

PINE CREEK CANYON DOMESTIC WATER IMPROVEMENT DISTRICT

PO Box 945, Pine, Arizona 85544

MINUTES

**Special Meeting of the Board of Directors
Pine Creek Canyon Domestic Water Improvement District**

**Date, Place, and Time:
Thursday, January 7, 2010
Telephonic ONLY
1-800-391-1709, bridge code # 151596
12:00 NOON**

1. Call to Order

The meeting was called to order by Ernie Borgoyne, President, at 12:00 PM.

Present via conference telephone

Ernie Borgoyne, Chairman, Jim Crews, Treasurer, J. Pak and Jim Semrad

Others:

Harry Jones, District Manager, Pat Watson, Admin. Asst. Mike Ploughe,
Highland Water Resources Consulting, Jay Click, ADT.

2. Discussion and/or action regarding Deep Well project.

a. Current Technical Status

- Harry asked Mike Ploughe to discuss the current status.
- Mike Ploughe discussed continuing work on the well, regarding the drilling to deeper depth, a significant amount of water but in fact the hole had continued to fill with sediment.
- Recommended that Option 3B completion was the way to go.
- Need to install 8” casing to 1780 feet to the bottom. The casing would be installed and pulled back out to 1520 feet and ADT could use the casing again and not charge the District.
- J. Pak asked the cost and reply was approximate \$7,200 which would include taking 8” casing down all the way and then back it out to 1560 feet or about 40 feet off the bottom and at the same time put in filter sand for support and fill in the caverns.
- Mike Ploughe stated that the filter media was not a major cost but the labor would be the cost. Discussion and description of the work to be done for Option 3B. If Option 3B is continued then the amount of water, any collapse of the walls could be determined. The tests would help clean out the well of debris and be able to determine whether we have water and how much. If all goes smoothly the cost would not be too much.
- In talking to Jay Click there would be additional time involved. Five days were allotted but it may take up to ten days at an additional cost.

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- Mike Ploughe announced that Jay Click would work with the District to complete the well as the Board directs.
- J. Pak asked about additional costs above the original contract.
- Amounts would be in accordance with the scope of work that needs to be done.
- Harry Jones asked Mike Ploughe about Jay Click's reaction and whether he would be willing to work with us regarding completion of the work as designated by the Board. Mike could not speak for him but Jay Click wants it completed to our satisfaction.

b. Summary of 12/31/2009 Discussions with WIFA – Harry Jones

- Discussion regarding the presentation to WIFA. They do have money available for a loan and are interested in providing a loan but none of the new money would be forgiven.
- Harry Jones could not determine a final completion cost until Jay Click could determine the final scope of work and give a final figure.
- Board members discussed the financial impact of total loan, payments due and an approximate amount of cost per lot in the District.

c. Next Steps – All

- Compare costs and well completion results between Option 2 and Option 3B.
- J. Crews asked how we know the numbers are correct.
- Discussion regarding the District borrowing more money to finish Option 3B or stop at Option 2.
- Discussion regarding whether the District should possibly hold at Option 2.
- Harry Jones stated there is a safety issue in taking the WIFA loan and spend it only if we need it for completion.
- More discussion regarding the caverns and the fact that at additional depth there are not the caverns. Also, Option 2 does achieve current goals but with Option 3B there would be a future benefit.
- J. Crews discussed the fact we have had increases in costs every two weeks.
- Discussed having Jay Click give a fixed number for completion.
- Harry Jones discussed the loan and repayment percentages and amounts.

Jay Click, of ADT joined by phone.

- Jay Click discussed costs for Option 3B and reviewed the work that needed to be done for completion and additional costs that would be incurred. Also discussed the number of days needed.
- Jay Click stated the project could be stopped for Option 2 but at some point in the future it would cost considerably more to go forward with Option 3B.
- Jay Click would provide a figure for completion but would need to have time to check with suppliers and work out a figure, approximately in a day. He is willing to work with the Board.

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- Harry Jones asked for authorization to complete a request to WIFA for a loan up to \$200,000 to be able to complete Option 3B and then use only the funds needed. Repayment of the loan would be only on the funds used.
- Ernie Borgoyne indicated no motion was needed by the Board at this time. Any funds from a new loan would not be available until after February 17, 2010.

Jay Click, leaves the phone conference.

- J. Pak stated that we should go forward when the definitive numbers are approved.
 - The Board authorized Harry Jones to begin application for WIFA funds for \$200,000. If WIFA needs written approval from the Board then it can be obtained at a later date.
 - The goal is to complete the well by the end of January, 2010.
- J. Pak asked if we could keep the overage on the \$200,000 for a time and then decide if it needs to be spent on generators at a later date.
- J. Pak asked about the February 17, 2010 WIFA Board Meeting.
 - Harry announced the dates for the regular PCCDWID Board meetings are on the website.

Motion was made and seconded to adjourn the meeting. Roll Call Vote - Ernie Borgoyne, J. Pak, J. Crews and James Semrad all voted aye.

Meeting adjourned at 1:40 PM.