

**GREEN VALLEY DOMESTIC WATER IMPROVEMENT DISTRICT  
BOARD OF DIRECTORS  
MEETING MINUTES  
Thursday, June 23, 2021**

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

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. Six (6) Board members were present, a quorum was announced.

A. Approval of May’s Board Meeting Minutes

- Motion to approve May 27<sup>th</sup>, 2021, Board Meeting Minutes

Move: Hart Krumrine      Second: Darlene Hollingsworth      Approved: 6/0      Abstain: 0

B. Approval of May 27<sup>th</sup> Executive Meeting Minutes

- Motion to approve May 27<sup>th</sup>, 2021, Executive Meeting Minutes

Move: Pat Carlstad      Second: Darlene Hollingsworth      Approved: 6/0      Abstain: 0

2. General Business

A. Administrative - Chair, Eric Sullwold

1. Suspension of regularly scheduled July and August Board Meetings

- Motion to: Suspend the regularly scheduled July and August Board of Director Meetings.

Move: Dar Hollingsworth      Second: Hart Krumrine      Approved: 6/0      Abstain: 0

2. Approval of John Green as the Chair of the Financial Advisory Committee

- Motion to approve John Green to the position of Finance Advisory Committee Chair

Move: Dar Hollingsworth      Second: Pat Carlstad      Approved: 6/0      Abstain: 0

B. Operations Report – District Manager, Dara Duffy

1. Monthly Operations Report: Reviewed the DM’s Operations Report for May 2021.

Some of the key issues were:

- i. On June 9, DM participated in a virtual meeting with Sierrita Mine on the issue of the Sulfate plume. This is a regular twice-yearly meeting to update area stakeholders. The Mine is required by ADEQ to address the current issue. They are pumping water from wells drilled at the base of their tailings, to be utilized in the Mine processes and contain the plume.
- ii. On June 16<sup>th</sup>, a virtual meeting was conducted with Waterworth regarding possibly procuring access to their software. The software addresses financial and asset management data. The process allows for the District to access their software remotely. The cost would be approximately \$5K annually. It would include a 90-day free trial with free technical support. The program addresses assets, rates, depreciation, reserves, and planning policies with forecast projections. Discussed concerns regarding potential hacking and ransomware. The DM stated the risk is minimal because the data goes one way, and it is not possible for Waterworth to access our system due to the District’s firewall.
- iii. The DM also addressed the San Ignacio Heights infrastructure issue. Dara provided a summary timeline with costs of all the waterline breaks. The DM’s point was that it may be too early to attempt the slip lining project because, at the current rate of failures, the costs of financing the project may be a more than the

- cost of break repairs. Questions were raised regarding the possibility of using remote rovers to identify potential line breaks and/or pipeline degradation. Dara will continue to explore these options and whether any of them are cost effective.
- iv. The meter replacement project is proceeding on schedule. The projected cost for year two (2) and three (3) is estimated at \$240K per year. An updated capital projection will be provided to the Financial Committee for planning purposes.
  - v. An update on propagation study issues was provided. Tucson Electric Power (TEP) denied our request to place our antennas on their towers. The question was raised about SCADA vs. FlexNet. The DM explained that the two systems are essentially identical except for the transmission frequency, bandwidth, and power levels; both systems require taller antennas. The DM continues to work on this issue, including possibly installing taller antennas on the Freeport Mine's property.
2. Current Capital Budget: No comments
  3. Task List: Reviewed the DM's task list for May and June 2021.
    - i. Asset Management data will begin to be populated into Waterworth program in order to run actual sample reports prior to the next meeting.
    - ii. Director Manuals are still being worked on. Estimated completion date is September.
    - iii. The Hydrology study is scheduled to begin July 01. The DM will create the contract for Riley Engineering.
    - iv. The Business Case for Waterworth is not required due to the minimal cost.
- C. Technical Advisory Committee – District Manager, Dara Duffy
1. SCADA propagation study update. Discussed in Operations Report.
  2. Meter audit update. Discussed in Operations Report.
  3. San Ignacio Heights slip lining project update. Discussed in Operations Report.
  4. Meritage expansion update. The letter has been drafted by WLB to support the plan to run the Meritage sewer line and replace our water line along West Frontage Road. Once the formal letter is received from Meritage, the DM will update the Line Extension Agreement.
- D. Financial Advisory Committee – Chair, Eric Sullwold
1. Review District Financials.
    - A. Review May 2021 Operational Statements.
    - B. Ad-Hoc Committee on Financial Reports
      1. Discussed the newly formatted Financial Reports for the Board. The GVWD Operations Report will continue to be provided. The new financial reports can be produced using software from our current provider, Sage. The District will continue to provide the current Financial Statements, along with the new Reports, for one more month to allow for another side-by-side comparison. Effective July 2021 the Board will receive the new Board Reports and the front page of the current Operations Report as a separate document. The new Reports mirror the Audit reports to provide more useful data.
      2. Discussions will be initiated on our banking relationships along with current reserve funds and investment potential.
    - C. The District's 2019-2020 Financial Audit is complete and available to the public on our website. Also, the Financial Advisory Committee is now meeting with District staff quarterly to provide financial updates per the Audit's recommendation.
  - E. Personnel Advisory Committee – Chair, Pat Carlstad – No Report.
3. Call to the Public – Chair, Eric Sullwold
- Members of the Board may not discuss or act on any items that are not specifically listed on this agenda. Therefore, pursuant to A.R. S. § 38-431.01(H), action taken as a result of public comment will be limited to directing staff to study the matter, responding to any

criticism or scheduling the matter for further consideration and decision at a future Board Meeting. No comment.

4. Announcements – Clerk of the Board, Luis Rodriguez
  - A. The next Technical and Financial Advisory Committee Meetings are scheduled for Monday, September 20, 2021, at 8:00AM and 9:00 AM respectively.
  - B. The next Board Meeting is scheduled for Thursday, September 23, 2021, at 9:30AM.

5. Adjournment

- Motion to: Adjourn the meeting.  
Move: Darlene Hollingsworth Second: John Green

The meeting was adjourned at 10:22AM.

Minutes to be approved on September 23, 2021.

### **Green Valley Domestic Water Improvement District**