

**Minutes, Green Valley Water District
September 8, 2016**

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

Roll Call: Clerk of Board

Board Present: Michael Cochran
Robert Hedden
Len Murphy
Richard Newman
Carl Schuster
John Wilson
Curt Wagner

Board Absent: None

A quorum was announced

1. Approval of the June 9, 2016, Public Hearing Budget minutes, v2; June 9, 2016 Public Hearing Rates minutes, v2; June 9, 2016 Board Minutes, v2 and the August 18, 2016 Special Board Meeting, v2.:

I move to approve the June 9, 2016, Public Hearing Budget Minutes, V2 as presented.

Move: J. Wilson 2nd: C. Schuster Approved: 6/0 Chair Abstains

I move to approve the June 9, 2016, Public Hearing Rates Minutes, V2 as presented.

Move: L. Murphy 2nd: C. Wagner Approved: 6/0 Chair Abstains

I move to approve the June 9, 2016, Board Minutes, V2 as presented

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

I move to approve the August 18, 2016, Special Board Meeting Minutes, V2 as presented

Move: D. Newman 2nd: C. Schuster Approved: 6/0 Chair Abstains

2. Operation report: L. Hoffman

Staff News & Training

- The July Safety meeting was on Fire safety in the work place.
- The September Safety meeting was on Conflicts in the work place.
- Larry attended the 25th annual leadership conference and was awarded 15 PDH
- Lora took a class on cyber security, 4.0 hours
- Mike and Jim took a class on commercial metering, 6.0 PDH

Bids:

- The new truck was picked up in July 2016
- The bids on the concrete pads ran from \$13,830.00 to \$31,000.00, the low bid was Mikey Concrete LLC at 13,830.00 and the contract was issued. The contract is now completed.

Construction:

- Langston Security has completed installation at all 7 sites. Programing at the tank site is still needed.

- Well #2 Electrical protection was installed on June 17, 2016.
- Regarding the Arsenic Treatment plant: The Media was removed on July 27 and reinstalled on Aug. 30, 2016, 15 CF of Media was lost. The expected loss is from 3 to 5 CF. After checking all the vessels before returning the medium no reason for the higher loss was found. The cost to regenerate was \$86,000.
- ADOT is still working on the final drawing for the rest stop. The District is requesting the use of larger 12 inch pipes all the way to Canoa Ranch Drive allowing it be tied into our system for redundancy. At this juncture the 12 inch will be connected to the 8 inch pipe that will run the water to the rest stop. This will allow ADOT to have the benefit of a 2 inch meter at the rest stop and benefits both ADOT and the District.
- The draft copy of the ADOT contract was concerning to the District. The District is requesting revisions and will be meeting with ADOT regarding changes. After the restructured contract is approved by the District it will be reviewed by council.

Maintenance

- Field Staff has completed 175 work orders and 29 Blue stakes.
- During the summer, Jim and Carlos have been working on all maintenance aspects of the distribution system, gate valves, fire hydrants, fire hydrant valves, and flush outs. The work started at the South end of the district to assure chlorine gets into the system even though many residents leave for the summer.
- Mike is working on the Air Vac, 49 of 66 are completed.
- Doug has been working on the second set of sample station. Two of the 10 are Completed.
- Installed 2 new meters
- Replace and or swap out 13 meter.
- Repaired 10 service leaks.
- Replace 2 curb stop.

Miscellaneous News & Information

- Two golf courses and 270 residents are on email billing
- There are 2048 residents on ACH billing.
- The GM showed a map of the areas where MXUs installation is completed and areas waiting for installation. The estimated time of completion of the MXU project is 2023.

Meetings with:

- Langston Security on finishing up on the internal monitoring system.
- Met with the new Fire Inspector for the GV Fire Department to acquaint him with the Districts policy. Also discussed was the need for locks to be placed on hydrants that are along County Access roads due to water theft. A suggestion to file a complaint with the Pima Co Sherriff Department over water theft along County Access Roads typically from 4 PM to 3 AM.
- Bestway regarding Booster Stations.
- Cox regarding the location of boxes.
- ADOT regarding 1-19 rest stop and the districts standards for pipe installation.
- Farmers Water regarding water pirating and solutions.
- Borderland Constr. regarding the concrete pads.
- AK Binding regarding the concrete pads.
- A question of whether the District has a tie in to Community Water Distribution was raised. We do, however it is in the Mission Twin Buttes area. Due to pressure differences between our organizations it is not a viable emergency use plan. A dialogue between the organizations should be revived.

Review of financials:

The financial statement for August was discussed in detail. See attached. Revenue is up

slightly from budget. The past due accounts are \$10,000. Two of the accounts are now paid up. The third will be discussed later in the agenda. The changes in the Rules and Regulations regarding the timing of the paying schedule has caused some initial problems with commercial compliance. The office is working with these accounts during the transition.

The overall amount of water pumped and sold is down from last year. The hook up fee of \$31,000 is for the rest stop which has not been installed yet. There were two hook up fees from the Casitas at Canoa Ranch. The meters have not been installed due to the contractor setting the meter boxes incorrectly.

Expenses in all areas are in line with the budget.

4. General Business: discussion and action on

A. **Finance Advisory Committee:** L. Murphy

- Cash flow implications for 2017: The committee discussed possible implications of last year's revenue being up due to SI golf course coming back on line, the impact of rate changes and the surcharge. The expectation is revenue will be on a more even trend for 2017.
- Update on water billings & major customers: The amounts of water pumped by the golf courses was down this month. Residential was also slightly down.
- Initial planning for FY ending June 30, 2017 was started.
- Implementation of deposit requirement for Hospital: The hospital has been behind on its billing for the past 3 months. There have been several meetings with hospital management detailing payment requirements and the importance of breaking the pattern of paying for one month and days later being in arrears for a second month. The consensus of the Board is that the District should proceed with the implementation of a prepayment deposit requirement plus full payment for the outstanding bills. After discussion it is recommended that the deposit should be equivalent to a 2 month water usage which is \$5,000. This is in line with the programs put in place for the golf courses when they were having payment issues. This prepayment is codified in the Districts Rules and Regulation. This action is appropriate based on the past history of late payments of monthly water bills. The \$5000 deposit requirement plus full payment (amounting to about a \$10,000 lump payment) of past due bills should be required on 3rd working day in December, 2016. It is also suggested that the District's Attorney send a letter addressing the deposit issue and that full payment of the existing bill be required by the 3rd working day in December. Lack of this payment will result in the water being turned off at 4 PM on December 5, 2016. This action had been discussed with Hospital Management at a meeting with the District Board Chairman. Being no further discussion a motion was called for:

I move to authorize legal counsel to draft a letter to the Green Valley Hospital outlining the District's expectation of receiving the \$5,000 deposit requirement due to its past history of late payments and to bring the account current on all outstanding bills by the 3rd working day of December (December 5, 2016)

Move: L. Murphy 2nd: Curt Wagner Approved: 6/0 Chair Abstains

The chair will contact legal counsel and begin the process.

B. **Technical Advisory Committee:** C. Wagner

- Update on ADOT & I-19 Rest area water service: C. Wagner and L. Hoffman will be reviewing the ADOT contract. Reported earlier in the OM report

- The Arsenic treatment plant test levels and the media change out status: Reported earlier in the OM report.
- The Capital Budget sheet for 16/17 was handed out. The generators for the booster station and the four concrete pads were approved at the August 18th special meeting. C Wagner is requesting approval for the MXU for Canoa Estates and the purchase of a new golf cart today
- Approve Canoa Estates MXU capital project: Costs were reviewed. There were no questions.
- Approve purchase of new golf cart. The old cart needs to be replaced. The \$10,000 number in the capital budget is an estimate. Bids were requested from Easy Go and Honda

I move that we approve an expenditure of not greater than \$10,000 for a replacement golf cart and approve the MXU capital project for Canoa Estates not to exceed \$50,000.

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

R. Hedden commented that the numbers are estimates and as long as costs do not exceed this amount there is no need to bring it back to the Board. The DM will put in realistic cost numbers, and then solicit and choose the best bid. The only time the DM has to come back to the Board is if there is an additional cost.

C. Personnel: R. Newman

- Installation of New Board: A protocol was passed out for review (attached). After discussion a motion was called for.

I move to adopt the protocol for the installation of new Board Members as it was modified today. This document will be retained as a Board adopted policy.

Move: R. Newman 2nd: M. Cochran Approved: 6/0 Chair Abstains

Grant Update: R. Newman reported he is now working on a grant to submit to the Department of Homeland security. If it is approved, the grant funds will be available sometime in 2017. There will be an informational seminar held in Phoenix sometime in January. The grant will be submitted immediately after the conclusion of the seminar. There is the expectation that the Department of Homeland Security-Southern Section will have up to \$1,000,000 to award.

The narrative section of the grant is completed. R. Newman is getting more background information to assure that the equipment that we request is on the approved list.

D. Chairman's update

- Surety Bond: R. Hedden reported that the District had received a letter from the Cincinnati Insurance Co that it had rescinded the notice of cancellation of the bond for Canoa Ranch. The cancellation letter had been generated in error due to an internal accounting problem.
- Policy on capital budget expenditures: R. Hedden noted that at the time the District approves the operating budget, what we are approving is a lump number for capital projects. The specific capital projects as presented by the Tech Committee is approved as part of the capital budget and that there is no need to go back and approve the individual projects. The responsible party will be the General Manager who will put the projects in place with the help of the involved committee if needed. If there are changes in cost or timing, the manager has to return to the board with justification.
- Director Murphy pointed out that in no place in the budget does the Board approve the priority of the projects. This step should be considered as projects are brought forward by committees which would include the scope of work, estimates of cost and priority of when

the project should be scheduled in the fiscal year. He also noted that the 5 year capital plan has is not approved by the Board.

- The chairman handed out an informational sheet on expectations for a Board meeting. (attached)
5. **Call to the Public:** There was no response.
6. **Announcements:**
- The next Finance and Technical Committee meetings will be on Monday, October 10, 2016 in the GVWD Conference Room. Times to be announced later.
 - The GVWD Board meeting will be on Thursday, October 13, 2016 in the GVWD conference room at 9:30 AM.
7. **Adjournment:**

I move to adjourn the meeting

Move: M. Cochran

2nd: C. Schuster

Approved: 6/0

The meeting was adjourned at 11:05 AM

Minutes approved October 13, 2016

GREEN VALLEY DOMESTIC
WATER IMPROVEMENT DISTRICT

By Karen Thornton
Karen Thornton, Clerk of the Board

Robert Hedden
Robert Hedden, Chairman