

Ponderosa Park Domestic Water Improvement District Draft Board Meeting Minutes

January 19, 2021

I. Call to order

Meyers called to order the monthly meeting at 5:58PM on 1/19/2021.

II. Roll call

The following persons were present. Chairperson – Mary Meyers, Board Members – Al Jossis, Robert McBurnie, A.J. Adamkiewicz, Derrick Rice, Recorder – Michael Wimmer, Southwest Utility Management – Stuart McLean, Lacey Merritt (via phone)

Public Attendees – Sharla Peterson, Jacqueline Wheeler, Lynn Klecak

III. Approval of Minutes

- a) Meyers moved to approve the minutes from November. McBurnie rejected the motion stating the public attendees, chairman's forum, and final note should be removed from the minutes. The motion failed to pass.

IV. Review Financials

- a) Meyers reported water loss resulting primarily from Central AZ Fire extinguishing the house fire on Juniper Loop. Meyers explained there was no reimbursement for the use of water in emergency situations. Additional water loss occurred when the Manzanita well filter canister burst.
- b) Jossis summarized the standard reports used when reporting financials. Profit & Loss, Balance Sheet, Accounts Receivable, Accounts Payable, and Cash Flow
- c) Jossis explained how the budgeting process spreads the expected expenses across the entire fiscal year.
- d) Jossis explained the details of the financials and how delinquent accounts are identified in accordance with the PPDWID by laws (as stated by Merritt).
- e) Merritt explained that any pending balances revert back to the homeowner in the event a renter vacates the home with an unpaid balance. Renters are required to pay a water service security deposit. Accounts are considered delinquent after 45 days from the last bill.
- f) Jossis suggested that all new board members be added to the SUM financials email distribution list.

V. Operator's / Manager Report

- a) Mclean reported the tank maintenance has been pushed out to an undetermined date in the spring. Delays requested by the Board due to water level concerns and COVID related staffing issues at Suez Tank were the reasons given. Mclean stated the tanks were still in good condition.
- b) Mclean noted the blend tank life span should be extended using the recently installed liquid chlorine injection system.
- c) Mclean reported several brown water calls that occurred after the house fire. Reports of a smell around one of the well houses turned out to be the mule pen located upwind of the location.
- d) Mclean reported that water levels are dropping. As a result, Kaibab well has been operating in safety mode (12hrs on 12hr off) to prevent pump damage.
- e) McBurnie requested the current depth of each well and the percentage full be added to the well report. Mclean agreed the information would be added.

- f) Adamkiewicz requested that new board members set up a time with Mclean to visit each well site and familiarize themselves with the physical water operations. Mclean agreed.

VI. Old Business

- a) Jossis explained how the meter replacement costs would be shifted to the appropriate accounts.
- b) McBurnie asked for the reasoning behind the purchase of the meter reading software. Merritt explained it eliminates human error and prevents the need to estimate water bills when visual inspection may not be practical.
- c) Rice raised concerned the financials are showing an excessive credit in the general ledger and expressed the money could be given back to the customers.

VII. New Business

- a) Meyers motioned to make the Board assignments. McBurnie asked to hold off on the assignments until the new board members familiarized themselves with the responsibilities of each role. Jossis motioned to postpone until February. McBurnie seconded the motion. The motion was approved unanimously.
- b) Jossis presented the need to determine if the next audit would be a full audit or a review. The cost for an audit is \$7500. The cost for a review is \$3500. Alex Cohen is the CPA the board has been using. McBurnie questioned as to why the Board had chosen Cohen, how long Cohen had been doing the audits, and was the cost being charged reasonable? Jossis explained the 5+ year history and felt the cost was comparable with other auditors.
- c) The decision to determine if the audit would be a full audit or a review was postponed until February.
- d) Jossis reported the auditor recommended changing how the use of the PPDWID truck was being financially categorized.
- e) 5 Year Plan
 - i) Meyers announced the need to address the 5 Year Plan for the PPDWID. Jossis requested input from SUM to determine what would need to be replaced.
 - ii) Mclean offered to produce the estimate for upcoming maintenance / scheduled replacement.
 - iii) McBurnie asked if there was a map that indicated the aging of each water line. Mclean stated there was not.
 - iv) Mclean explained the complexity of replacing lines and the estimated cost to do so. Meyers and Jossis explained major repairs to the water system had to be financed in the past and indicated that having the necessary funds on hand allowed for such repairs without having to place an additional assessment on customers.
 - v) Jossis requested that all necessary evaluations be completed as soon as possible as the results would have a direct effect on the upcoming budget.
- f) Risk Assessment
 - i) Jossis discussed the elements used to determine PPDWID risk.
 - (1) Operational audit, internal review conducted by SUM, and insurance assessment
 - ii) Further discussion was postponed until February.
- g) Rate Schedule
 - i) Jossis stated that rates would need to be agreed upon prior to setting the next budget.
 - ii) Meyers proposed to keep usage rates the same and change the base fee.
 - iii) Rice proposed reducing the base fee.
 - iv) McBurnie asked if the Board knew what the cost was to pump a gallon of water. Proposed a rate study to determine.

- v) Merritt agreed to check on vendors that could provide a rate study.
 - vi) Meyers motioned to postponed the rate discussion until February. Adamkiewicz seconded the motion. The motion was approved unanimously.
- h) Budget
- i) Meyers presented the budget.
 - ii) Adamkiewicz asked why there is 3% fee for online credit card transactions. Mclean replied it was a pass-through charge that is imposed to offset the fee charged by the credit card company.
 - iii) Adamkiewicz proposed that masks no longer be required at upcoming meetings.
 - iv) Jossis request that Mclean review the SUM fees to determine if any of the charges would be changing in the coming year. Merritt agreed to investigate this.
 - v) McBurnie requested a copy of the SUM contract with PPDWID. Meyers agreed to provide a copy to all new board members.
 - vi) McBurnie asked when the next series of water testing will be performed and how much will they cost? Mclean agreed to get a list of the upcoming tests. Mclean stated a new radium test would be due this year. Merritt mentioned that Amanda Head would be a good source for this information.
- i) Manzanita Well Upgrade
- i) Mclean explained the Manzanita well had burst the filter canister and subsequently flooded the land adjacent to the well house. This has created an erosion issue on the property and will need to be corrected at the expense of PPDWID. He proposed replacing the broken canister with a 2 stage filter.
 - ii) Mclean explained the details of the quote to replace the filter canister.
 - iii) Adamkiewicz proposed replacing the filter canister with an alternative series of filters that would provide better water quality. McBurnie explained the maximum filtration available is 5 microns and this is what had been in service.
 - iv) Jossis motioned to replace the broken filter canister with the 2 stage filtration proposed by Mclean. McBurnie seconded. The motioned was approved unanimously.
- j) Hydrant Blowoff
- i) Mclean presented a request and quote for a blow off assembly.
 - ii) Adamkiewicz motioned to approve the quote for the blow off assembly. Jossis seconded. The motion was approved unanimously.

VIII. Chairman's Forum – Meyers

- a) Meyers stated the Board had purchased verbenone pheromone to aid in the protection of the pine trees present on the PPDWID lot.
- b) Meyers mentioned the replacement of the lock on the PPDWID offices.
- c) Meyers suggested a 20 year service award for a previous member of the Board. McBurnie refused the suggestion as he felt the Board was not authorized to spend funds in this manner.

IX. Board Discussion of Priority and/or Agenda Item

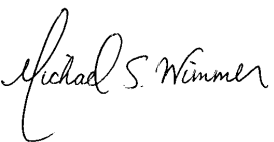
- a) Meyers to request that SUM post Robert's Rule of Order to the website.
- b) Meyers will follow up with lawyer regarding the requested changes to the meeting minutes.
- c) New board members will schedule tour of water facilities with Mclean.
- d) Vote to determine if masks should be required for forthcoming meetings.
- e) Meyers to provide copy of SUM contract to new board members.

X. Adjournment

- a) Meyers adjourned the meeting at 7:50PM.

XI. Final Note

- a) Proceedings (before, during and after the meeting) were videotaped.

Minutes submitted by: 

Date Submitted: 1/23/2021

Approved by board member:

Date Approved: