

**Minutes, Green Valley Water District
April 13, 2017**

1. Call to Order at 9:30 AM by Vice Chairman J. Wilson

Roll Call: Clerk of the Board

Board Present: Patricia Carlstad
Michael Cochran
Len Murphy
Richard Newman
Curt Wagner
John Wilson

Board Absent: Robert Hedden

A quorum was announced

2. Approval of March 9, 2017 Board Minutes_v2

I move to approve the March 9, 2017 Board Minutes- V2 as presented

Move: C. Wagner 2nd: M. Cochran Approved: 5/0 Vice Chair Abstains

The Vice Chair requests that item E on the agenda be moved up and considered at this time to accommodate a Board member who needs to leave the meeting early.

E. Personnel Committee: R. Newman

- Recommendation on Employee compensation.

I move to have this item considered in executive session pursuant to A.R.S. § 38-431.03(A)(1)

Move: R. Newman 2nd: M. Cochran Approved: 5/0 Vice Chair Abstains

The Board entered Executive session at 9:33 AM and returned to regular session at 10:05.

I move to approve a 3% inflation and a 2 % merit increase to be included in the 2017/18 budget as increases to employee compensation. Further, the employee insurance premium contribution and the deductible policy will remain at the same levels as last year.

Move: R. Newman There was no 2nd Motion fails

I move to approve a 2% inflation and a 2% merit increase be included in the 2017/18 budget as increases to employee compensation. Further, the employee insurance premium contribution and the deductible policy will remain at the same levels as last year.

Move: L. Murphy 2nd: M. Cochran Approved: 3/2 Vice Chair: Abstains

D. Funding: R. Newman reported that our grant request to the Department of Homeland Security was denied.

3. Operation report: L. Hoffman

Staff News & Training

- The safety meeting reviewed troubled workers in the workplace.
- Doug, Jim, and Larry attended some ADEQ classes in Tucson. They picked up 8.0, 16.0 and 8.0 PDHs respectively. Jim has now completed all his hours for State recertification.

Bids: None

Construction:

- The District's part of the ADOT contract has been signed and returned to ADOT. The District will not send any check to cover the cost of the pipe we are adding to the project for the benefit of the District as ADOT has not yet secured their funding. There is no information on project start date.
- SW gas has completed the installation of the gas meters at both booster stations and we are waiting for GenTec to schedule the testing. .
- The generator was set on April 06, 2017 at well #1 and we are waiting for Bestway to complete necessary wiring- possible start date is April 24.

Maintenance

- Layne Christensen will pull the pump at well #1 for inspection of the casing on April 24. This well was shut down when gravel was found in the prefilters. There was no damage to the pump which was good news. Well #2 is now in service and there has been no customer disruption. The Board will be advised of any problems found during the inspection. The Board discussed possible financial impact on the District if a significant problem with Well #1 was found.
- Field Staff has completed 119 work orders and 26 Blue stakes.
- Jim and Kevin continue working the inline gate valves and flush outs along with fire hydrants valves. To date, 488 main line valves, 224 fire hydrants and 52 water main flush outs are completed.
- Replaced and/or swapped out 8 meters.
- Repaired 10 service leaks.
- Removed and replaced 1 curb stop.

Meetings with:

- Bestway Electric regarding the generator and clay valve pilot control.
- Southwest Gas on installation of gas meters.
- Ferguson water regarding numbers together for the ADOT project to assure District Spec were followed.

The FICO Boundaries for Canoa Ranch area are still in contention. Stantec will prepare a proposal for developing an accurate boundary map using the metes and bounds on the original Stantec mapping of the District.

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.

4. General Business: discussion and action on

A. L. Hoffman, District Manager

- **Review of the current capital budget:** L. Hoffman passed out the monthly capital budget to date. There were no changes.

- **Update 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:** Compared to the prior fiscal year the total revenue for the seven months ended January, 2017 is up \$40,000 when compared to the same period in the prior year. Turf was up \$27,000, residential was up \$12,000 and other categories were a net decrease.
- As of March 31st, there were no customers with a balance due of more than \$500 who were past due. On April 3rd, a customer of the District filed Chapter 11 Bankruptcy. Last fall the District received a \$5,000 deposit from that customer. The impact of the bankruptcy on the District is unknown at this time.
- Update on budget document. The Draft Budget was handed out. L. Murphy will be reviewing year to date expenses with Lora on early next week and a revised Draft Budget should be available the following week. There are no expected changes in the Capital Budget. The biggest variable will be the generators and the regen schedule for the Arsenic Treatment Plant. L. Murphy requested Board Members to contact him with questions and comments on the budget so refinements can be made prior to the May Board meeting.
- L. Murphy will work with J. Wilson to develop language that will indicate that there will be changes to the Rules and Regulations due to the addition of the Line Agreement and the Potable Well Agreement which establish guideline for developers.
- Presentation by Insurance Agent. L. Murphy reported that the presentation by our insurance broker provided good information, particularly the co-insurance discussion. The agent also brought up crime coverage which we might want to consider now that the new generators and security devices have been installed
- C. Wagner brought up the topic regarding the Districts inventory of very expensive critical equipment some of which is aging and the cost to replace it or do major repairs could be catastrophic. The question is should the District build up a reserve fund for emergencies. L. Hoffman is asked to prepare and give a report on the existence and status of our critical equipment to be presented at the January Board meeting.

C. Technical Advisory Committee: C. Wagner

- Generator status: Reported earlier in the OM report.
- ADOT Project: Reported earlier in the OM report.
- New Potable Water Well Site Agreement: Has been reviewed on all levels and resulted in the last draft dated May 13, 2017. This document will be approved at the May board meeting.

F. Vice Chairman Update:

- Approval of bankruptcy attorney to represent GVWD. J. Wilson reported that the Hospital has not paid it's March bill. The District is now on the creditor list as an unpaid creditor. J. Wilson stated that he feels it would be wise at this point to engage a bankruptcy attorney to represent the District to keep us apprised of new developments and actions that need to be taken. Our current attorney was unable to represent us due to a conflict of interest and provided us with references. J. Wilson has contacted most of the referrals and is now recommending Steven Cox of Waterfall Law firm. If the Board agrees, John will have a personal meeting him.

I move to engage Waterfall Law firm to represent the District in all bankruptcy proceedings involving Green Valley Hospital.

Move: J. Wilson **2nd:** R. Newman **Approved:** 4/0 **Vice Chair:** Abstains

Director M. Cochran leaves the meeting at 10:57.

- Update on ADOT Project: Reported earlier in the meeting
 - Update on CAP Policy: J. Wilson reported he had written an addendum to the options for dealing with the January changes in the CAP policy that Chairman Hedden had presented at the March meeting. The Board members have copies. There will more detailed discussion at the May meeting.
 - Update on recruiting efforts: Darlene Hollingsworth has shown interest in being on a GVWD committee. She will be attending the May committee meetings and the Board Meeting.
5. Call to the public: No response
6. Announcements:
- The next Finance and Technical Committee meetings will be Monday, May 8, 2017 in the GVWD Conference Room. Time to be announced later.
 - The next Board meeting will be Thursday, May 11, 2017 at 9:30 AM in the GVWD Conference Room. The Budget and the new Potable Water Well Site Agreement will be approved for inclusion in the Rules and Regulations for presentation at the Public Hearing.
 - The June Finance and Technical Committee meetings will be Monday, June 12, 2017 in the GVWD Conference Room. Time to be announced later
 - The Public Hearing will be on Thursday, June 15 at 9 AM at the Canoa Rec Center Mesquite Room. The Board meeting will follow immediately after the Public Hearing. Put this date your calendar as we need a quorum
7. Adjournment:

I move to adjourn the meeting

Move: R Newman

2nd: C. Wagner

Approved: 4/0

The meeting was adjourned at 11:20 AM

Minutes approved May 11, 2017

GREEN VALLEY DOMESTIC
WATER IMPROVEMENT DISTRICT

By Karen Thornton
Karen Thornton, Clerk of the Board

John L. Wilson
John Wilson, Vice Chairman