

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, June 19, 2010**

**Place: Pine Fire Department, West Hardscrabble Mesa Road**

**Pine, Arizona**

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

**9:30 AM**

**1. Call to Order**

The meeting was called to order by Ernie Borgoyne, Chairman at 9:30 AM.

Present

Chairman: Ernie Borgoyne,

Board Members: Allan Johnson, and J. Pak,

Jim Semrad was present telephonically

District Manager: Harry Jones

Others Present: Pat Watson, Administrative Assistant, Tom Jones, John and Roxie Helbert, Cathy Dugan, Larry Field, and Loren Peterson.

Telephonically, John and Sandy Velotta

Not Present

Treasurer, Jim Crews

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

No motion made.

**3. Reconvene Public Session**

Public Session continued in session at 9:32 AM

Since the Special Rate Hearing was scheduled for 10:00 AM the meeting continued with Agenda Item #7.

Pine Creek Canyon Domestic Water Improvement District

PO Box 945, Pine, Arizona 85544

**7. Call for Motion to Approve Meeting Minutes;**

Dr. Johnson moved to approve the minutes for the March 20, 2010 meeting. Second by Ms. Pak. Roll Call: Dr. Johnson, Mr. Semrad, Ms Pak and Mr. Borgoyne all say Aye. None say Nay. Motion Passed.

Dr. Johnson moved to accept the minutes for the meeting on May 8, 2010. Second by Mr. Semrad. Roll Call: Dr. Johnson, Mr. Semrad, Ms Pak, Mr. Borgoyne all say Aye. None say Nay. Motion Passed.

**8. Call to Public**

Public made no comments at this time.

**9. Reports**

**a. Discussion and/or Action regarding potential sale of water PSDWID**

Mr. Borgoyne stated that no real discussion or decisions have been made. It is up to PSDWID to make a proposal and none has been received.

Mr. Helbert asked if we were going to have those PSDWID customers who purchase water charged the same special assessment tax that we have to pay.

Mr. Peterson of Strawberry Hollow, asked if the Deep Well has any impact on the Well Aquifer and if Mr. Jones involvement with both Boards (PCCDWID and PSDWID) is a conflict of interest.

Mr. Borgoyne stated that no effect of any of the wells has been determined or what effect they might have on each other. He stated that Mr. Jones has not been and is not involved with any negotiations between the two Districts.

**b. Discussion and/or Action regarding Treasurer Report**

Mr. Jones gave the Treasurers Report in the absence of Mr. Crews.

The Cash Assets are \$144,435.15. This includes some WIFA funds.

Expenditures were discussed. Revenue is up over \$13,000.00 of Projected. Dr. Johnson moved to accept the Treasurer Report. Second by Ms Pak, Roll Call:

Dr. Johnson, Mr. Semrad, Ms Pak and Mr. Borgoyne all say Aye. None say Nay. Motion Passed.

**4. Adjourn to Special Rate Hearing – 10:00 AM**

**a. District Manager to summarize the 2010/2011 budget and rate package.**

Mr. Jones presented the Proposed Budget.

Copy included in the Board of Directors meeting information books and with these minutes.

Mr. Velotta asked what the rate on the Property Tax will be. Mr. Borgoyne stated that it will be the same as last year.

Mr. Borgoyne read the letter from Mr. Crews, Board Treasurer, due to his absence. This letter is read into the minutes.

Mrs. Velotta asked if there is a dollar amount in the proposed budget to go in the reserve fund. Mr. Jones said, "No."

# Pine Creek Canyon Domestic Water Improvement District

PO Box 945, Pine, Arizona 85544

**5. Reconvene Public Session**

**6. Call for Motion to Approve 2010/2011 budget and rate package**

Ms Pak moved to accept the Proposed Budget. Second by Dr. Johnson. Roll Call: Dr. Johnson, Mr. Semrad, Ms Pak, and Mr. Borgoyne all say Aye. None say Nay. Motion Passed.

**9. Reports (continued)**

**c. Discussion and/or Action regarding District Manager Report**

**i. Deep Well**

Mr. Jones reported that the Deep Well has run for eight days at 48-50 gal/min rate. There is a 50 gal/min pump. No top filter will be needed. Next week we will be filing with ADEQ on the water quality. We still need APS to approve the transformer. APS has been slow in response. The electrical panel should be completed but waiting for APS.

A propane backup generator will be installed but the design is not yet complete. The issues of 1) is the pipe to the site of adequate size and 2) do we need to put in our own tank for the Propane.

Project should be completed and water in use in 30-45 days. Depends on ADEQ. Mr. Fields asked if we knew the short and long term effect of the Deep Well. Do we have enough information about our ability to sell water? When the Fire Department tested a fire hydrant, there was a great decrease in water pressure. If we sell water, what effect will it have on our water pressure. Mr. Field agreed to help PCCDWID legally if there is a need, if we negotiate with PSDWID, to make sure our community is protected.

Mr. Jones stated that the Fire Department opened up a fire hydrant at full bore and at the same time we had a break in the line to Tract B and that a problem developed when that line was being filled with water at the same time the hydrant was being checked. If two hydrants are used at the same time, the system was developed to shut off all the pressure pumps. One hydrant broke during testing and is in the process of being repaired.

Mr. Borgoyne stated there is a need for Community co-operation on determining the effect of the different communities drawing on the aquifer.

Mr. Velotta recommended that when Mr. Ploughe does the testing of the well that he tests the transitivity effect. He stressed the effect of two fire hydrants turned on at one time and if a policy can be put in effect that this will not occur again.

Mr. Borgoyne stated that he is doing an analysis of the system to include errors and failures of the system.

Mr. Velotta recommended a better co-operation between the fire department, water crews, and the administration so that the fire department notifies us when they will be testing the hydrants.

Mr. Borgoyne stated there may be a need for maintenance of the fire hydrants since they are over 16 years old. Harry Jones is to check with Fire Department on their maintenance/testing procedures.

Pine Creek Canyon Domestic Water Improvement District

PO Box 945, Pine, Arizona 85544

**ii. Pond Project Status**

The WIFA loan for the Pond is \$90,000.00. \$63,000.00 will be forgiven. The remaining \$27,000 is on a 2.94% interest rate. Mr. Jones stated the Pond Project is completed and needs ADOT to inspect it. The Pond Project is on Budget.

**iii. Static Water Level**

Mr. Jones stated that the water level is back-up to the level that would be normal at the end of the worst times (fall). End of May at 288 ft. and now at 286.ft. Mr. Jones stated we will put up a notice of conservation to Level 2 to be safe.

**iv. Call for District members to file nominating petitions for upcoming vacant Board member positions**

Mr. Jones gave the Board the necessary papers for filing for vacant Board Member positions.

**10. Discussion and/or Action to approve and publish a Call for Election for District Director position to be held on November 2, 2010, and for District to authorize Gila County Elections Department to conduct such election.**

Two position on the Board (possibly 3) to be open.

Dr. Johnson moved to authorize the Gila County Elections Department to hold such election at the November 2, 2010 election. Second by Ms Pak. Roll Call: Dr. Johnson, Mr. Semrad, Ms Pak, and Mr. Borgoyne all say Aye. None Say Nay. Motion Passed.

**11. Administrative matters**

**1. Lawsuit**

Mr. Jones stated that another law suit by Max Gibson and his insurance company, which is the same as the PCCDWID insurance company. It is against Mary Lou Meyers and included her realty company, 1<sup>st</sup> American Title Co. and PCCDWID. The filing has been passed to Attorney Neal Thomas.

**2. District Manager Invoices.**

Dr. Johnson moved to accept the payment of invoices for the last three months. Second by Ms. Pak. Roll Call: Dr. Johnson, Mr. Semrad, Ms Pak, Mr. Borgoyne all say Aye. None say Nay. Motion Passed.

**12. Motion to adjourn**

Ms Pak moved to adjourn. Second by Dr. Johnson. Roll Call: Dr. Johnson, Mr. Semrad, Ms Pak, and Mr. Borgoyne all say Aye. None say Nay  
Motion Passed and meeting adjourned at 12:00 Noon.