

MINUTES OF OPEN PUBLIC MEETING

BOARD OF DIRECTORS
STEPPING STONES COMPLEX
6719 E. 2ND ST., ROOM #2, PRESCOTT VALLEY, AZ

7:00 PM
Thursday, June 27, 2019

CALL to ORDER

Chair Dave Cracknell called the **Regular Meeting** to order at 7:03 pm.

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

DAVE CRACKNELL (P) JO ANN HOLT (P) KURT WOMACK (P)
MIKE SCHUMACHER (P) DAVID MASON (NP)

Also present: One Member of the Public, guest of Chairman. **Don Bohlier** for District Management was in attendance.

NOTE: New Board Member Schumacher will abstain until Oath has been recorded with County.

1. ANNOUNCEMENTS

New member Mike Schumacher still needs to go to Yavapai County to swear Oath.

Our Yavapai County Supervisor, Jack Smith had resigned because he was appointed to President Trump's Administration. County Supervisors will need to appoint his replacement.

Still working with Chase Bank about check reader. Will arrange getting M. Schumacher signed onto DVWD Chase Bank account.

2. ACCEPT RESIGNATION OF BOARD MEMBER DAVID MASON

David Mason submitted a letter, due to health and other reasons, had to resign.

K. Womack, made the motion to accept Mr. Mason's resignation, seconded by D. Cracknell.

APPROVED: 3-0. Cracknell - YES, Holt - YES, Womack - YES, Schumacher - abstain.

3. DVWD WEB DOMAIN NAME CHANGE

Chair Cracknell said the 26 letter long address was *much* too long, "DVWD" has been taken, offered two proposed addresses. John Sullivan at DVWD accountant Crandall's office researched alternatives, "dvwdist" was voted for new domain. John Sullivan at Crandall's office will be authorized to begin transition to new web domain name.

4. TREASURER'S REPORT

| Category | 30-April-19 | 31-May-19 | % Change |
|-------------------------------------------|--------------|--------------|----------|
| Cash Balance | \$525,450.23 | \$537,457.55 | 2.29% |
| Accounts Receivable | \$ 57,391.79 | \$ 60,798.21 | 5.94% |
| Water Revenues | \$ 48,160.99 | \$ 52,850.78 | 9.74% |
| New Hookup Contributions/Fees | \$ 8,100.00 | \$ -0- | **% |
| Total Income | \$ 62,214.59 | \$ 53,458.11 | -14.07% |
| Cost of Water (Cal. Mo.) | \$ 14,556.99 | \$ 15,144.64 | 4.04% |
| Repairs & Maintenance | \$ 12,055.13 | \$ 1,548.80 | **% |
| Capital Outlay - Service Line Replacement | \$ 4,363.34 | \$ 565.62 | **% |

**Percentage not shown due to variability extreme variability.

5. ADMINISTRATIVE

A) Approve Special Session Minutes for June 14, 2019.

Chair Cracknell had some minor revisions.

K. Womack made the motion to accept amended Minutes, seconded by J.A. Holt.

APPROVED: 3-0. Cracknell - YES, Holt - YES, Womack - YES, Schumacher - abstain.

B) Sign and Enact Amended By-Laws. **TABLED.**

6. MANAGER'S REPORT

A) Monthly Report. Don gave his report.

May Monthly Report:

Total active customers - 750; Total Water Sales Revenue - \$16,215.71; Total Base Service - \$32,099.11; Total Tax collected - \$3,186.02 (AZ Municipal tax \$15.12); Total Current charges - \$54,663.71. Total Establishment Fees - \$350.00.

Using the current RVS system, Average water bill \$70.82; Total Gallons pumped - 3,206,980; Total Gallons Sold - 2,724,919; Accounted Water Loss - 10,000; Unaccounted Water Loss - 482,061; actual **PERCENT WATER LOSS - 15.00%**. Meters read from 4-19-19 to 5-17-19, 29 days.

Applications 9 owners and 3 renters, no new hook-ups. Water quality tests were good for total Coliform (two per month). Some leak detection done, nothing found.

1528 Garnet had a leak, customer's side. 1509 Lapis had rats that ate the ERT wires, was manually read, needed to replace the whole unit. May 20 Ramada water tank cleaning, water loss 10,000 gallons.

B) New Billing Software

Don has brought to the Board's attention a flaw in the RVS billing system that also calculates and reports the monthly water loss. The RVS uses an algorithm that annualized the water loss figure

over the last calendar year (365 days) and not a monthly basis. After having no leaks for 3 months, the water loss is coming back in the high 20% range. Don decided to look into the way RVS does the reporting, plus he was getting inflated numbers with the other system that is under his management. Don did a manual calculation from the actual meter reading at the Rose Quartz pump house, and got a 15% water loss which is a better indication of all the system repairs and improvements. K. Womack stated a concern about the perception of the rate-payers, this may appear to be switching horses mid-stream. Don stated that he is using a different computer billing system for the other water system that he manages, that does not do the calendar year average algorithm. Don will give a more thorough report next meeting regarding this issue.

Don has discussed the new billing software with DVWD accountant Stephen Crandall, and Crandall liked what he saw. Considering the difficulty Stephen has in using the RVS system, he is recommending the Board seriously consider ditching the RVS system in favor of the new billing software Don is using for his other water system. The new billing software comes with a much more user-friendly option for online payments as opposed to the current PayClix which will be discontinued. Chairman Cracknell has instructed Don to start doing the water loss calculations manually henceforth.

CALL TO THE PUBLIC

Doug Bowen from Sedona, is on a water district board. He gave us some ideas how to apply for grants to do upgrades. September is when they interview for proposed projects. *Recommended we* write up a proposal for Ramada water tank replacement (for example). Good information to have *on hand* is income demographics, *the lower the income the better*.

7. NEXT MEETING PREVIEW

Regular reports, proposed new billing system, amended By-Laws. Need to post on website for open Board seat.

ADJOURNMENT

Adjourned by consensus.
Meeting adjourned at 8:06 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 07-03-19.

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: _____ JULY 25, 2019 _____ by D. Cracknell, J.A. Holt, K. Womack, M. Schumacher.