**DRAFT v2**

**GREEN VALLEY DOMESTIC WATER IMPROVEMENT DISTRICT**

**BOARD OF DIRECTORS**

**MEETING MINUTES**

**Thursday, February 23rd, 2023**

Board Directors Present: Eric Sullwold Robert (Bob) Hedden

Darlene (Dar) Hollingsworth John Green

George (Doctor) Orndorff -via video Joseph (Hart) Krumrine

Board Directors Absent:

District Staff Present: Dara Duffy Lora Burruel

Public Present: Sandy Green

Clerk of the Board: Luis Rodriguez

1. Call to Order and Roll Call – Chair, Eric Sullwold

The meeting was called to order at 8:56AM by Chair, Eric Sullwold

Roll call was taken. Six (6) Board members were present; therefore, a quorum was announced.

2. Approval of January 26th, 2023, Board Meeting Minutes

* Motion to approve the January 23rd, 2023, Board Meeting Minutes

Move: Hart Krumrine 2nd: Bob Hedden Approved: 5/0 Abstain: Chair

1. General Business
2. Financial Advisory Committee – Chair, John Green
   1. Review January 2023 Financial Report and Cash Flow.
      1. Income Statement. YTD Revenues are $56K below budget. Significant factors include the increase in Interest Income, the decrease in Golf Course Service, and the absence of Hook-up Fees. Expenses are $40K below budget. Operating loss is $155K.
      2. Cash Flow is $134K increase for the YTD.
      3. Balance Sheet. Total Assets are $11,581K, which remains $400K below last year. This is mainly due to the revised depreciation model.
      4. Capital Budget and Reserve Allocation. $259K remains in the FY2022-2023 budget. It has yet to be determined how much of these funds will rollover into the FY2023-2024 budget.
   2. Investment Timetable and Alternatives.
      1. On February 19th, 2023, an additional $1M has been transferred into the Arizona Treasury fund LGIP 5.
      2. The Committee presented its report on investment opportunities. The Chair explained future investment opportunities which were grouped into three categories:
         1. Self Managed Local Government Investor Pools
         2. Self Managed Short and Intermediate Investments of US treasuries and bank CDs and the Local Government Investor Pools.
         3. Professionally Managed Funds.

These options will be explored in more detail to determine the optimum investment policy for the District.

* 1. In-house Quarterly Audit Review and Timetable. The initial in-house audit review will occur this month. The March audit review has been cancelled. The next two (2) audit reviews will take place in April and May. All Advisors are welcome to participate.
  2. 2022-2023 Budget Considerations. Beginning in April, the Financial Committee will begin reviewing budget considerations for FY2023-2024. The DM will provide the draft budget to everyone. You are encouraged to share your budgetary thoughts and concerns via email to Dara and cc everyone: Lora, the Directors, and Advisors. This brainstorming effort will enable the District and the Board to be better prepared for the FY2023-2024 budget discussions in April.

1. Operations Report – District Manager, Dara Duffy
2. Monthly Operations Report for January.
   1. All manual read meters have been replaced with meters that can be automatically read by the antennas.
   2. The new fire station water lines have been installed.
   3. Over the next two (2) years the District will focus on changing out the remaining brass meters and type R radios that do not communicate directly with the antennas.
   4. The dual billing cycle is now scheduled for March.
   5. Weather concerns. January had ¾” of rain and temperatures remained cool.
3. Current Capital Budget.
   1. Bank Balances: The Wells Fargo balance is $422,021. Alliance is $1,676,404.
   2. LGIP #5 investment is at $500,945. An additional $500K was transferred from Alliance on February 18th, 2023.
   3. Year-to-Date Budget (YTD). Revenues are 3.52% below. Expenses are 1.79% below. The remaining months should allow for improved revenues.
4. Monthly Task List.
   1. Began creating an apprenticeship program to hire and train new Operators to replace staff as they retire. It is typically a 3-year process to become a certified Level 3 Operator.
   2. Riley Engineering Update. See “Riley Engineering Contract Proposal” 3.C.1.b. below.
5. Technical Advisory Committee – Chair, Bob Hedden
6. Current Capital Project Budget Up-date
7. The current District Capital Budget was established to support the proposal for the Camino del Sol booster station. The additional funding for the second booster station proposal should be covered by the remaining $480K.
8. The Riley Engineering proposal was considerably higher than expected. The same proposal has been sent to WLB. WLB’s proposal should be received by March 10th, 2023.
9. Block 27South Expansion Up-date. No new developments.
10. Administrative – Chair of the Board, Eric Sullwold
    * + 1. The Chair and the Board wished Lora Burruel a Happy Birthday.
        2. The cancellation of the March 23rd Board meeting was discussed due to the unavailability of two of the six Directors. It was recommended to cancel the following March meetings: Managers, Committees, and Board of Directors. The DM will provide the standard District reports to the Board for February and March.

* Motion to cancel the March meetings for Managers, Committees, and Board of Directors.

Move: John Green 2nd: George Orndorff Approved: 5/0 Abstain: Chair

1. Call to the Public – Chair, Eric Sullwold – No comments.
2. Announcements – Clerk of the Board, Luis Rodriguez
3. The next Technical and Financial Advisory Committee Meetings are scheduled for Monday, April 24th, 2023. The Technical Advisory Committee Meeting begins at 8:00AM, immediately followed by the Financial Advisory Committee Meeting.
4. The next Board of Directors Meeting is scheduled for Thursday, April 27th, 2023, at 9:00AM.
5. Adjournment

* Motion to adjourn the meeting.

Move: Dar Hollingsworth 2nd: Hart Krumrine Approved: 5/0 Abstain: Chair

The meeting was adjourned at 9:41AM.

Minutes approved on April 27th, 2023.

**Green Valley Domestic Water Improvement District**