

**Minutes, Green Valley Water District
March 9, 2017**

1. Call to Order at 9:30 AM by Chairman R. Hedden

Roll Call: Clerk of the Board

Board Present: Patricia Carlstad
Michael Cochran
Robert Hedden
Len Murphy
Curt Wagner
John Wilson

Board Absent: Richard Newman

A quorum was announced

2. Approval of February 9, 2017 Board Minutes_v3

I move to approve the February 9, 2017 Board Minutes- V3 as presented

Move: J. Wilson 2nd: M. Cochran Approved: 5/0 Chair Abstains

3. Presentation on Commercial Properties: Stu Samovitz

The District is in the process of evaluating its future need for more space and investigating possibilities for leasing or building new office space. As part of this Stu Samovitz was invited to share some of his expertise on the availability of commercial real estate in the District. R. Hedden advised that we would be looking for something in the range of 3500 sq. ft. sitting on an acre or acre and a half. He questioned if there were any build to suit opportunities. Our preference is to look for opportunities within the franchise area however if a good opportunity were found outside our area we would be willing to consider it. Some land opportunities were brought up. Stu noted there is EPA grant money for remediation of potentially contaminated sites. Available lots are generally limited as are leasing opportunities however the commercial market is always evolving. The District will contact Stu when there is a definitive plan to move forward.

4. Introduction of Eric Sullwold. Eric is a new resident of Green Valley and is interested in learning about the Water District and potentially joining one of our committees. Eric shared some of his background.

5. Operation report: L. Hoffman

Staff News & Training

- The safety meeting reviewed proper lifting techniques

Bids: None

Construction:

- The ADOT contracts are completed and being signed. These signed documents will be returned to the District for signatures.
- NLP has completed the offsite gas lines. We are now waiting for SW gas to set the site meters
- The generators are now at Gtech for testing.

Maintenance

- Field Staff has completed 126 work orders and 28 Blue stakes.
- Jim and Kevin continue working the inline gate valves and flush outs along with fire hydrants valves . To date, 451 main line valves, 213 fire hydrants and 52 water main flush outs are completed.
- Mike is working on air vacs, 55 of 66 are completed. Doug continues to work on the second set of sample stations 9 out of 10 are completed. He will be taking arsenic samples at all stations next month to monitor levels throughout the system.
- Replaced and/or swapped out 16 meters.
- Repaired 1 service leaks.

Meetings with:

- Bestway Electric on generator and clay valve pilot control.
- Southwest Gas on location of gas meters.
- Dana Kepner regarding delivery of materials for the pipe line to the I19 rest stop.
- R. Hedden and C. Wagner regarding sewer and water lines
- Ferguson water regarding numbers together for the ADOT project to assure it was following the Districts specs.

Review of financials:

The financial statement for February was discussed in detail. See attached. Both the water pumped and water sold are down year to date. The major decrease is due to decreased water use by the golf courses. The percentage of water lost increased due to fire hydrant flushing. Total revenues are up slightly while operating expenses in all areas are in line with the budget.

6. General Business: discussion and action on

A. L. Hoffman, District Manager

- **Review of the current capital budget:** L. Hoffman passed out the revised capital budget. Uncompleted projects are the hook up of the generators at the Calle Tres and Camino Del Sol Booster Stations which are waiting on completion by South West Gas. The only project that is still open is work on Well #1 which will be completed within the current budget year.
- **Review on the 5 year capital expenditure plan:**

A draft of the revised 5 year plan was handed out. This will be reviewed by both the Tech and Finance committees in April and then brought to the Board for any final adjustments. The goal is to keep the annual expenditures close to \$300,000. The only time sensitive projects are the upgrade to the Scada system and the backup generator for Well #2. The remaining projects are low priority and will be easy to move around in the schedule.

B Finance Advisory Committee: L. Murphy

- **Update on water billings & major customers:** Total revenue for the seven months ended January, 2017 is up \$40,000 compared to the same period in the prior year. Turf accounted for \$34,000.

For calendar year 2016, turf water used by the three golf courses was 111%.of their allotments. It is uncertain what the courses will do as the ADWR allotment decreases in January 2019. There are no customers with overdue balances over \$500.

- **Update on 5 year cash flow.** Changes from the prior schedule were:
Turf water revenue, 2019 to 2022 was revised to \$617,000 per year. The amount of available cash funds is projected for each period.

- **Preliminary discussion on the budget.** The Personnel Committee will meet on wages and benefits prior to the April Finance Committee. The draft Budget needs to be approved in May for presentation at the June Public Hearing.
- During the April Finance committee the Districts Insurance agent will make a presentation on our current insurance coverage and the issue of not being able to get a performance bond from ADOT on the I19 project. The signed contract with ADOT as well as the Line Extension agreement will be sent to the agent prior to the meeting for review of any liability.

- Canoa Ranch Golf Course has carried a surety bond since the Scottsdale group took over management to guarantee payment for water delivered. The bond will expire on April 1, 2017. There have been no problem with payment and the committee is recommending that the District no longer needs to require this guarantee and the bond should be allowed to expire April 1, 2017. The District has now has adequate remedies in place for any nonpayment of existing customers within the rules and regulations.

I move to allow the existing surety bond on Canoa Ranch Golf course to expire as of April 1.

Move: J. Wilson 2nd: L. Murphy Approved: 4/0
Chair and Board Member M. Cochran abstain

C. Technical Advisory Committee: C. Wagner No report.

D. Funding/Personnel: In the absence of R. Newman, R. Hedden advised that there is no update on funding. The Personnel Committee will meet prior to the April Board meeting to review wages, benefits and the gap coverage of our insurance deductibles.

E. Update on WIFA Grants: P Carlstad reported she found that the WIFA grants were only available for technical assistance funding to complete the design phase of an infrastructure project. These would not benefit GVWD.

F. Chairman Update:

- Update on ADOT: The District has accepted the 2nd ADOT contract, and both contracts are on their way to Phoenix to be signed by the State and then returned to Green Valley for the District's signatures. The project is for two different locations. One in Casa Grande and the one in Green Valley. The Casa Grande segment will be started first and then moved to our area. The time frame for start of the I19 rest stop in not definite.

The sewer project is not part of our project but is under the purview of the developer and the county. Our only concern is that the installation of this pipeline will have no negative impact our water line.

- **Update on the well site agreement:** The document has been updated to include input from Finance and Tech Committee chairs and is ready to be sent for legal review. Once this is completed the document will go back to the Tech committee for discussion at their April meeting and then to the Board. It should be ready for final Board approval at the May meeting

- **Update on the CAP Policy:** R. Hedden has reviewed the information from statues regarding the need for the golf courses to offset their water usage. In 2012 Pima Co gave the Canoa Ranch Golf Course a waiver decreasing the requirement to replenish all water to replenish the amount of water used over 398 AF. The District has been billing Canoa Ranch for the full amount used. It is uncertain when this waiver was added to the rezoning document that was requested by Williamson. The 2012 document also stipulates that there can be on further subdivisions built other than those noted on the plate west of I19 and south of the Demetrie Wash. There is also a one line statement stating that within this boundary there can be no more than a nine hole golf course. This needs clarification. In the September 2016 there was a revised document stating that when the well comes on line all water drawn has to be offset with the full amount of CAP water. There is a difference as to what was said in 2012 and 2016. R. Hedden will try and clarify with Frank Thompson, the original presenter to the Board of Supervisor. Clarification is important to the District as it plays into our consideration of what we want to do with our CAP allocation.

As of right now the District has paid \$561,000 of CAP charges. Prior to our purchase of the District, there is 18 more years of CAP charges that were paid. A rough estimate is in total we have paid 1.2 to 1.4 million dollars, which is the amount we could recover of the CAP charges

we have paid. The District needs to clarify what our obligation is to Canoa Ranch Golf Course prior to making any decision regarding our CAP allocation.

- **Recruiting efforts:** We have 2 open houses set up on March 14 and 21 to provide information to interested residents about what we do and the need for volunteers.

7. Call to the public: No response

8. Announcements:

- The next Finance and Technical Committee meetings will be Monday, April 10, 2017 in the GVWD Conference Room. Time to be announced later.

- The next Board meeting will be Thursday, April 13, 2017 at 9:30 AM in the GVWD Conference Room.

9. Adjournment:

I move to adjourn the meeting

Move: M. Cochran 2nd: C. Wagner

Approved: 6/0

The meeting was adjourned at 11:10 AM

Minutes approved April 13, 2017

GREEN VALLEY DOMESTIC
WATER IMPROVEMENT DISTRICT

By Karen Thornton
Karen Thornton, Clerk of the Board

Robert Hedden
Robert Hedden, Chairman