



**Pinedale Estates Domestic  
Water Improvement District (PEDWID)  
PO Box 1553, Lakeside, Arizona 85929  
(928) 367-6621**

**Board Meeting  
January 23, 2025**

Per A.R.S. Section 38-431.02, and the Attorney General of Arizona Open meeting procedures, the PEDWID general public board meeting was held as a virtual meeting, using FreeConference Call.com.

1. Meeting was called to order at 5:46pm (AZ Time) by Michael Eckert, Board Chairman. Board members present were Gary Engman, Dick Hileman and Ray Hinesly. A quorum was present. Attendance list attached.
2. Minutes from prior meeting were discussed. Meeting minutes were sent to all board members, approved and posted on PEDWID website. No further discussion.
3. Treasurer Report: Mr. Hinesly provide an overview of end of year financial reports. Report was sent to board members prior to the meeting and will be attached to the minutes. No further discussion.
4. Water System Operator Report: Mr. Anderson provide updates on the current system. Two routine maintenance concerns, one meter replacement & a well head freeze. See attached report.

**CALL TO THE PUBLIC:**

All members were asked to keep their comments relevant to the DWID issues. No call to the public comments were received.


**AGENDA ITEMS**

1. Per the board request, Mr. Anderson provide the board with information on a cost analysis on new service installation compared to other systems in the area. The intent of this analysis is to ensure the DWID is charging the appropriate amount to ensure sustainable future operations, see attached report. Other cost subsidizes were discuss to include levying a property tax on all lot, not just active customers. Mr. Eckert ask all board member to review the report & the PEDWID Rules & regulations for discussion at the next board meeting.
2. New Well, Holding Tank Site and WIFA Loan – The project manager, Mr. Anderson, provided an overview and update of the current new well project. Current permits statuses for the Peterson’s new well acquisition, main line extension and new well site are unchanged. Plans for the new tank site have been approved and bid documents are being developed. See attached report for specific details.
3. Next board meeting is schedule to be on-line at 5:30pm on 27 February 2025. Motion to adjourn the meeting at 6:57pm by Mr. Eckert. Second by Mr. Engman, accepted by all board members.
















Respectfully submitted,

*Michael E. Eckert*  
Michael Eckert  
PEDWID Chairman

## Account Information

**Date:** January 23, 2025 5:19:30 PM  
**Dial-in number:**  (945) 218-0020  
**Access code:** 2412323  
**Account:** #s14757910 (Michael Eckert)

## Audio

Caller	Service Type	Start Time	End Time	Duration
Michael Eckert - mikee7812@gmail.com <span style="background-color: green; color: white; padding: 2px;">Host</span>		5:19:30 PM	7:00:33 PM	101m
+1 602 820 8590 - JUDY HINESLY	 	5:28:07 PM	6:49:52 PM	82m
+1 928 251 0593 - BLAKE ANDERSON	 	5:30:53 PM	7:00:33 PM	90m
+1 520 907 1711 - GARY ENGMAN	 	5:42:59 PM	5:50:57 PM	8m
+1 928 706 6936 - LK HVSU CTY AZ	 	5:43:57 PM	7:00:33 PM	77m
+1 520 907 1711 - GARY ENGMAN	 	5:50:49 PM	6:28:14 PM	38m
+1 520 907 1711 - GARY ENGMAN	 	6:28:24 PM	6:56:44 PM	29m
+1 602 820 8590 - JUDY HINESLY	 	6:51:03 PM	7:00:27 PM	10m

**Number of attendees:** 8

Note: All times in Mountain Time

## Recording

Start Recording Time	End Recording Time	Duration
5:46:17 PM	6:56:23 PM	71m



## Pinedale Estates Domestic Water Improvement District Board (PEDWID)

January 15, 2025

RE: Operations Report

Dear Board Members,

Please find the Operations Report for the PEDWID System Below:

- **PEDWID System Production Update**
  - **Total Gallons Produced:** 149,820 gal
- **Routine Maintenance & Compliance:**
  - **Meter Replacement:** Identified another possible dead meter while reading
    - We used the last meter we had on hand last month. Discussing with some other boards the possibility of selling PEDWID meters in good condition they pulled out during meter replacement projects.
  - **Well Head Freeze:** Well Head Froze 1/13
    - Found during routine checks. Had to cut out and replace some 2" pvc. Purchased new heater to replace broken one.
  - **Compliance Sampling:** All quarterly and monthly sampling completed
- **New Service Installation:**
  - **Upcoming:** Pat Mead informed us he would be requesting another new service at 5523 Turkey Run but the official paperwork has not been filed with Stephanie at this time. This service would be a long side road crossing. We plan to install a double service connection for future growth.
- **Leaks**
  - None at this time
- **Asset Management Plan/ Inventory:**
  - Board Requested at the last meeting that we help them to look at what to charge for a new service installation. Please review the following analysis. The following numbers are estimates only as costs may vary depending on main size and material, etc.
  - Long Side Service Estimate: \$1873 = Materials \$973 + \$900 Labor
  - Short Side Service Estimate: \$1,142 = Materials \$842 + \$350 Labor
    - **Itemized Service Materials and cost for service:**
      - Saddle: \$182
      - Long side service Poly (60'): \$157
      - Short Side Service Poly (10'): \$26
      - Corp Valve: \$163
      - Compression Adapter: \$41
      - Curb Valve: \$90
      - Meter Spuds x 2: \$42

- Meter: \$128
- 3 Concrete Boxes w/ Lid: \$170
- What other systems are charging:
  - Average: \$2,218
    - \$3500 TADWID
    - \$1350 CSDWID
    - \$2000 PMDWID
    - \$1645 - SHDWID
    - \$3050 - FLDWID
    - \$2000 - ADWID
    - \$1550 - PDWID
    - \$2649 - City of Show Low
    - \$600 Ponderosa DWID
    - \$460 + Parts and Labor - Pinetop Water
- As we discussed previously there are different approaches to charging for new service connections
  - 1. Immediate Cost Recovery:
    - Pro: Generates enough revenue to cover cost of installation
    - Con: Does not recover cost of existing infrastructure investment
    - Growth Impact - Neutral
  - 2. Subsidized Cost:
    - Pro: Subsidizes some of the cost of new service with the goal of spurring new development. Helpful approach when subdivisions have low development and no property tax levy. Encourages growth
    - Con: Does not immediately recover cost of installation or cost of existing infrastructure. Not as impactful if rates are not set at a sustainable level.
    - Growth Impact: - High
      - Example: System charges only \$750 dollars to establish new service but cost to system is \$2000 in immediate. 10 New connections are added the following year each generating \$600 in new annual revenue. Cost of service installation is recovered within 18 months.
  - 3. Full Cost Recovery:
    - Pro: High Income generation. Equitable to existing customer base. Effectively a new customer has to “buy in” to connect to system
      - Example: Capacity charge is another term for this that is commonly used. In the example of PEDWID, PEDWID has a current day asset value of \$2,300,000. Spread amongst all customers that is \$26,000 which could be expected of new customers to tie in.
    - Con: Can have detrimental effect on new growth and harm development within district.

- Growth Impact: - Slows significantly
- Our recommendation:
  - Near term - Adjust new service costs up to \$1250 for all new service installations. In 2026, 2027, and 2028 reevaluate and slowly adjust up to cover the cost of installation.
    - The 8 new services we have added since 2020 have increased your revenues by around 10% annually. While you may run a small loss in the near term over a decade the better outcome is to add more customers to generate additional revenue within your existing system network. I.E., the main already runs in front of the property, you are better off selling water each month than paying for the maintenance of the line.
  - Long term - evaluate levying property tax to generate revenue from all 181 property owners within the district boundaries rather than just the 87 active customers. I have attached an asset inventory of PEDWID's specific system data to show the board the present day value of your assets, recommended depreciation schedule, so that you can better understand the true cost of service.

Please reach out if have any questions

Sincerely,

Blake Anderson  
Mogollon Water Management

Pinedale Estates Domestic Water Improvement District Board (PEDWID)

RE: Monthly WIFA Report 2025.1

**December 2024 Update**

Dear Board Members,

Please find the WIFA Project Report for the PEDWID System Below:

**Tank Site**

- Plans approved by ADEQ - ATC Permit Issued
  - Bid Docs to be drafted

**New Well Site:**

- Meeting held with Sunrise Engineering 11/26/24 to discuss scope of work going forward
  - Sunrise Engineering will be designing the New Well Site building as part of their contract with WIFA under the Engineering Grant of the first WIFA Loan
  - Waiting on scope of work proposal from Sunrise - Emailed 12/16/24 to request update

**Petersen Well Acquisition: Status Unchanged**

- Carlson Engineering is developing plans for ATC/AOC permitting.

**Main Line Extension Project: Status Unchanged**

- Plans approved by ADEQ - ATC Permit Issued
  - Draft bid docs reviewed - recommendations for edits provided to Carlson
  - Awaiting revised Bid Docs for review and publication
  - List of local underground contractors provided to Carlson

**Next Steps**

- Publish Main Line Bid Solicitation
- Review Draft Bid Docs for Tank Site - Publish for Solicitation
- Begin working with Sunrise Engineering on design of New Well Site Building

Please reach out if have any questions

Sincerely,

Blake Anderson

PEDWID Project Manager