

**Minutes, Green Valley Water District
February 8, 2018**

1. Call to Order at 9:30 PM by Chairman R. Hedden

Roll Call: Clerk of the Board

Board Present: Patricia Carlstad
Robert Hedden
Len Murphy
Richard Newman
Curt Wagner
John Wilson

Board Absent: Michael Cochran

A quorum was announced

2. Approval of the January 8, 2018_v2 Board Minutes and January 8, 2018_v2 Rate Public Hearing Minutes

I move to approve the January 8, 2018 Board Minutes_ V2.

Move: J. Wilson 2nd: R. Newman Approved: 5/0 Chair Abstains

I move to approve the January 8, 2018 Rate Public Hearing Minutes_ V2.

Move: C. Wagner 2nd: R. Newman Approved: 5/0 Chair Abstains

3. Signing the 2018 Conflict of Interest form. The clerk advised the Board that the GVWD Conflict of Interest Policy had no changes. Copies of the policy were made available for review. The COI form was passed around for the Board members signature to acknowledge that they are aware of the policy and there have been no change in their status. The signature form will be filed in the 2018 Document Book.

4. Operation report: L. Hoffman

Staff News & Training:

- The January staff training was on the danger of Horse playing in the work place.
- The February staff training was on office safety hazards.

Bids: none

Construction:

- Well #2 was pulled and inspected in January. The video showed that there were holes in the casing similarly to Well #1, to do a temporary fix, a new pump and 220 ' of column pipes were required. Total cost for parts and labor was \$35,000. Expectation is that Well #2 will have to be replaced in about 10-15 years.
- The field staff replaced two 8" gate valves at SI Golf Estates.

Maintenance:

- Field Staff completed 118 work orders and 16 Blue stakes.
- Jim and Kevin have completed maintenance on the valves and fire hydrants.
- The District has 947 Gate Valves. Twenty-two from 4 to 16 inches need to be replaced. The District Field Staff is able to replace the 4" and 8" valves but a contractor will need to do

the replacements on the 14" and 16" valves. The purchase of the twenty-two gate valves is included in the 2017/2018 Capital budget.

- The District has 413 Fire Hydrants. The five oldest ones on Cotonia need to be replaced. Forty-three fire hydrant heads need to be rebuilt. These are all in Desert Hills II. Parts have been ordered.
- The District has 114 Flush-outs. Two still need to be repaired. Maintenance work should be completed by March 2018.
- Replace and/or swap out 1 meter.
- Repaired 9 service leaks.

Miscellaneous News & Information:

- Ed Roll from WLB group called to see if a sewer line could be installed in the District's easement by block 28 up to the Escondido Wash. The District water line would be removed, replaced with a temporary water line while the sewer line was installed and then the water line would be replaced with all new piping. A drawing of the new sewer line location is being sent to the office for District approval. The project is projected to start in 2019.
- A question was raised if the easement between blocks 28 & 27 is the Districts. L. Hoffman will track down the recordings.
- It sounds like Williamson is planning to move forward on building on the property south of the Escondido. This would require him to put in a new well which would serve the entire Canoa Ranch area. If Williamson is moving ahead with establishing a taxing district to fund the infrastructure, the District needs to be aware and participate in the process. The District's New Facility Policy approved at the June Public hearing addresses the process to be followed.
- Meritage is planning to start building again in block 22/27 and we have received 10 new hookup fees in the amount of \$50,000
- The contractor license and insurance document were received from Ashton. We continue to wait for the schedule and a copy of the permit to construct from Pima Co ADEQ.
- **Meetings with:**
- C. Wagner and L. Hoffman met with ADOT.
- Met with R. Hedden and C. Wagner on the rest stop.
- Met with R. Hedden and C. Wagner on Well #2.
- Met with Layne on Well #2.
- L. Hoffman noted he has found a new tool that goes down the casing and will expand to plug the holes. It is a stainless steel sleeve. This is a possible new and less expensive option to extend the life of the well and will be investigated further.
- L. Hoffman, R. Hedden, and J. Wilson met to discuss the response to a GVC Park Committee questionnaire on the possible conversion of the Canoa Hills GC to a County Park

Review of financials

There was no change in the Capital Budget.

The financial statement for January was discussed in detail. See attached. Both the water pumped and water sold are up for both commercial and residential. The District received 10 hookup fees from Meritage in the amount of \$50,000. These fees are sitting in our account and will be expended when the meters are installed.

5. General Business: discussion and action on

A. L. Hoffman, District Manager

L. Hoffman reported there are no changes on the Capital Budget this month

B Finance Advisory Committee: L. Murphy

- Update on water revenue and major customers: Water revenue for the six months ended December 31st is down \$9,000 from 2017. Turf revenue is down \$20,000 with other categories up a net of \$11,000. Construction water is the largest contributor.

- Update on Capital asset capitalization policy: J. Wilson and L. Murphy met with L. Burruel to discuss the issue and will be scheduling another meeting soon.
- Engagement letter for audit by CliftonLarsonAllen: L. Murphy reported an engagement letter was received and anticipates a fee of \$30,250. Last year's fee was \$29,500. It was the consensus of the committee to recommend that the board approve the engagement letter.

I move that the engagement letter for the audit by CliftonLarsonAllen in the anticipated fee of \$30,250 be approved.

Move: L. Murphy

2nd: J. Wilson

Approved: 5/0

Chair Abstains

- Discussion of matters affecting the five-year cash flow
 - Turf revenue—the district has become aware of more concerted efforts by the golf courses to reduce the amount of water being used.
 - Other income includes \$20,000 in 2018 for hookup fees related to the ADOT project, which will not reoccur in future years. The Keno Landing project is now on hold diming prospects for hookup fees in the area of the District north of Calle Tres. Hookup fees in the Canoa Ranch area must be set aside for the new well field project and are not available to the District. The \$50,000 deposit by Meritage will be shown as income and transfer to reserve in 2019.
 - It is recognized that the replacement of Well #1 will impact the cash flow but by how much is still an uncertainty. The District is setting aside \$100,000 per year toward this project. As better information becomes available, it will be incorporated into the document.
 - The District has just had an inspection of Well # 2 that noted problems which will also have an impact on the District's cash flow. L. Hoffman is preparing a paper on all available options for Well #2. Layne recommends that the District do nothing else to the well until the point a decrease in volume or debris in water is noted.
 - Currently, there is no updated information about an interconnection with FICO's system to provide a backup for the hospital. As there is no certainty as to what will happen if there is a change in hospital ownership which may trigger a requirement for a backup system. There will be no further work on an interconnection at this time.
 - The committee will start the initial work on the 2018/19 budget in March.

C. Technical Advisory Committee: C. Wagner

- ADOT project status: The District has received all the required paperwork with the exception of the schedules.
- Update on planned work on Well #2: This was discussed in above reports. L. Hoffman is putting together a document on all the options for dealing with both Well #1 and Well #2. Layne has recommended we do nothing else to the well until we see a decreased volume or sand in the water. The timing for getting a WIFA loan was discussed.
- Development of the six lots at Canoa Ranch with no current street piping service in place: It has already been discussed with Williamson and he is aware that the last two blocks must be looped.

D. Personnel Committee: The Chairman requested that this report on Job Descriptions and personnel policies be done in Executive session after the Chairman's comments.

E. Chairman's comments: R. Hedden reported he along with J. Wilson met with Tom Sadowski, a representative of the GVC park committee. GVC was meeting with all the

businesses in this strip mall to determine if there would be any negative impact on the businesses if the park was developed. The Districts only concern would be if people using the area tried to park their cars in this lot. R. Hedden advised the representative that all water sources in the golf course area were nonfunctional and all meters were removed. If the county plan goes forward and when there is a definite layout of the area and possible water needs, GVC needs to sit down with the District. The park would be treated as a commercial account.

R. Hedden gave an update on the hospital. There has been an investor's agreement to accept a dark horse proposal which would cover their loan to the project. It is expected that they will have a buyer for the building. The title will be cleared on March 10 allowing a sale to another entity.

6. Call to the Public: There was no response.

7. Announcements:

- The next Finance and Technical Committee meetings will be Monday March 5, 2018 at 8 and 10 AM respectively.
- The next Board meeting will be Thursday, March 8, 2018 at 9:30 AM in the GWWD Conference Room

The Chair called for a motion to enter Executive Session to discuss job descriptions and personnel policies pursuant to A.R.S. § 38-431.03 (A)(1)

I move that the Board go into Executive to discuss the above issues per statue cited.

Move: C. Wagner 2nd R. Newman Approved: 5/0 Chair Abstains

The Board entered Executive session at 10:45 AM and returned to Regular session at 11:40 AM.

Consensus

The Board discussion today focused on the evolving needs of the water district and the looming retirement of our 2 key players. This is felt to be a good time to review Personnel policies and job descriptions and strengthen them to better meet the needs of our evolving organization. After much discussion consensus was reached and the Board agreed that the Personnel Committee should focus on revising job descriptions and policy to reflect the needs of the District and expectations for employees as detailed in Executive Session. Additionally the Board committed to provide tools and support to meet changed expectations.

I move to adjourn.


Move: J. Wilson 2nd: R. Newman Approved: 5/0 Chair Abstains

The meeting was adjourned at 11:45 AM

Minutes approved March 8, 2018

GREEN VALLEY DOMESTIC
WATER IMPROVEMENT DISTRICT

By Karen Thornton
Karen Thornton, Clerk of the Board


Robert Hedden, Chairman