



VILLA GRANDE

Domestic Water Improvement District

Note: All meeting minutes are posted for informational purposes only. The board of directors does not ratify meeting minutes until the next scheduled board meeting.

Minutes

April 3, 2019 • Regular Meeting

Call to Order: Allen Grant called the meeting to order at 7:00 pm

Directors Roll Call: Present were Allen Grant, Ray Roerdink, Cauly Washburn and Terry Eickstaedt. Bernie Vargas was absent.

Discussion/Action Minutes: Minutes from March 6, 2019. A motion was made by Ray Roerdink to approve and ratify the minutes for the 3/6/19 Regular Meeting as written and seconded by Cauly Washburn. Vote unanimous 4-0. Motion carried.

Call to the audience: None present to address the board.

Discussion/Action: ADEQ. Joni Roerdink spoke with Dan Dialessi, CFO at WIFA, regarding the Annual Review we are required to submit to Pinal County each year. Dan had requested a copy for 2015. Joni told Dan that nearly all board directors and she had come onboard that year. Joni had contacted Henry & Horne and was informed that they did not prepare one that year. Allen Grant made a comment that was the year there had been four different people doing the books prior to the current manager and Henry & Horne recommended the directors be more aware of the books as there were some discrepancies prior to the current board. Allen thought a review was done but it wasn't according to Henry & Horne. Joni mentioned that she also had found items not being taken care of (i.e. deposits not being made timely, checks not being recorded, etc.). Joni mentioned that was the reason the board is given a full copy of transactions being handled each month. Joni told Dan that all transactions were run through Pinal County and warrants were paid through Pinal County as well. Dan asked if Joni could do a data dump of all transactions. Dan had the ending balance for 2014 and the beginning balance for 2016. He wanted to be able to account for the differences between 2014 and 2015. Joni dumped all data from 2014 – 2018 and submitted to Dan per his request. Dan would be able to get a better idea of our income and expenses with the data provided. Joni had exported it to an Excel file allowing Dan to filter in any manner he needed (i.e. income, expenses, year, etc.). Dan also asked about our long-term loans (USDA and the property acquisition). Joni provided him with copies of the 1098 end of year statements, showing date of purchases, interest rates, monthly payments, etc.

Joni mentioned that she finally received copies of the Amended Consent Order (a copy was sent to all directors). The Amended Consent Order also has to go before the WIFA board. Joni signed the Amended Consent Order as the DWID manager and submitted it to WIFA for approval and the Docket Number. Joni had just received the signed copy with the Docket Number back from ADEQ. She forwarded a copy to WIFA for their records.

Joni also commented that we had received the final reimbursement check from WIFA for the balance of the WIFA grant. Joni still has to complete some remaining forms for the project that must be completed for the loan process. Dan Dialessi asked for clarification about what the tax levy was that we receive each year and the amount. Joni explained that as a government agency, each lot is assessed with a tax levy based on net assessed value. The county collects that money each year and deposits those funds to our warrant account. The amount varies based on our current year tax rate per \$100 valuation. Joni sent Dan copies of all collected tax levy amounts collected from 2014 through the current date for Dan to review. Dan asked if we had any budgets prepared. Joni submitted all budgets from 2014 – 2018. He asked about 2019 and Joni told him we were currently working on that and those need to be submitted to the county in June. Dan mentioned that most all these Special Districts are currently working on the 2019-2020 budgets during May and June.

Discussion/Action: Well #1. Jack mentioned that he has not had any issues with well #1. Chlorine is good, everything up to date.

Discussion/Action: Well #2. Jack mentioned that he has not had any issues with well #2. Chlorine is good, everything up to date.

As for the well sites themselves...the weeds are coming back and that is about all for current issues.

Joni asked about the Hydro tank stating we have had a lot of issues with losing pressure and/or air in the line. Jack mentioned the site glass was not working...as a result the tank was over aerated and ended up with a lot of air in the tank. Allen Grant and Chris Cook said they got the site glass working.

Discussion/Action: Generator Maintenance Update. Terry Eickstaedt checked on the generator on 3/31/19. It had 330.4 hours and all fluids looked good. The generator oil was changed 2 years ago and it is still clear. The fuel level is still nearly full. Currently it is set to run .6 hr per week.

Discussion/Action: Managers Report. Joni Roerdink reported the following:

- Water bills were sent out on 4/1/19 and Final Notices were sent out 4/1/19.
- Disconnects are scheduled for 4/11/19.
- Delinquent Amounts: \$1,366.31 (23 past due accounts).
- The reimbursement from WIFA was received and deposited.
- Joni Roerdink met with Elijah Gray from RWAA. He came out on 3/1/19 to review the water loss across the canal. Elijah reviewed our records of water loss and was out there for two days and found a leak. Pictures were provided to the directors of the actual leak. The leak was before the valve. The coupler shown in the photo is where the line was leaking. He could move the line with his hands. Elijah called Joni and told her he found it but didn't have anything to repair it with. Joni told Elijah she would call Chris and have him replace it. The photo shows the pipe replaced with schedule 80 pipe. Chris called Joni when he was replacing it and told her that initially there was a 1 1/2" PVC pipe but there was a 3/4" PVC pipe inside of it. The old PVC was only schedule 40. Chris thought maybe the old line was just brittle and it was a quick fix to sleeve it rather than replace it. Elijah also pointed out there was an old connection. Elijah mentioned it was old and he had no idea when it was capped off. Elijah stated that since he didn't have tools to fix the leak he moved the pipe so there would be a minimal leak until Chris could repair it. Chris repaired it the next day. Elijah said he would come back and look for more. He had a conference in Laughlin and he would let Joni know when he could get back out again. Chris will take out the old T-connection when he goes back out to repair any other leaks that Elijah may find. Joni also asked Elijah if he would set markers where our water lines were when he returns.

- Jack stated the annual cost for the notification system is the \$347.40 as discussed at the last meeting. The fee works out to be about \$28.95 per month. Ray Roerdink made a motion to proceed with the phone generated alarm system and seconded by Terry Eickstaedt. Vote unanimous 4-0. Motion carried.
- Joni mentioned during her conversation with Dan Dialessi that he was concerned about our ability as a water company to repay the loan. Joni was working off the estimated amounts calculated last summer. The system cost projection was approximately \$260,000 with a 50% principal debt forgiveness, which would bring the cost down to \$130,000. The payments would be approximately \$9,581.00 per year. Joni crunched some numbers to present to the directors. The budgets could be reviewed at the May 2019 meeting and the public hearing would be held on June 5th meeting. Approved budgets and rates must be submitted to the county by June 30, 2019. Joni suggested that we hold the budget and rate hearing immediately before the regular meeting as we have done in the past.

Joni presented the numbers she had run to make up the \$9,600 annual payment. To make it fair for everyone...she suggested a flat \$5.00 rate increase to the base fee for each water customer. Also recommended was to increase the minimum monthly usage from the first 2,000 gallons to the first 3,000 gallons. The commodity rate would remain at \$3.20 per 1,000 gallons excluding the first 3,000 gallons. Finally, increase the tax levy percentage. This would share the balance of the cost to all property owners within the district. Joni confirmed with Pam Villareal with Special Districts that there is no cap on the tax levy percentage we are allowed to have Pinal County assess. With the economic development of the Nikola plant, we may look to growth within the water district due to the proximity of the plant to the district. The land for the Nikola plant has already been purchased. With new growth within the water district, we could also have increased revenue. With the revenue generated by these suggested changes, we will have the income needed to make the annual payment. We are working toward being on the June 2019 WIFA Board Meeting. If we are scheduled for the June meeting, the Technical Assistance piece will also be scheduled at the same time. Cauly Washburn asked if our rates were comparable to similar sized systems. Joni Roerdink didn't review prior to this meeting but did review them last year and we were comparable to all the surrounding areas. Joni will review prior to the May meeting.

- The budgets need to be approved and submitted before June 30th. The proposed rates and budgets need to be approved at the June 5, 2019 meeting. Joni will need to publish prior to the June meeting.
- Jack prepared the annual water report and Joni submitted it timely.
- David Burchard is the hydrologist that came out last year and did the Source Water Protection Plan. He requested to attend the May meeting and present the information. He would be happy to answer any questions the board or the public may have. Joni will deliver copies of the report to all directors for review.

Discussion/Action: Equipment & Site Report/Lab Tests.

- Nitrate sample taken on 1/23/19 was 17.7 ppm. Resample was taken on 1/31/19 and came back at 17.5 ppm. The MAP Program collected a nitrate sample on 2/4/19 and it came back at 18 mg/L. A notice was sent to the water customers with their water bill and posted on the website.
- Coliform sample came back absent - 3/12/19.

Discussion/Action: Meters/Installations/Reinstallations/Leaks/Repairs.

- Jack mentioned a few leaks on Colt Dr. that were repaired.

- There was also an emergency call out on Colt Dr.
- Emergencies are a priority.
- Other repairs are being worked as needed.
- Locating and excavated isolation valves so as not to shut off the entire street if possible.

Discussion/Action: New Water Line Installation. 6957 gallons were lost in March 2019. This is down 4604 gallons from last month. This is the lowest loss since July 2016. Joni reviewed water loss records and there were no water loss records prior to 5/1/15. Ray Roerdink raised the question about other couplers being used along the line and possible other leaks on Carter Lane. Should we replace the entire line in schedule 80? Also discussed was moving the valve to a different location. It was recommended that we wait another month and see if we have any more loss.

Discussion/Action: Approve and Ratify Expenditures & Purchases. The Board reviewed the Expenditures and Purchases for the month. Ray Roerdink made a motion to approve and ratify the expenditures and purchases as written for March. Terry Eickstaedt seconded the motion. Vote unanimous 4-0. Motion carried.

Adjournment: The Agenda being completed, Allen Grant adjourned the meeting at 8:00 pm.

Date _____

Bernie Vargas

Allen Grant

Ray Roerdink

Cauy Washburn

Terry Eickstaedt