

**Minutes, Green Valley Water District
October 12 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 the September 14, 2017 Board Minutes_v2

I move to approve the September 14, 2017 Board Minutes_ V2 as amended.

Move: M. Cochran 2nd C. Wagner Approved: 6/0 Chair Abstains

3. Appointment of Darlene Hollingsworth to the Finance Advisory Committee and Eric Sullwold to the Technical Advisory Committee.

I move to appoint Darlene Hollingsworth to the Finance Advisory Committee and Eric Sullwold to the Technical Advisory Committee

Move: L. Murphy 2nd R. Newman Approved: 6/0 Chair Abstains

4. Operation report: L. Hoffman

Staff News & Training

Monthly Safety meeting

- The training video was on work zone safety.
- L. Hoffman announced that a new employee, Patricia Hernandez, has been hired to fill the open Customer Service I position. She will start on Wednesday, October 18th.

Bids: none

Construction: No report

Maintenance

- Field Staff completed 197 work orders, and 14 Blue stakes.
- Jim and Kevin are operating gate valves, flush outs and fire hydrants as part of the annual maintenance program.
- To date, 726 main line valves are completed (19 were closed and 9 were broken), 322 fire hydrants (1 needs to be repaired) and 86 water main flush outs are completed. Mike is working on air vacs, 59 of 66 are completed. There are two that are in the middle of a home's front yard which will have to be moved.
- One curb stop was broken and had to be replaced.

- 115 meters were replaced and/or swapped out.
- Three service leaks were repaired.
- One sample station needs to be installed at the farthest southern point of the District

Miscellaneous News & Information: None

Meetings with:

- R. Hedden, C. Wagner, and J. Wilson on the maintenance building.
- Borderland Construction on the maintenance building
- John McKinney of Farmers Water to discuss the provision of a backup water supply. John is waiting to discuss the need and temporary alternatives with Dick Walton as soon as he returns. It was noted that there is no major rush at this point. The District's attorneys have agreed that the safest route for the District is to wait until further development actually starts before installation of the tie-in. It will be harder to recoup our cost from any Developer per the Line Extension Agreement once the 12" water line is installed. We need to have 3 months lead time prior to any construction to talk with developers and make them aware of their responsible for the cost of the 12" water line.
- The Finance Committee on 5 year capital plan.
- The Tech Committee on updates on the budget.

Review of financials:

The financial statement for September was discussed in detail. See attached. Both the water pumped and water sold are down slightly. The golf courses are now over-seeding which will reflect on next month's statement. Year to date the operating expenses continue to be less than budget while revenue is down due to golf courses.

5. General Business: discussion and action on

A. L. Hoffman, District Manager

- Report on the 2016/17 final capital budget: L. Hoffman handed out the revised capital budget which is through June 30, 2017. (attached) This is a fluid document which will change to reflect the needs of the District.
- Update on the discussion with Farmers regarding a tie-in with their system in Block #36. Discussed earlier in the operations report.

B Finance Advisory Committee: L. Murphy

- Update on water billings & major customers: Turf billings for July, August & September are down from recent years.

2015--\$193,000

2016--\$192,000

2017--\$188,000

- L. Murphy expressed a concern that the customers signed up for budget billing are included in the past due amounts on the financial statement when their approved payment is less than the bill. This is a contractual issue that it should not be considered as past due. There was agreement.
- Update on audit: The draft report was received and several operational issues have been resolved. The final report is expected soon.
- Follow up on insurance coverage: The agent has been unable to provide any information as to the impact increasing the deductibles would have on the cost of our insurance. We can expect an answer as we get closer to spring at the policy renewal. The District has not yet found a company willing to provide a policy to cover an increase in our liability coverage.
- Discussion of potential rate increase: It is the consensus of the group that we should implement a rate increase effective on the January 2018 billing to be used to fund additional reserves. The reserves would be used to reduce the amount that would

needed to be borrowed to replace well number 1 which is anticipated to occur in the next few years.

Questions remain as to how much the increase should be and the allocation between turf, residential and commercial customers.

L. Murphy is working on a schedule that will set forth alternatives. Board members are asked to respond with additional alternatives they would like to discuss at next month's Finance committee meeting. Once the rates are proposed there needs to be an educational effort to inform customers why the increase is needed. A public hearing will be scheduled.

C. Technical Advisory Committee: C. Wagner

- Update on the waterline to the I-19 rest stop: The District has been advised that ADOT has received proposals for this project. No other information on the project is available at this time. We continue to wait to hear from ADOT. It was also noted that the District has had no contact over the past month from Williamson regarding the sewer line and questions involving the county and state.
- Update the status regarding the installation of hydrant locking devices: C. Wagner reported that the District has started installing locking devices. The first have been installed on hydrants on county owned roads where it was easier to steal water unobserved. He noted that we have seen a decrease in booster station running late at night. The project will continue in ungated HOAs.

D. Chairman's comments:

- The chair called for a motion to go into Executive Session for the purpose of considering the financial options available to move forward on the purchase, sale or Lease of real property, pursuant to A.R. S. § 38-431.03 (A)(7) and a personnel issue on a new licensing level for field staff pursuant to A.R.S. § 38-431.03(A)(1).

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

Move: L. Murphy 2nd R. Newman Approved: 6/0 Chair Abstains

The Board entered Executive Session at 10 AM

The Board returned to regular session at 10:40 AM

Consensus: The Board reached consensus to assign the issue of needing a level 3 operator in distribution and treatment within the District staff to assure continuity of service to the Personnel Committee for further consideration.

Consensus: The Board reached consensus on protocol for moving forward on the maintenance building as outlined in Executive Session.

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

7. **Announcements:**

- The next Finance and Technical Committee meetings will be Monday, November 6, 2017 in the GVWD Conference Room. Time to be announced later.
- The next Board meeting will be held on Thursday, November 9, 2017 at 9:30 AM in the GVWD Conference Room.
- Clarification that distribution of all Board and Committee agendas will include all district advisors.

8. **Adjournment:**

I move to adjourn.

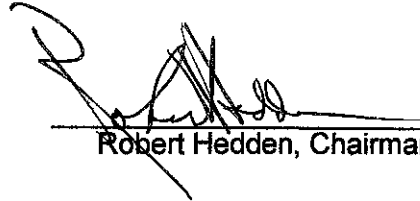
Move: J. Wilson 2nd: M. Cochran Approved: 6/0 Chair Abstains

The meeting was adjourned at 11:00 AM

Minutes approved November 9, 2017

GREEN VALLEY DOMESTIC
WATER IMPROVEMENT DISTRICT

By Karen Thornton
Karen Thornton, Clerk of the Board



Robert Hedden, Chairman