scheduled meeting for next Friday.

ADJOURNMENT

Meeting adjourned at 12:00 PM.

NOTE: [M00.00.2015] Indicates reference to Minutes from previous meetings.

[aa] Robert's Rules Of Order. *Revisions in italics.*

Meeting Minutes prepared by Kurt Womack, Clerk/Secretary and made available on 04-14-17.

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: APRIL 14, 2017 by D. Cracknell, J.A. Holt, K. Womack, B. McCoy, B. Hunt.