

**UNAPPROVED UNOFFICIAL
MINUTES OF OPEN PUBLIC MEETING
BOARD OF DIRECTORS
DIAMOND VALLEY WATER DISTRICT OFFICE
(FORMERLY KNOWN AS LEGAL SHIELD BUILDING)
1277 N. RHINESTONE DR., PRESCOTT, AZ**

7:00 PM

Thursday, November 15, 2018

CALL to ORDER

Chair Dave Cracknell called the **Regular Meeting** to order at 7:01 pm.

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

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

Also present: One Member of the Public. **Don Bohler** for District Management was in attendance, David Snyder CPA, and John Sullivan representing Crandall accounting.

1. FORMAL ANNOUNCEMENT OF BOARD VACANCY BEGINNING 1-1-19

Chair Cracknell stated that there will be one Board seat vacant starting January 1, 2019. Notice will be posted on the DVWD website within a week.

2. ANNOUNCEMENTS

Chair Cracknell said that because there was no election, it had been cancelled. Only he and David Mason pulled election paperwork.

3. FISCAL YEAR 2017-18 AUDIT - PRESENTATION BY MR. DAVID SNYDER

Mr. David A. Snyder CPA, PLLC provided copies of the 13 page Financial Statements document to the Board, and gave a summary of the highlights:

“... During the year, the District’s total net position increased by \$141,050. Total District operating revenue received in 2018 increased by \$65,997 from 2017. Total District operating expenses in 2018 increased by \$32,349 from 2017.

...

Net Position - comparison of June 30, 2018 and 2017:

Total assets:	\$1,657,563	\$1,546,521
Total liabilities:	\$120,748	\$150,756
Total net position:	\$1,536,815	\$1,395,765

...

Cost of water delivery and operations increased by \$22,745 in 2018 as a result of increase in water sales by \$52,553.

...

Total operating revenues from 2017 to 2018 increased by \$65,997; the increase was a result of an increased water usage and increased numbers of water users in 2018.

Total water delivery and operating cost was \$349,469 and \$326,724 in 2018 and 2017 respectively. The increase of \$22,745 is primarily attributed to the increase in water purchases for the period.

During fiscal year 2018 there were no modifications to the District's original adopted budget. Total actual operating revenues are \$636,065 which was over the original budgeted amount of \$590,000 by \$46,065. Total actual expenses for operations, professional services and administration during 2018 was \$563,569, this includes depreciation expense of \$31,375, a non-budget item.

...

The District's total revenues and expenses were both over the budgeted amount for the fiscal year ended June 30, 2018. This is mostly the result of an increasing number of residents in the District's serving boundaries. In addition, ... the District's board budgeted \$210,000 for a digital meter remote read and underground installation within the District. The total cost of those improvements for the period amounted to \$316,751 which is over the original budget by \$106,751. ...

...

Total property, plant, and equipment, net ..." for 2018 is \$1,087,927, for 2017 was \$802,551.

4. ADMINISTRATIVE

A) Approve Monthly Meeting Minutes, October 25, 2018.

Chair Cracknell had some minor revisions.

K. Womack made the motion to accept amended Minutes, seconded by B. McCoy.

APPROVED: 5-0. Cracknell - YES, McCoy - YES, Holt - YES, Womack - YES, Hunt - YES.

5. MANAGER'S REPORT

Monthly Report. Don gave his report.

October Monthly Report:

Total active customers - 751; Total Water Sales Revenue - \$15,236.43; Total Base Service - \$32,063.28; Total Late Fees - \$2,277.96 (no complaints); Total Tax collected - \$3,102.01 (AZ Municipal tax \$14.48); Total Current charges - \$54,699.40. Total Establishment Fees - \$455.00.

Using the current RVS system, Average water bill \$69.19; Total Gallons pumped - 3,403,041; Total Gallons Sold - 2,214,712; Accounted Water Loss - 200,000; Unaccounted Water Loss - 988,329; actual **PERCENT WATER LOSS - 29.04%**. Meters read from 9-20-18 to 10-19-18, 30 days.

Applications 5 owners and 4 renters, three new hook-ups at 1761 Crystal, 1500 Victor, 4960 Mary Dr. Water quality tests were good for total Coliform (two per month).

Repairs: Went around with the leak detector, and dug these up just in case and they needed upgrade anyway. On 10/10 at 1955 & 1957 Quartz Dr. no leak but did upgrade. 10/15 at 1182 Nancy Dr. leak called in by customer who stated that it was leaking for several days thought it was rain water, leaking about 30 GPM (gallons per minute), estimated loss 100,000 gallons, 4" main was broken by tree roots. 10/15 at 1944 Quartz Dr. dug up but no leak, did upgrade. 10/17 at 1913

Quartz Dr. dug up but no leak, did upgrade. 10/19 at 5075 Ramada Dr. had 4" main leak at a coupling, been leaking for some time at 5 GPM, for 30 days would be 216,000 gal., Don estimated 100,000 gal. Kurt asked how that leak was occurring; it was the rubber seal that failed. 9/19 at 5428 & 5444 Sapphire double service, detected leak was at the saddle, did upgrade. 10/22 at 5460 & 5473 Sapphire double service, detected something but found no leak, did upgrade. 10/24 at 5465 & 5473 Sapphire double service, detected and found service line leaking for some time (estimated amount will be on next month report). 10/25 at 5239 Sapphire detected but found no leak, but did upgrade. Mike (in attendance) was walking dog on Miner past Donna Dr. and found exposed water main, found a leak estimated 5 GPM, which will be on next month report. Douglas Dr. and Nomadic Desert Trail seem to have signs of leaks.

Kurt asked if Pehl has primarily been used; Don said yes because the other approved contractors have been too busy, Gavin has been responding every time very quickly. Cracknell asked where the total gallons pumped figure comes from; Don said from the master meters in the Rose Quartz pump house. Kurt asked if it's at the start of every read; yes. Kurt asked about the routine now, asked if a reading could be taken first and then last to see how much runs during the data reading with the remote system.

6. TREASURER'S REPORT

Barry McCoy had two months to report. The County was not getting their report to accountant in time before the meeting, regarding interest in the County account.

September 27, 2018:

Category	30-Sept.-18	31-Aug.-18	% Change
Cash Balance	\$554,138.07	\$529,165.08	4.72%
Accounts Receivable	\$ 65,675.27	\$ 64,062.93	2.52%
Total Income	\$ 63,108.04	\$ 59,029.16	6.91%
Cost of Water (PV)	\$ 19,116.99	\$ 17,500.00	8.46%
Repairs & Maintenance	\$ 35,518.10	\$ 10,416.67	**%
Capital Outlay - Service Line Replacement	\$ (17,004.13)	\$ 5,833.33	**%

October 25, 2018:

Category	31-Oct.-18	30-Sept.-18	% Change
Cash Balance	\$542,753.57	\$554,138.07	-2.05%
Accounts Receivable	\$ 61,104.13	\$ 65,675.27	-6.96%
Total Income	\$ 65,637.05	\$ 59,780.08	9.80%
Cost of Water (PV)	\$ 15,869.86	\$ 19,116.99	-20.46%
Repairs & Maintenance	\$ 585.05	\$ 35,518.10	**%
Capital Outlay - Service Line Replacement	\$ 10,540.59	\$(17,004.13)	**%

**Percentage not shown due to variability extremes.

CALL TO THE PUBLIC

Michael Schumacher asked who was leaving the Board; Chair Cracknell said he will remain on the Board, David Mason will be new on the Board, with only one vacant seat because Bill Hunt and Jo Ann Holt terms are up. Mr. Schumacher had attended meetings during the transition period, appreciated how the Board has been operating since then. He has also been watching what the County is doing for paving our streets.

7. NEXT MEETING PREVIEW

Third Thursday Dec. 20. Regular reports.

ADJOURNMENT

Adjourned by consensus.
Meeting adjourned at 8:09 PM.

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

Meeting Minutes prepared by Kurt Womack, Clerk/Secretary and made available on 11-27-18.

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, B. McCoy, J.A. Holt, K. Womack, B. Hunt.

