

**Minutes, Green Valley Water District  
May 11, 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  
Richard Newman  
Curt Wagner  
John Wilson

Board Absent: None

A quorum was announced

2. Approval of April 13, 2017 Board Minutes\_v1 and Executive Minutes\_v1

**I move to approve the April 13, 2017 Board Minutes\_V1 as presented**

**Move: R. Newman 2<sup>nd</sup>: C. Wagner Approved: 6/0 Chair Abstains**

**I move to approve the April 13, 2017 Executive Minutes\_V1 as presented**

**Move: J. Wilson 2<sup>nd</sup>: P. Carlstad Approved: 6/0 Chair Abstains**

3. Operation report: L. Hoffman

**Staff News & Training**

- The safety meeting reviewed emergency preparedness at the work place.
- Mike and Kevin, and Larry took an ADEQ class in Benson earning 6.0 PDH
- Lora and Jim and Larry took a webinar on lead and copper rules earning 7.0 PDH

**Bids: None**

**Construction:**

- Best way Electric delivered the generator and worked on the wiring. Completed all work on April 24th.
- GEN-TECH hooked up the generator at Well I on 5/10 and 11. The work will be completed after Well# I is hooked up. A quarterly maintenance schedule will be set up.

**Maintenance**

- Layne Christensen (LC) pulled the pump and sand separator for inspection and videoed the Well# I. They made the recommendation to replace the pump and some ancillary parts. Some holes in the casing were noted. LC recommended a general maintenance cleaning to remove rust from the casing. They advised that the life left on Well# I is approximately 4 to 10 years. In answer to a question regarding how often the pumps and sand separators should be pulled and inspected, their recommendation was in general, if no problems are noted the wells should only be shut down, taken apart and inspected every 10 years. Doing this more frequently will do more damage to the well than benefit it. The Board requested a written report on the problems, notes, remedial actions and costs involved. LC will be returning on the 17/18th to brush and bail

the casing, put chemicals in on the 19th and return on Monday or Tuesday to re-video the well. The cost of patching the holes in the casing will be evaluated.

- AME Company is scheduled for the 23 month tank inspection on May 15.

#### **Field Staff**

- Field Staff has completed 162 work orders and 50 Blue stakes.
- Jim and Kevin continue working the inline gate valves, flush outs and fire hydrant valves . To date, 547 main line valves, 247 fire hydrants and 52 water main flush outs are completed.
- Mike is working on air vacs, 59 of 66 are completed.
- Replaced and/or swapped out 9 meters.
- Repaired 2 service leaks.

#### **Miscellaneous News & Information**

- The FICO boundary map is in progress.

#### **Meetings with:**

- Bestway Electric on generator and clay valve pilot control.
- Southwest Gas on generator hook up.
- AKM on PRV
- Finance Committee on budget
- Tech Committee on updates on field work
- AME Company on videoing the Water Storage tanks.
- Layne Christen on videoing Well I

#### **Review of financials:**

The financial statement for April was discussed in detail. See attached. Both the water pumped and water sold are down year to date. Total revenues are up slightly while operating expenses in all areas are in line with the budget.

4. General Business: discussion and action on

#### **A. L. Hoffman, District Manager**

- **Review of the current capital budget:** L. Hoffman passed out the capital budget. The changes for Well I will appear on the June capital budget. Essentially all the projects are completed other than installing the new pump as part of the Well I repair.
- **Review on the 5 year capital expenditure plan:** There were no changes this month.

#### **B Finance Advisory Committee: L. Murphy**

##### **Update on water billings & major customers:**

- For the nine months ended March 31st, fiscal year revenue is up \$31,000 compared to the same period last year. Turf represents \$27,000 of the increase, residential is \$10,000 and the other categories being a net decrease.

- There are two customers with overdue balances.
- The Green Valley Hospital has not made any payment since filing for bankruptcy so there are both pre and post-bankruptcy balances that are unpaid. J. Wilson has met with the Districts attorney. He reported the District will be paid. There is a stipulation on record between the utility creditors and the Hospital. GVWD will receive a \$2,000 deposit and then ongoing bills will be paid on schedule. The small pre bankruptcy debt that will be monitored closely.
- **Follow up on last month's insurance coverage presentation.**
- The District has workers comp, D & O, and general comprehensive insurance. Last month's presentation was only on the general comprehensive insurance. There is interest in having a presentation on the D & O coverage.
- The District is about to begin the second year of a three-year policy with the only anticipated change to property coverage at various locations, due to the added generators. The committee discussed other issues and will request additional information on the following:

- Increasing the deductibles from \$250 or \$500

- Increasing the coverage under the crime section
  - Increasing the umbrella to the next step
  - The effect that each change would have on the premiums.
  - The agent will address these issues as soon as he receives more information on the values from our essential equipment list.
- R. Hedden asked if an act of terrorism would fall under the crime section or the liability section and requested more detail on the existing D&O insurance. Both will be addressed with the agent.
- **Review and approve budget documents:** The updated draft budget was distributed. Page two of the document summarized changes since the presentation at the April Finance Committee Meeting. The recent problems with Well I led to the following changes to the draft budget:
    - For the 2018 budget column, field expense is increased from \$273,500 to \$310,000
    - For the projected 2017 column, capital expenditures is increased from \$305,000 to \$317,000 for the new motor for well #1.

**I move that the Estimates of Revenues and Expenses, as amended today and noted in the minutes, are approved for presentation at the June 15 Public Hearing and that the Board will convene immediately after the hearing to adopt the estimates of Revenue and Expenses as the 2017/18 GVWD Budget.**

**Move: L. Murphy 2<sup>nd</sup> J. Wilson Approved: 6/0 Chair Abstains**

- **Approval of Well Site Agreement:** A new potable water well site agreement has been written, and moved through committee and legal reviews. This is the current standards in place. This document is now ready for Board Approval.

**I move to approve the Potable Well Site Agreement dated 5/11/17 as an addition to the current Rules and Regulations under Item 34 with the changes as discussed.**

**Move: C. Wagner 2<sup>nd</sup> J. Wilson Approved: 6/0 Chair Abstains**

R. Hedden reminded the Board that the Line Extension Agreement was approved previously at the February 9, 2017 Board meeting and will also be included in the Rules and Regulations under item 34.

- **The budget billing account:** Several suggested changes to this document were brought up. After discussion the language was changed to "having water bills for 24 months that average greater than \$1000 to qualify for this billing option". The document title should be Budget Billing.

**I move to add the Budget billing document, as amended above, to the Rules and Regulations.**

**Move: L. Murphy 2<sup>nd</sup> R. Newman Approved: 6/0 Chair Abstains**

**C. Technical Advisory Committee: C. Wagner**

- **Financial updates:** Covered earlier in the OM report
- **Generator status:** Gen Tech is testing the generators, that are in place at Well I and the 2 backup generators. Gen Tech will return to complete the work on Well I after it is up running.
- **ADOT project:** The ADOT contract stated that the District would pay for the Betterment portion of the project on signing. Since the timing of the project change with the Casa Grande segment being completed first, the District sent a letter advising it would make the payment at

the start of the project in Green Valley. The concern is that project has yet to receive funding and there is no definitive start time. There has been no response to this letter.

- D Williamson is contesting the District's view that the rest area is outside the FICO area. He has provided R. Hedden with a document that he believes supports his interpretation. The document produced by Williamson is being reviewed by the District's Attorney for clarification.
- **FICO boundary map-with WLB.** The District requested WLB draw a definitive map of the FICO boundaries in our District. A draft was handed out. It still needs refinement. A question was raised as to why the term "nonexclusive franchise agreement of Green Valley Water Co" was transferred to this document. This will be clarified.
- **The Potable Water Well Site Agreement.** Approved under Finance Committee.
- **Review of Essential Equipment list:** Both Finance and Tech committees reviewed this document and agreed that the District needs to look at the list as a cost analysis of replacement schedules. The question of establishing reserve funding was discussed. E. Sullwold agreed to put the information in Excel. This will be a part of the Strategic Planning Committee's planning process.

D. **Funding:** R. Newman No Report

E. **Personnel:** C. Wagner brought up the need for succession planning. This continues to be a concern.

F. **Vice-Chair Report: J. Wilson**

- CAP: J. Wilson reviewed the document he submitted which could be the basis for decision making if we want to consider selling part or all of our CAP allotment before January 1.

G. **Chairman's comments:**

- The Canoa Hills GC maintenance building is possibly coming on the market. R. Hedden has spoken to Morgan North advising that the District has some interest in the building. Morgan is working on resolving some issues and establishing a value on the building.
- The property by Well# I has gone back on the market. This is something that the District may want to think about. A question was brought up whether this property would be appropriate for a well site if Well# I goes down.

- Public Hearing Agenda: R Hedden reviewed the agenda for the Public Hearing

5. **Call to the Public:** There was no response.

6. **Announcements:**

- The next Finance and Technical Committee meetings will be Monday, June 12, 2017 in the GVWD Conference Room. Time to be announced later.

7. The Public Hearing will be on Thursday, June 15 at 9 AM at the Canoa Hills Rec Center Mesquite Room. The Board meeting will follow immediately after the PH.

8. Adjournment:

**I move to adjourn.**

**Move: C. Wagner    2<sup>nd</sup> J. Wilson    Approved: 6/0    Chair Abstains**

The meeting was adjourned at 11:25 AM

Minutes approved June 15, 2017

GREEN VALLEY DOMESTIC  
WATER IMPROVEMENT DISTRICT

By Karen Thornton  
Karen Thornton, Clerk of the Board

Robert Hedden  
Robert Hedden, Chairman