

MINUTES OF OPEN PUBLIC MEETING

DIAMOND VALLEY WATER DISTRICT BOARD OF DIRECTORS

PRESCOTT VALLEY TOWN HALL
CONFERENCE ROOM #330 3RD FLOOR
7501 E. SKOOG BLVD., PRESCOTT VALLEY, AZ 86314

5:00 PM Wednesday, November 18, 2020

CALL to ORDER

Chair Dave Cracknell called the **Regular Meeting** to order at 5:08 pm.

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

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

Also present: No Members of the Public. **Don Bohlier** for District Management was in attendance. **John Sullivan** from DVWD Accountant Crandall's office, and **David Snyder**.

1. ANNOUNCEMENTS

By-Laws will be updated and distributed by the end of the month. Jean Dr. design/bid package should be done by the end of the month, and given to Bohlier. Onyx Dr. Temple annexation has been recorded, now officially within the District. Mike Schumacher is official member due to election formality, swore Oath for 4 year term. Governor said we are still in COVID restrictions. Yavapai County is doing survey work Diamond Dr. and Emerald low water crossing. DV documents have been scanned and up to date. Newsletter is not happening. Mike and Kurt heard our Supervisor Mary Mallory on KYCA radio, *she mentioned some things such as flood control for Diamond Valley.*

2. PRESENTATION OF FISCAL YEAR 2019-2020 AUDIT BY MR. DAVID SNYDER

David A. Snyder CPA, PLLC distributed his Independent Accountant's Review Report *for FY ending June 30, 2020*, and gave a summary of highlights.

[...] In 2020, the District's net position increased by \$74,640. Key elements of this change from the prior year are as follows:

- Cost of water delivery and operations increased by \$57,022 in 2020 as a result of increase in water sales by \$23,382.

...

- Total operating revenues from 2019 to 2020 increased by \$24,672; the increase was a result of increased numbers of water users in 2020.

- Total water delivery and operating cost was \$414,877 and \$357,855 in 2020 and 2019, respectively. The increase of \$57,022 is primarily attributed to the increase in water purchases, and repairs and maintenance for that period.

BUDGETARY HIGHLIGHTS

During fiscal year 2020 there were no modifications to the District's originally adopted budget. Total

actual operating revenues were \$626,220 which was under the original budgeted amount of \$640,000 by \$13,780. Total actual expenses for operations, professional services and administration during 2020 was \$661,250, this includes depreciation expense of \$49,307, a non-budget item.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets – The District's investment in capital assets as of June 30, 2020 and 2019, totals \$1,199,693 and \$1,162,107 (net accumulated depreciation), respectively. ... During fiscal year 2020, the District allocated \$157,000 of capital funds for various distribution system projects, including service lines and realignments.

...
The District had no long-term debt [...]

K. Womack asked if we are in a position to do more for improvements; we have plenty of cash, we are under budget, keep doing what we have been. Kurt asked since we have no debt, will there be any issues with grants; some discussion about WIFA loans that have a 30% payback. M. Schumacher asked if our income is enough to service a loan; probably yes depending on some factors such as projected expenses that may have to be curbed.

3. MOTION FOR DVWD TO ABSORB PROCESSING FEE FOR E-CHECK PAYMENTS

Chair Cracknell distributed information to Board members. CUSI had set up a processing charge for *e-payments done by* checks and credit card payments, when they originally told Don there would be no fee. Nichol from Manager's office had contacted APS and Prescott Valley and found they absorb the fees. 69 e-check users, if \$75 bill plus 3% fee would be about \$1,863 yearly cost. Cracknell explained three options: 1. Leave everything as is; 2. District absorb the fee; 3. Get another processing company (which is not *valid*). John Sullivan and Don Bohler gave input to recommend option 2. Autopay is no fee.

Agreed by consensus to Tabled until January. Don said he will see how many complaints will be recorded, and report next meeting.

4. TREASURER'S REPORT

Mike Schumacher handed out copies for two months.

Category	30-Sep-20	31-Aug-20	% Change
Cash Balance	\$605,945.22	\$634,256.82	-4.46%
Accounts Receivable	\$ 73,222.52	\$ 74,776.55	-2.08%
Water Revenues	\$ 53,317.56	\$ 65,095.73	-18.09%
New Hookup Contributions/Fees Total Income	\$ -	\$ -	**
Cost of Water (Cal. Mo.)	\$ 19,768.34	\$ 23,861.66	-17.15%
Repairs & Maintenance	\$ 1,278.06	\$ 6,179.94	**
Capital Outlay - Service Line Replacement	\$ 10,145.60	\$ 2,640.00	**

Category	31-Oct-20	30-Sep-20	% Change
Cash Balance	\$632,225.18	\$605,945.22	4.34%

Accounts Receivable	\$ 69,120.20	\$ 73,222.52	-5.60%
Water Revenues	\$ 55,718.72	\$ 53,317.56	4.50%
New Hookup Contributions/Fees Total Income	\$ -	\$ -	**
Cost of Water (Cal. Mo.)	\$ 22,613.06	\$ 19,768.34	14.39%
Repairs & Maintenance	\$ 4,657.50	\$ 1,278.06	**
Capital Outlay - Service Line Replacement	\$ 4,407.01	\$ 10,145.60	**

**Percentage not shown due to extreme variability.

4. ADMINISTRATIVE

A) Approval of Meeting Minutes September 17, 2020. W. Womack made the motion to accept amended Minutes, seconded by D. Cracknell.

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

B) Approval of Executive Meeting Minutes August 27, 2020. K. Womack made the motion to accept amended Minutes, seconded by D. Cracknell.

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

5. MANAGER’S REPORT

A) September Monthly Report:

Total active customers - 756; Total Water Sales Revenue - \$25,248.20; Total Base Service - \$32,239.54; Total Tax collected - \$3,804.10 (AZ Municipal tax \$22.42); Total Current charges - \$59,931.92. Total Establishment Fees - \$00. Late fees will resume in November.

Average water bill \$79.27; Total Gallons pumped – 4,716,237; Total Gallons Sold – 3,483,300; Accounted Water Loss - 0; Unaccounted Water Loss – 1,232,937. Actual **PERCENT WATER LOSS – 26.14%**. Meters read from 8-19-20 to 9-21-20, 34 days estimate because of problems with the hand-held device.

Applications 6 owners and 2 renters, no new hook-ups. Leak detection from meter reading.

Capital Improvement service lines that were above ground with black poly pipe, for the following: on 9/15 at 1572 Garnet, 9/16 at 1556 Garnet, 9/21 at 1595 Garnet, 9/22 at 1652 Garnet, 9/24 at 1668 Garnet, 9/28 at 1695 Rose Quartz.

B) October Monthly Report:

Total active customers - 764; Total Water Sales Revenue - \$32,800.25; Total Base Service - \$43,668.07; Total Tax collected - \$3,238.78 (AZ Municipal tax \$29.54); Total Current charges - \$54,941.03. Total Establishment Fees - \$280.00.

Average water bill \$71.91; Total Gallons pumped – 3,988,317; Total Gallons Sold – 2,880,110; Accounted Water Loss – 432,000; Unaccounted Water Loss – 676,207. Actual **PERCENT WATER LOSS – 16.95%**. Meters read from 9-21-19 to 10-19-20, 30 days.

Applications 9 owner and 3 renters, no new hook-ups. Leak detection from meter reading.

On 10/12 at 1217 Rose Quartz, Capital Improvement service line which was above ground. 10/12 found inline valve for Silvia Ln. and Rose Quartz, raised the 4 inch valve can. 10/13 at 1090 Opal Dr. Capital Improvement service line was above ground. 10/16 at 4660 Amber service leak, put on a temporary repair clamp, went in 10/20 to replace the black poly, this leak estimate 10 GPM at 432,000 gallons, could have been leaking for months and was running underground to the wash which had some running water (during Exceptional Drought conditions). Also found four houses on one service at top of Robin Dr. *(Dave and Kurt had some questions about the figures; been having issues with formatting the new CUSI system compared to the previous RVS format, still needs to be resolved, correct figures are shown).*

After Report presentation:

M. Schumacher asked about a surge protector proposal for Lisa tank; Don said the pump house isn't feasible for pump replacement or improvement due to pipes in the concrete floor, and the poor construction, professional contractors don't want to touch it. K. Womack asked if we could talk about what the Lisa tank needs for improvement, it needs to be an agenda item for *future* meetings. Don said we could also use a new booster pump at the "dog house" location on Rose Quartz, to pump up Turquoise Dr. *to serve residents at the top of Turquoise to address water pressure issue.* Chair Cracknell acknowledged that we need to have an infrastructure long range planning session. We discussed several possible projects for *future long-term Capital Improvements.* Don also said the builder who cleared two lots at the top of Turquoise had decided to not build.

NO MEETING PLANNED FOR DECEMBER.

ADJOURNMENT

Adjourned by consensus.

Meeting adjourned at 7:05 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 02-08-21.

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 5145 Ramada Dr., 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: contact-us@dvwdist.com

APPROVED ON: February 04, 2020 by D. Cracknell, K. Womack, M. Schumacher, J.A.Holt.