

MINUTES OF OPEN PUBLIC MEETING

DIAMOND VALLEY WATER DISTRICT BOARD OF DIRECTORS

S C Audit & Accounting Systems
1565 Plaza West Dr., PRESCOTT, AZ 86303

5:00 PM Monday, May 10, 2021

CALL to ORDER

Chair Dave Cracknell called the **Emergency Special Session** to order at 5:18 pm.

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

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

Also present: No Members of the Public. **Don Bohlier** for District Management, **John Sullivan** from S C Accounting was in attendance.

Meeting is being called under provision A.R.S. § 38-431.02(D) Major Infrastructure Failure Emergency.

1. ANNOUNCEMENTS

Kurt made the request that everyone reply to emails sent out, clicking “got it” would be enough, to avoid missing meetings. Schumacher verified that a transfer was made for the deposit on the tank. Delivery of tank in about 6 weeks. Soils test is done, only need a gravel foundation, per soils report. Schumacher noticed Prescott sales tax is charged on the tank, we are County so it should not be added.

2. DISCUSSION AND POSSIBLE VOTE CHASE LOAN FOR RAMADA TANK

John *and Dave* have worked with Chase Bank about applying for a \$200,000 loan. The District qualifies, interest rate is fixed. Cracknell has projected a range, depends on temporary tank rental timeframe, will have about \$35 - 55,000 left over, which can go towards a new pumphouse at Ramada. If we don't go for the loan, we have enough in Reserves but will have nothing for another major major failure. Come July we should be talking about a rate increase. Sullivan said that for the loan at 4% interest, for 10 years, payment about \$2,000+ a month, interest would cost \$43,000 for life of the loan. If we *would* get a WIFA loan, could pay off earlier. Kurt asked that we should have a long-term discussion about Ramada pumphouse, new “doghouse” pumphouse on Rose Quartz, and Lisa tank facility, can we discuss priorities. Cracknell and Don said the electrical control panels need updating, life of the pumps could be near end of lifespan, need spares on hand, and the building could be replaced *at Ramada*. Don envisioned how the new tank and pumphouse could be built. Holt asked where we are on a grant, Cracknell applied for Lisa, will find out *in January funding would be for* Fiscal Year 22-23. Mike asked for the cost of loan per customer, Sullivan figured about \$2.71 per customer.

M. Schumacher made the motion to approve the Chase Bank \$200,000 loan for the Ramada Tank, seconded by J.A. Holt.

APPROVED: 4-0. Cracknell - YES, Womack - YES, Schumacher – YES, Holt – YES.

3. SHORT DISCUSSION OF POSSIBLE RATE INCREASE

Chair Cracknell asked what the Board member's thoughts on a possible rate increase, and when to do it. Dave said *last base rate was raised 2012 (9 years), 2% inflation per year so 18% over 9 years, construction costs over 30%. Since the Board approved the Chase loan [item 2], can wait until next FY, Schumacher and Holt agreed. Dave asked Kurt, he asked if PV is thinking about raising their base rate; PV rates are strictly commodity to the District. Our base rate is \$43 per customer. Kurt concurred we should wait until next FY Budget, we are taking this loan out and not jacking the rate up.*

4. DISCUSSION AND POSSIBLE VOTE RECRUITING FLYER

Chair said we have three people on the Board over 6 years. [NOTE: Secretary Womack appointed 10/27/14] Had a flyer developed to go into the water bills, wanted input. Kurt thought the DVWD logo should be bigger with some revision. Will have A&E Reprographics print. Will table *approval* until revisions are done.

5. TREASURER'S REPORT

Mike Schumacher handed out copies.

Category	31-Mar-21	28-Feb-21	% Change
Cash Balance	\$583,017.08	\$596,646.42	-2.28
Accounts Receivable	\$ 69,228.71	\$ 71,936.55	-3.76
Water Revenues	\$ 51,023.64	\$ 42,021.45	21.42
New Hookup Contributions/Fees Total Income	\$ 5,200.00	-	**
Cost of Water (Cal. Mo.)	\$ 15,366.62	\$ 15,094.04	1.81
Repairs & Maintenance	\$ 12,018.78	\$ 13,346.37	-8.52
Capital Outlay - Service Line Replacement	\$ 3,813.95	\$ 11,346.37	-66.39

**Percentage not shown due to extreme variability.

6. ADMINISTRATIVE

- A) Approval of Minutes Emergency Special Session April 28, 2021 √
- B) Approval of Minutes Emergency Executive Session April 28, 2021
- C) Approval of Minutes Public Hearing, Special Session April 29, 2021

K. Womack made the motion to accept all the amended Minutes, seconded by J.A. Holt.
APPROVED: 4-0. Cracknell - YES, Womack - YES, Schumacher – YES, Holt – YES.

7. MANAGER'S REPORT

A) Monthly Report. Don gave his March 2021 Monthly Report:

Mike said the late fees could cover the loan payment.

Total active customers - 753; Total Water Sales Revenue - \$15,256.09; Total Base Service - \$32,979.16; Total Tax collected - \$3,161.04 (AZ Municipal tax \$14.42); Total Current charges - \$55,130.96. Total Establishment Fees - \$140.00.

Average water bill \$70.33; Total Gallons pumped – 3,369,800; Total Gallons Sold – 2,214,627; Accounted Water Loss – 225,000; Unaccounted Water Loss – 930,173. Actual **PERCENT WATER LOSS – 27.60%**. Meters read from 2-19-21 to 3-19-21, 29 days.

Applications 4 owner and 2 renters, one new hook-up. Water quality tests were good for total Coliform (two per month). Leak detection on going.

Recently discovered Ramada tank leak was about 200,000 gallons. On 2/27 at 5526 Diamond Dr. found saddle rusted off, loss 5,000 gal. On 3/11 at 5000 Ramada Dr. 4” main leak found a coupling leaking, loss 20,000 gal.

6. NEXT MEETING REVIEW

Budget workshop in Prescott Valley this Thursday at 5:00 pm.

ADJOURNMENT

Adjourned by consensus.

Meeting adjourned at 5:58 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 5-18-21.

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: May 13, 2021 by D. Cracknell, K. Womack, M. Schumacher, J.A.Holt.