

Pine Creek Canyon Domestic Water Improvement District

PO Box 945, Pine, Arizona 85544

MINUTES
Regular Meeting of the Board of Directors

Date, Place, and Time:

Saturday, March 20, 2010

Place: Pine Fire Department, West Hardscrabble Mesa Road

Pine, Arizona

1-800-391-1709, bridge code # 151596

9:00 AM

1. Call to Order

The meeting was called to order by Ernie Borgoyne, Chairman at 9:00 AM.

Present

Chairman: Ernie Borgoyne,

Board Members: Jim Crews, Allan Johnson, and J. Pak,

Jim Semrad was present telephonically

District Manager: Harry Jones

Others Present: Pat Watson, Administrative Assistant, Mike Ploughe, Highland

Water Resources Consulting, Greg McKelvy, Animas Resource, Tom Jones,

R. D. Anslow, Joe Schenk, Telephonically, Sandy Velotta

2. Call for a motion to adjourn to executive session if necessary

No motion made.

3. Reconvene Public Session

Public Session continued in session.

4. Call to the Public

Public made no comments at this time.

5. Call for Motion to approve Meeting Minutes

a. December 19, 2009 – Regular Meeting

b. January 7, 2010 – Special Meeting

c. January 18, 2010 – Special Meeting

d. February 27, 2010 – Special Meeting

Motion was made by Dr. Johnson to accept the minutes. Second by Mr. Crews.

Roll Call: Mr. Crews, Dr. Johnson, Mr. Borgoyne, Ms. Pak, and Mr. Semrad all

say Aye. None say Nay. Motion passed.

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6. **Discussion and/or action regarding Status Reports**
- a. **Treasurer Report**
- i. **Profit and Loss Balance Sheet**
Our income was \$144,869.40 and our expenses were \$91,381.10 with a profit of \$53,849.84 year to date.
- ii. **Actual to Budget Comparison**
We are approximately \$30,000.00 ahead of budget. There were no legal bills this quarter for operations (there were some legal expenses for the WIFA Projects)
- iii. **Bank Account Balances and list of checks written**
There is approximately \$145,000.00 cash on hand. The list of checks that were written during the quarter were presented.
- iv. **Liens Placed on Properties**
Same five liens are present or in foreclosure. We collected on one lien when a property was sold.
- v. **Invoices from District Manager**
Reviewed the District Manager invoices and all were satisfactory. Many of the trips that the District Manager took to the Valley were shared expenses with other water boards.
- vi. **Motion to Approve Payments**
Mr. Crews made a motion to approve the payments, Ms. Pak seconded. Roll call: Mr. Crews, Dr. Johnson, Mr. Borgoyne, Ms. Pak, and Mr. Semrad all say Aye. None say Nay. Motion Passed.
- vi. **Upcoming Key Dates**
Mr. Crews presented
- a. April 24, 2010 - Budget Work Study
- b. May 8, 2010 - Board Meeting to approve budget. The budget would then be posted one month and one week before the next Board Meeting
- c. June 19, 2010 – Board Meeting to approve next year’s budget
- b. **District Manager Reports**
- i. **Well Depth and Monthly Water Usage**
On March 11, 2010 it was 336 ft. Present it is at 298 ft. The level was at 252 ft. when we had the leak at the Deep Well. We have had several severe leaks this quarter, the snow plow broke a line on the customer side of the meter and there was another leak for approximately two days at the end of the pipe at Tract B.
A letter was received from Mr. Jim Hill who owns the well near the exit gate. When we had the breach in the Deep Well drilling, the water level dropped drastically. Mr. Hill was not able to pump out of his well. We filled his tanks three or four times at no charge. When our level was back up his pump would not start. He had to install a new pump. He asked if we would share this expense. Mr. Borgoyne wrote back that our well didn’t go dry, we were still pumping and did not feel that we were responsible.

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- The Board agreed that handling this administratively was proper.
- ii. **Invoices from Hydrologist**
The January, February and March invoices were presented and accepted.
 - iii. **Invoices from Computer/Website person**
There were no invoices presented
 - iv. **Legal Status**
No trial date has been set but is expected to be sometime in August, 2010. The District Manager has not been spending much time on legal issues. He presented correspondence from our attorney, Mr. Thomas on 'settlement overture' and that no progress has been made. Mr. Crews stated that several of the attorneys that we have used from the Ryley Carlock law firm have left the firm and we may need to evaluate future representation on various issues. Mr. Joe Schenk asked exactly what the law suit was concerning so the District Manager and Mr. Crews gave a brief summary of the suit.
 - v. **Deep Well Project**
 - 1. **Expenses to Date**
There is a request in to WIFA for a draw of \$109,000.00 which will bring it to a draw of \$625,000.00.
Mr. Ploughe stated a screen was installed at 1780 feet and it cleaned the water of the sediment and had a 60 GPM estimated flow rate and was clean. Need to install pump, get electrical panel, clean the lines and get Sunrise to obtain ADEQ approval of new source.
Estimate that the system will be running by June, 2010. Fifty GPM recommended. Main question yet is if a filter will be needed at the surface.
 - 2. **Expenses to Complete (already bid)**
Generator needs to be acquired and pump installed.
 - 3. **Expenses to Complete (yet to bid)**
Clean-up will start – some in bid. Mr. Ploughe evaluated the status of new requirements to obtain an Assured Water Supply Certification. It takes about one year of testing (this will be on our to do list),
Motion by Mr. Crews to authorize the District Manager to contract for \$95,000.00 with ADT to install 50 GPM pump. Second by Dr. Johnson. Roll Call: Mr. Crews, Dr. Johnson, Mr. Borgoyne, Ms. Pak, and Mr. Semrad all say Aye. None say Nay. Motion Passed
The drillers will start next week to remove their equipment and continue restoration. The green pipe will be needed for installation and testing of the pump and to clean out the lines. This will be started within the week. It takes two weeks of testing and the pipe will then be removed. PSWID has indicated they are interested in purchasing the pipe.

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vi. ADOT/Pond Project

Four bidders were at the pre-bid conference. Bids are due on Thursday, March 25, 2010. The ADOT permit will be issued in the next few days and no problems are expected. A letter is in final form and will be sent to all parties on encroachment permit, i.e. Portal IV, LLC, DNW, JNL, Portal IV HOA, and PCCDWID. ADOT will issue the encroachment permit to protect the highway. If all is not completed properly and an illicit discharge happens or damage to the highway, anyone who does not comply could be held responsible by ADOT. Upstream retention area was not completed in the development as specified in the 1994 Plans. At most it is now at a 25 year flood level and not a 100 year flood level. PCCDWID will raise the berms to a 100 year flood level. Three original estimates are within range of budget. Biggest risk is amount of soil needed and cost of soil.

1. Expenses to Date

2. Expenses to Complete (already bid)

3. Expenses to Complete (yet to be bid)

\$60,672.76 is the current source of funds available Estimate is minimal of \$56,384.64 to complete project.

7. Motion to adjourn

Dr. Johnson moved to adjourn. Seconded by Mr. Crews.

Roll Call: Mr. Crews, Dr. Johnson, Mr. Borgoyne, Ms. Pak and Mr. Semrad all say Aye. None say Nay.

Motion Passed and meeting adjourned at 10:24 AM.