

**GREEN VALLEY DOMESTIC WATER IMPROVEMENT DISTRICT
BOARD OF DIRECTORS
MEETING MINUTES
Thursday, March 25, 2021**

Board Present:	Eric Sullwold Patricia (Pat) Carlstad John Green Darlene (Dar) Hollingsworth	Robert (Bob) Hedden Joseph (Hart) Krumrine George (Dr.) Orndorff
Board Absent:	None	
District Staff:	Dara Duffy	
Advisors:	Steven (Steve) Lathrop	Edwin (Ed) Storey
Clerk of the Board:	Luis Rodriguez	
Public Members:	None	

1. Call to Order and Roll Call – Chair, Eric Sullwold
The meeting was called to order at 9:30AM by Chair, Eric Sullwold
Roll call was taken. All seven (7) Board members were present therefore, a quorum was announced.
2. Approval of February’s Minutes
 - A. Motion to approve February 25, 2021 Board Meeting minutes
Move: Pat Carlstad Second: Dar Hollingsworth Approved: 6/0
 - B. Motion to approve February 25, 2021 Board Executive Session minutes
Move: Dr George Orndorff Second: Dar Hollingsworth Approved: 6/0
 - C. Motion to approve February 25, 2021 Public Hearing minutes
Move: Bob Hedden Second: Dar Hollingsworth Approved: 6/0
3. General Business – Discussion and possible action on:
 - A. Administrative – Chair, Eric Sullwold
 1. Revote on Resolution 2021-001. Discussion and possible motion to: Adopt Resolution 2021-001 to amend the Rates and User Fees for the Green Valley Domestic Water Improvement District.
- Motion to: Adopt Resolution 2021-001 to amend the Rates and User Fees for the Green Valley Domestic Water District.
Move: Hart Krumrine Second: Dar Hollingsworth Approved: 6/1
 2. Discussion and possible motion to: Adopt the District’s revised Water Service Rules & Regulations. The recommendation was made to eliminate some duplication regarding payment options. This will be accomplished with the next revision.
- Motion to: Adopt the District’s revised Water Service Rules & Regulations.
Move: Pat Carlstad Second: Dar Hollingsworth Approved: 6/0 Chair: abstains
 3. D&O Insurance – Is it necessary for Board Advisors? Update. The feedback from the District’s legal counsel was that the insurance was not required for our Advisors. The point was made that the D&O insurance policy must clearly state who is/is not covered. However, our District Manager will explore the cost to add the Advisors when the D&O insurance policy is up for renewal.
 4. Use of Board Members’ personal e-mail accounts for GVWD Board Business. Update. It is apparent that there is no easy solution to this concern. This is a risk assessment that needs to be evaluated further. Dara has the draft of the District’s Risk Assessment Report from the EPA. It indicates our exposure is extremely low. She will share the report at our next Board meeting. The point was also made that, regardless of the risk level, there is the issue of the public’s perception. The topic

will be discussed further once the Risk Assessment Report has been shared with the Board.

- B. Operations Report – District Manager, Dara Duffy
 - 1. Monthly Operations Report. A main break on Mariquita required 90 feet of replacement with ductile iron pipe, and a new valve and an additional 80 feet of ductile iron pipe at Mariquita and Acala. The cost was ~\$73,000.
 - 2. Current Capital Budget. The projection for the 2021-2022 budget includes replacing all remaining manual meters, almost half the MXU's, and one company truck with over 118K miles on it. Dara is not planning to introduce slip lining until 2022-2023.
 - 3. Task List. The draft Risk Assessment Report is being reviewed. The due date for submission is June 30, 2021. Sent out revised RFQ Hydrology Study to Westland Resources, Stantec, and Riley Engineering. The RFQ responses are due April 15. The Risk Assessment also identified the requirement to create a Backflow Prevention Manual to comply with ADEQ requirements. The estimated completion date for this newly created manual is end of April.
- C. Technical Advisory Committee – Chair, Robert (Bob) Hedden
 - 1. Meritage Expansion up-date. The question was raised about why Meritage cannot tie into the existing sewer line north of their development. Dara says the County will not allow a lift station in the line.
 - 2. Repair/replace San Ignacio Heights pipeline infrastructure. Bob, Dara, and Eric had two (2) Zoom meetings to discuss and gather information on the slip lining option. Bob mentioned that this slip lining methodology is not common in the western U.S. If the contractor wins a bid on an upcoming project in Colorado, it will give us an opportunity to evaluate their work.
 - 3. Discuss RFQ responses as they relate to the Engineering Hydrology Study. The Scope of Work has been revised to delete the requirement for back-up for the golf course wells, - and providing options for the District's 1 acre lot. The focus is now strictly an evaluation of our current system and the expansion.
- D. Financial Advisory Committee – Chair, Eric Sullwold
 - 1. Review Financials
 - a. Review February 2021 Operational Statements. No comments.
 - b. First look at FY2021-22 District Budget. The goal is to have our final Budget approved in May and implemented in June. The topic will be discussed in more detail in the April Board meeting in order to seek approval at the May 27 Board meeting.
 - 1. Need for an increase. The last District rate increase was in 2018. The discussion evolved around the concept of introducing multiple modest, annual increases as opposed to one large increase in the future. Consensus was made to establish an Ad Hoc committee to explore this topic. The decision must take into consideration many factors such as; Depreciation, Reserves, Tier revenue data, funding our Reserves, and Capital Budget. It was suggested to simultaneously look at our long term Cashflow, Balance sheets, and audit reports to ensure they support each other. Another outcome should be to determine if we are budgeting enough money for Capital Expenses. The Ad Hoc Committee team will be established within the next two (2) months in order to prepare for meetings to begin after our summer break (September).
 - c. Review format for 5 year cash flow. Updated. No comments.
 - d. Reserve vs. Depreciation: How should the Board manage these costs. This was discussed under 3.D.1.b.1.
 - 2. Central Arizona Project (CAP) Water. Discussion has been tabled at this time by the Chair.
 - 3. District Manager to give update on potential costs for Desert Jewel Loop sleeving. DM reported on the process being used to determine the cost of slip lining the

pipelines in San Ignacio Heights. Information is being developed in-conjunction with a contractor who is licensed to do the type of slip lining GVWD is considering.

4. Call to the Public - No comments.
5. Announcements – Luis Rodriguez, Clerk of the Board
 - A. The next Technical Advisory and Financial Advisory Committee Meetings are scheduled for Monday, April 19, 2021 at 8:00AM and 9:00AM respectively.
 - B. The next Board Meeting is scheduled for Thursday, April 22, 2021 at 9:30AM.
6. Adjournment
 - Motion to: Adjourn the meeting.
Move: Bob Hedden Second: Pat Carlstad Approved: 6/0 Chair: abstains

The meeting was adjourned at 10:47AM.

Minutes approved on April 22, 2021.

Green Valley Domestic Water Improvement District