

Yarnell Water

Improvement Association

Meter Replacement & Radio Read Project

WaterSMART Grants: Small-Scale Water Efficiency Projects

Funding Opportunity Announcement

No. BOR-DO-20-F006

Applicant

Yarnell Water Improvement Association

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Yarnell, AZ 85362

www.yarnellwater.org

Project Manager

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TABLE OF CONTENTS	Page
1.0 Technical Proposal and Evaluation Criteria	
1.1 Executive summary	2
1.2 Background data	3
1.3 Project location	4
1.4 Technical project description and milestones	5
1.5 Evaluation criteria	7
2.0 Project Budget	
2.1 Funding plan and letters of commitment	12
2.2 Budget proposal	12
2.3 Budget narrative	13
3.0 Environmental and Cultural Resources Compliance	14
4.0 Required Permits or Approvals	16
5.0 Official Resolution	16
6.0 Unique Entity Identifier and System for Award Management	16
ATTACHMENTS	
A. YWIA Field Operations Report 2019	
B. 5-Year CIP Detail Sheet: Meter Replacement Program 5-Year CIP Detail Sheet: Radio Read Conversion	
C. YWIA 2020 Approved Budget YWIA January 31, 2020 Balance Sheet	
D. YWIA February 22, 2020 Board Meeting Minutes	
E. Mandatory Federal Forms	
o SF-424 Application for Federal Assistance	
o SF-424 Budget Information	
o SF-424 Assurances	

1.1 EXECUTIVE SUMMARY

Submission Date: March 4, 2020

Applicant: Yarnell Water Improvement Association

Applicant City, County, State: Unincorporated Yavapai County, Arizona

Project Location: Peeples Valley, Yarnell and Glen Ilah, Arizona

Funding Group: BOR-DO-20-F006

The purpose of the Yarnell Water Improvement Association (YWIA) Meter Replacement & Radio Read Project is to replace outdated, under-registering, manual read meters with new radio meters, convert newer, accurately recording manual read meters to radio read technology, purchase associated radio read software and hardware, and configure the reading system to interface with the billing system. Most of the YWIA customer account water meters were originally installed between 1974 and 1980, with most of the installations occurring in 1974. Between 2013 and 2020 approximately 420 of the systems 510 meters were replaced. Approximately 200 meters were replaced in 2019 as part of USDA and CDBG funded projects. With the replacement of the outdated, under-registering meters, YWIA saw the accuracy of water accounting increase significantly both for an increase in billed water and a decrease in lost and unaccounted water. This project will replace the remaining meters with new radio read capable meters and retrofit the recently installed meters to allow for radio read capability. This goal is to leverage science and technology to increase the efficiency of the meter reading process, accurately account for metered water use, and reduce lost and unaccounted water; thereby improving water supply reliability and use our water resource more efficiently.

It is estimated that the project will take approximately six months to complete and will begin in September of 2020 or 30 days after grant award receipt.

This project is not located in a federal facility.

1.2 Background Data

In November of 1972 the Yarnell Water Improvement Association, a member owned, nonprofit water company, was formed under Title 10, Chapter 1, Article 16 of the Arizona Revised Statutes and Internal Revenue Code 501(c)(12). In April 1974 a franchise was awarded by the Yavapai County Board of Supervisors, and a Certificate of Convenience & Necessity (CC&N) was granted by the Arizona Corporation Commission for the YWIA.

YWIA is a ground water system supplied by two wells located in Peeples Valley. The well site in Peeples Valley consists of two 120 gallons per minute (gpm) wells, one 15,000-gallon storage tank, one 40,000-gallon storage tank, and two booster pumps with a total designed pumping capacity of 250 gpm. The wells discharge into the storage tanks and the booster pumps withdraw from the storage tanks and discharge into an eight-inch transmission main. The water transmission main discharges into two 250,000-gallon reservoirs located east of Highway 89 in Yarnell. A single waterline from the water storage tanks supplies water to the mains throughout the service area in Yarnell and ultimately Glen Ilah. The Yarnell and Glen Ilah water system is over 40 years old and consists of approximately 17 miles of water main. Water distribution mains range in size from 4-inches to 8-inches and is located both underneath the existing road surface or adjacent to the existing road surface. Fire hydrants and service valves are located throughout the communities.

At its peak, YWIA provided water service to 626 connections. As of February 2020, the water system is serving 501 active accounts, the majority of which are residential, but also includes agricultural and commercial customers. In 2019, YWIA pumped a total of 25.5 million gallons of water out of the aquifer and delivered 18.5 million gallons of water to metered customers.

YWIA has not received any funding from Bureau of Reclamation in the past.

2019 YWIA Water Accounting													
	January	February*	March	April	May	June	July	August	September	October	November	December	YEAR TOTAL
Active Accounts	492	492	493	496	497	499	499	498	499	499	499	499	
Route #1	597,070	332,600	239,060	335,036	327,010	534,080	633,990	503,140	556,270	311,080	329,850	257,620	4,956,806
Route #2	572,640	413,870	284,720	388,010	543,470	885,110	819,870	655,970	727,060	406,580	399,810	519,580	6,616,690
Route #3	540,070	393,550	491,730	399,290	497,240	819,330	834,660	710,100	816,610	507,380	545,180	377,210	6,932,350
Total Delivered	1,709,780	1,140,020	1,015,510	1,122,336	1,367,720	2,238,520	2,288,520	1,869,210	2,099,940	1,225,040	1,274,840	1,154,410	18,505,846
Accounted Loss	694,080	511,448	433,800	424,800	610,720	259,200	372,200	301,338	268,400	185,962	219,200	330,120	4,611,268
Total Accounted	2,403,860	1,651,468	1,449,310	1,547,136	1,978,440	2,497,720	2,660,720	2,170,548	2,368,340	1,411,002	1,494,040	1,484,530	23,117,114
Total Pumped	2,700,466	1,697,184	1,698,339	1,899,411	2,127,510	2,655,044	2,817,798	2,410,448	2,616,850	1,555,402	1,692,008	1,667,828	25,538,288
Unaccounted	296,606	45,716	249,029	352,275	149,070	157,324	157,078	239,900	248,510	144,400	197,968	183,298	2,421,174
%	10.98%	2.69%	14.66%	18.55%	7.01%	5.93%	5.57%	9.95%	9.50%	9.28%	11.70%	10.99%	9.48%

See attachment YWIA FIELD OPERATIONS REPORT – 2019 for additional detail on the impact of metering accuracy on lost and unaccounted for water.

1.3 Project Location

The YWIA service area is shown in Figure 1 is in the unincorporated area of Yavapai County, Arizona and encompasses Glen Ilah, Yarnell and some homes and businesses in Peeples Valley. Peeples Valley is approximately three miles north of Yarnell and Glen Ilah and all of the communities are located along Highway 89. The service area is the Weaver Mountains approximately 33 southwest of Prescott and 91 miles northwest of Phoenix. The elevation ranges between approximately 4,000 and 4,800 feet above sea level.

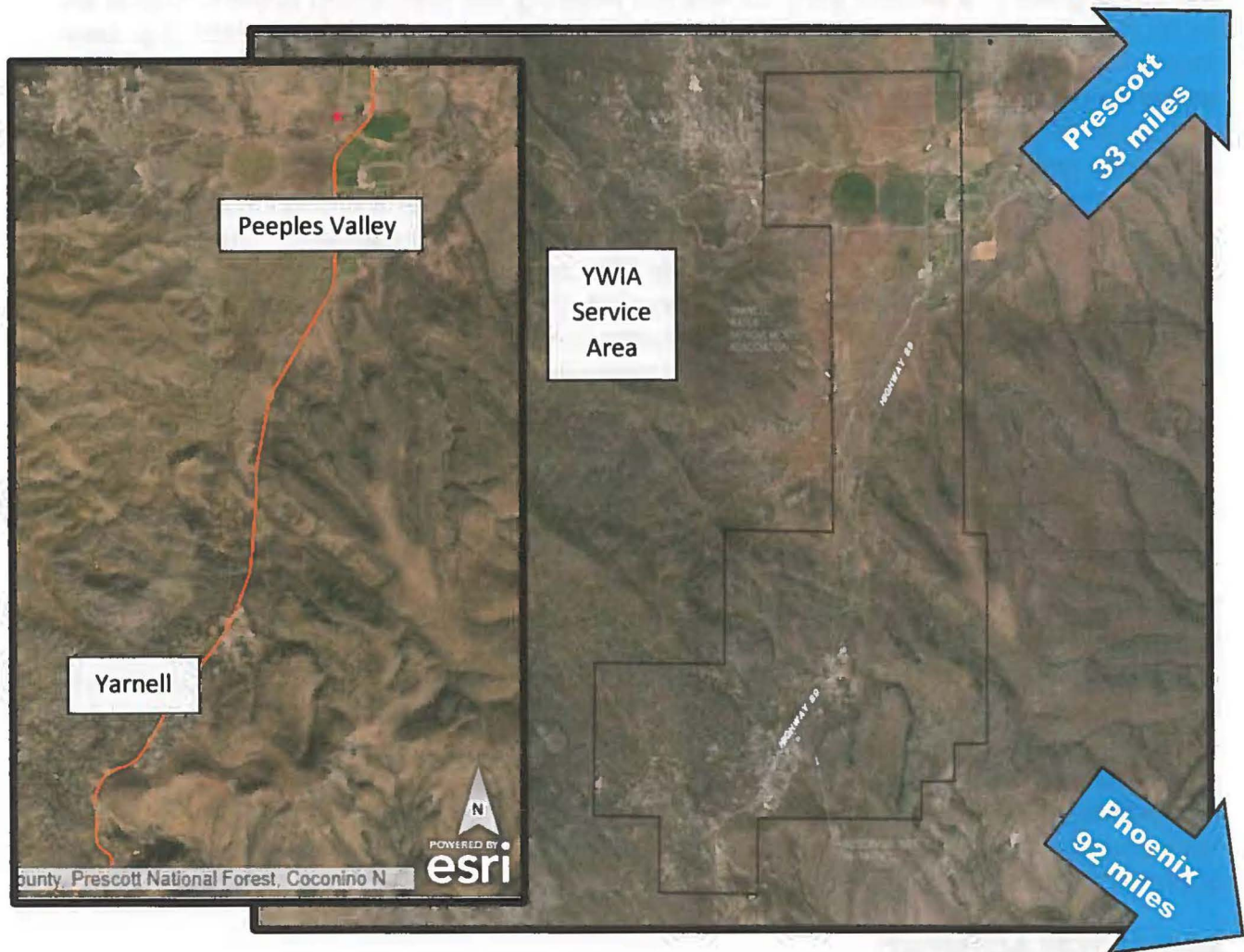


Figure 1 – YWIA Service Area

1.4 Technical project description and milestones

In order to accurately capture all water usage in the distribution system, meters are the primary tool for measuring water delivery to each property with water service. To accurately measure water usage for a property, meters should be replaced due to the amount of water flow through the meters and age. Meters in the YWIA service area are mostly 3/4" by 5/8".

As part of the routine meter reading and billing, each meter must be manually read, and the reads given to a second party for manual entering into their billing system. This is an incredibly time intensive process and may result in human errors. With the new technology being used since the 1990's, there is a proven track record that radio read, and fixed base systems are accurate and a time saving tool. It frees up limited operators' resources to work on the system which needs regular repairs and maintenance. With increased accuracy and efficient reading and recording technology, the system will see decreased lost and unaccounted water and leaks can be better identified and addressed both in the system and quickly and accurately for metered customers. As part of the water system improvements and joining the 20th century with technology, moving YWIA to an automated meter reading and billing system is the next step. With radio read or fixed base meter reading systems being used nationwide, there is a track record for reducing the manual labor in physically reading each meter and sending the reads to a billing office. With radio read and fixed base systems, the reading is automated and system software can do the billing. The change will require replacing or retrofitting existing meters with the radio technology, require a software purchase and annual license and configuration for communicating information between the meter reading and billing systems.

The reason for the water meter replacement program is two-fold: First, American Water Works Association (AWWA) best practices require meters be changed out every ten to twelve or at a threshold of 1 – 2 million gallons of use. Second, the Arizona Corporation Commission (ACC) and Arizona Department of Environmental Quality (ADEQ) require the water company to provide the amount of water which is either lost or unaccounted for throughout the system. The majority of lost or unaccounted for water is through inaccurate meters. Replacing the meters on a regular basis meets both goals for the ACC and ADEQ. It is estimated by replacing the remaining meters YWIA will be able to reduce the Lost & Unaccounted or non-revenue water **by at least 5% of its total water supply** through improved efficiency and better water management.

METER REPLACEMENT:

The scope is to replace 90 – 3/4" by 5/8" outdated, under-registering meters in the water system with new, accurate meters with advanced technology for reading through radio read, reducing manual labor and increasing efficiencies for capturing leaks, providing a reduction in water loss. This will be done by removing the old meter and replacing it with a new meter. Replacing the meter with new remote read technology would cost about \$235/meter.

METER CONVERSION:

The scope is to retrofit 420 – 3/4” by 5/8” meters installed between 2013 and 2020 to add the radio read technology. This will require a replacement of the direct read portion of the meter with a radio read component to convert to the radio read system. Retrofitting current meters with the new technology would cost about \$170/meter.

RADIO READ SYSTEM SOFTWARE, HARDWARE, CONFIGURATION:

The scope is for the purchase, licensing and configuration of radio software and hardware for reading meters in the water system and transmitting meter read information to our third-party billing system.

Meter Improvement Cost Estimates

Meter Replacement	\$19,170.00
Meter Conversion	\$84,000.00
Radio Read Hardware, Software, Configuration	\$19,400.00
Third Party Billing Integration	\$ 5,000.00
Contracted Installation	\$37,430.00
Total Cost	\$165,000.00

1.5 Evaluation Criterion

Evaluation Criteria: Scoring Summary	Points:
A. Project Benefits	35
B. Planning Efforts Supporting the Project	35
C. Project Implementation	10
D. Nexus to Reclamation	10
E. Department of the Interior and Reclamation Priorities	10
Total	100

Evaluation Criterion A – Project Benefits

Up to 35 points may be awarded based upon evaluation of the benefits that are expected to result from implementing the proposed project. This criterion considers a variety of project benefits, including the significance of the anticipated water management benefits and the public benefits of the project. This criterion prioritizes projects that modernize existing infrastructure in order to address water reliability concerns, including making water available for multiple beneficial uses and resolving water related conflict in the region. Describe the expected benefits and outcomes of implementing the proposed project. What are the benefits to the applicant's water supply delivery system? If other benefits are expected explain those as well.

Consider the following: Extent to which the proposed project improves overall water supply reliability. The expected geographic scope benefits from the proposed project (e.g., local, sub-basin, basin)

The meters for this project are the latest technology and will serve to better manage the YWIA's water supply, provide more accurate readings for better accountability of production water. It is estimated that by replacing the remaining outdated water meters YWIA will be able to reduce the Lost & Unaccounted or non-revenue water by at least 5% of its total water supply through improved efficiency and better water management. The regional impact we will reduce unaccounted for water and thereby reduced water pumped from the aquifer, which is shared with Peeples Valley, this will have a positive impact of water management in the area and sustain water supplies to our neighboring communities on the aquifer. By better managing the aquifer thru reduced pumpage it will reduce the amount of electricity and extend well and pump life. According to the well data system at the Arizona Department of Water Resources (ADWR) website, since the system was installed in 1974 there has been a 40-foot drop in the aquifer from 10-feet below ground surface to 53-feet below ground surface in 2019. The impact on the aquifer has been verified by the ADWR records on a domestic well located about 1,000 feet northwest of the YWIA Wells. According to the ADWR well Hydrology Graph there has been an average decline of the aquifer level at this well of approximately 3 feet per year over the past 13 years. Any effort to better manage water supplies can only positively impact this rate of decline.

The project will benefit all current and future water customers in the YWIA CC&N and neighboring community geographic area.

Extent to which the proposed project will increase collaboration and information sharing among water managers in the region.

If successful the YWIA plans on presenting this information at the Rural Water Conference, AZ Water Association annual conference, and any other platform the information can be shared and used by other small water systems statewide who are struggling with high non-revenue or Lost & Unaccounted water numbers, meter reading inefficiencies and wish to equip themselves to apply for federal grant opportunities; as well as immediate information sharing with neighboring small system private water providers in Peebles Valley, Wilhoit, Congress and North Ranch. We plan to also publish information on the grant project and outcomes on YWIA website, social media or other local publications.

Any anticipated positive impacts/benefits to local sectors and economies (e.g., agriculture, environment, recreation, tourism)

About 36% of residents of the unincorporated areas of Yarnell and Glen Ilah are 65 or older and the median income is about \$10,000 per year. The YWIA is a non-profit user funded water system the reliability and financial viability of the system is crucial to sustaining and growing the area. Rate increases represent a significant burden to many customers in our economically depressed area. Realizing savings in operational efficiencies and water production from meter replacement, conversion and radio read technology will positively benefit YWIA's bottom line and allow for other investments in infrastructure.

As noted in the Bureau of Reclamation's *Overview of Disadvantaged Communities and Native American Tribes in the Santa Ana River Watershed*, residents living in severely disadvantaged or disadvantaged communities are often disproportionately impacted by high infrastructure costs, poor water quality, and failing septic systems. YWIA wants to ensure that all community members, especially those with fewer resources, have access to technologies that save money and precious water resources.

Extent to which the project will complement work done in coordination with NRCS in the area (e.g., with a direct connection to the district's water supply). Describe any on-farm efficiency work that is currently being completed or is anticipated to be completed in the future using NRCS assistance through EQIP or other programs.

It is estimated that by replacing the remaining outdated water meters YWIA will be able to reduce the Lost & Unaccounted or non-revenue water by 5% of its total water supply through improved efficiency and better water management.

Evaluation Criterion B – Planning Efforts Supporting the Project

Up to 35 points may be awarded based on the extent to which the proposed on the ground project is supported by an applicant's existing water management plan, water conservation plan, System Optimization Review (SOR), or identified as part of another planning effort led by the applicant. This criterion prioritizes projects that are identified through local planning efforts and meet local needs.

YWIA Board of Directors approved its first Capital Improvement Plan (CIP) in 2018. The plan was recently updated and approved on January 22, 2020 for fiscal years 2020-2025 including funding for the total conversion of meters and purchase of radio read technology which demonstrates our commitment to the project. (A copy of the approved CIP project detail sheets are attached.) Even with limited funds in a small system the importance of this project is identified for fiscal years 2020 and 2021. The receipt of this grant will allow the project to be completed in 2020 and the benefits to the system, the users and the aquifer seen realized earlier. The YWIA is committed to meet the objective of this BOR Funding Opportunity of leveraging funds and resources not only to complete the work, but also evaluate the results. This metering project were also identified as a priority in YWIA's USDA and CDBG grant engineering studies completed in 2015 by Valentine Environmental Engineers. Through those previous grant awards we received funding for replacement of a portion of the outdated and under-registering system meters. Those meters are targeted in the conversion portion of this project.

Evaluation Criterion C – Project Implementation

Up to 10 points may be awarded based upon the extent to which the applicant is capable of proceeding with the proposed project upon entering into a financial assistance agreement. Applicants that describe a detailed plan (e.g., estimated project schedule that shows the stages and duration of the proposed work, including major tasks, milestones, and dates) will receive the most points under this criterion.

As well as being approved in the five-year CIP, year one of the metering project is funded in the approved YWIA 2020 calendar year budget under Operations & Maintenance for \$90,000. Year two for full completion is approved in the five-year CIP and the calendar year would be approved by the Board of Directors in November of 2020. Receipt of grant funding would move the entire project up from completion in 2020.

YWIA does not anticipate that permits will be required as all meter will be installed in the place of existing system water meters. All project-related approvals will be handled by the YWIA board and contract operations staff and executed in a timely and efficient manner. Capability of purchasing meters and equipment are established through the YWIA's Board policies for procurement and contracts necessary to provide the equipment, software, hardware, programming and installation services on the project. Procurement activity and site work will proceed according to the schedule below. No

engineering work is necessary. There are no environmental compliance costs associated with this project.

PROJECT SCHEDULE / MILESTONES

(Milestones are based on days after Grant Award)

- | | |
|---|---------|
| 1. Procure Radio Read Meters, Parts, Hardware & Software: | 30 Days |
| 2. Bid for Meter Installation (If needed): | 45 Days |
| 3. Contract Award and Installation: | 30 Days |
| 4. Completion of Project: | 60 Days |

Evaluation Criterion D – Nexus to Reclamation

Up to 10 points may be awarded based on the extent that the proposal demonstrates a nexus between the proposed project and a Reclamation project or activity. Describe the nexus between the proposed project and a Reclamation project or activity, including Is the proposed project connected to a Reclamation project or activity? If so, how? Please consider the following: Does the applicant receive Reclamation project water? Is the project on Reclamation project lands or involving Reclamation facilities? Is the project in the same basin as a Reclamation project or activity? Will the proposed work contribute water to a basin where a Reclamation project is located? Will the project benefit any tribe(s)?

Reclamation and the U.S. Department of Agriculture's (USDA) Natural Resources Conservation Service (NRCS) have collaborated to align program resources in areas of the Western United States where our mission areas overlap (17 Western States), to improve the impact of the agencies' respective drought resiliency and water efficiency investments. This project aligns with those goals and will improve drought resiliency and water efficiency in an aquifer that intensely supports Maughan ranch and other farming and grazing activities.

Evaluation Criterion E - Department of the Interior and Bureau of Reclamation Priorities

Up to 10 points may be awarded based on the extent that the proposal demonstrates that the project supports Department and Reclamation priorities. Please address those priorities that are applicable to your project. It is not necessary to address priorities that are not applicable to your project. A project will not necessarily receive more points simply because multiple priorities are addressed. Points will be allocated based on the degree to which the project supports one or more of the Priorities listed, and whether the connection to the priority(ies) is well supported in the proposal.

Our project supports the following Department and Reclamation priorities as detailed below and elsewhere in this application:

Department Priorities

- 1. Creating a conservation stewardship legacy second only to Teddy Roosevelt - a. Utilize science to identify best practices to manage land and water resources and adapt to changes in the environment;*
- 3. Restoring trust with local communities – a. Be a better neighbor with those closest to our resources by improving dialogue and relationships with persons and entities bordering our lands;*
- 5. Modernizing our infrastructure - a. Support the White House Public/Private Partnership Initiative to modernize U.S. infrastructure;*

Reclamation Priorities

- 3. Leverage Science & Technology to improve Water Supply Reliability to Communities*
- 4. Address On going Drought*
- 5. Improve Water Supplies for Tribal and Rural Communities*

This project is an innovative application of an existing science/technology. With the installation of this technology, YWIA will be able to accurately account for metered water use. This technology enables YWIA to manage its water by aligning production with accurate metered use and directing lost and unaccounted for water efforts to other areas of infrastructure and system management such as leaks, fire protection, flushing, etc. YWIA sees this technology as a best management practice over our water resources.

The YWIA knows that in times of drought that regional collaboration is extremely important. We share our aquifer with neighboring communities, private water providers, individual and agricultural users. Through the conversion of our meters, we are demonstrating to our neighbors that we are collecting and reporting accurate data. As our neighbors, we report our annual water use through ADWR, and most major water providers look at what their neighbors report to the State. It is important that not only our neighbors, the State, and our customers feel confident in the accuracy of our water use and billing data.

As a small user funded water system in an economically depressed area, YWIA would not be able to make necessary improvements to infrastructure and advancements in technology for water management without collaboration and funding from public sources. We currently are paying down on a USDA loan that funded infrastructure and are in the final stages of two grant projects one CDBG and one USDA.

The USDA Grant funds six major infrastructure projects:

- Replace/rebuild Air Relief Valves (ARV) & Pressure Reducing Valves (PRV),
- Replace and rebuild the booster pumps,
- Clean and rehabilitate the well,
- Clean and repaint the North Tank, and add cathodic protection to both tanks,
- Restore the water tank access road,
- Replace the watermain, valves and water service laterals on Norton.

The CDBG funds the replacement over 100 water service laterals, meter assemblies and meter boxes.

2.0 Project Budget

2.1 Funding Plan and letters of Commitment

The project is fully funded from YWIA capital reserves and has been approved by the Board as part of the 5 Year CIP and the 2020 Calendar Year Budget. Both items are attached. By formal motion at the February 22, 2020 board meeting, the YWIA Board approved submission of the grant and commitment of \$90,000 in capital funds for the project. Those minutes are attached.

2.2 Budget proposal

Total Project Cost Table

SOURCE	AMOUNT
Costs to be reimbursed with the requested Federal funding	\$ 75,000.00
Costs to be paid by the applicant	\$ 90,000.00
Value of third-party contributions	\$ -
TOTAL PROJECT COST	\$ 165,000.00

Budget Proposal

BUDGET ITEM DESCRIPTION	COMPUTATION		Quantity		TOTAL COST
	\$/Unit	Quantity	Type		
Salaries and Wages					\$ -
Fringe Benefits					\$ -
Travel					\$ -
Equipment					\$ -
Meter Replacement W/Radio Read	\$ 212.92	90	Each		\$ 19,162.80
Radio Read Conversion	\$ 186.66	450	Each		\$ 83,997.00
Radio Hardware, Software, Configuration	\$ 19,400.00	1	Each		\$ 19,400.00
Supplies and Materials					\$ -
Contractual/Construction					\$ -
Software Billing Integration	\$ 5,002.00	1	Each		\$ 5,002.00
Meter Replacement W/Radio Read	\$ 69.33	540	Each		\$ 37,438.20
Other					\$ -
TOTAL DIRECT COSTS					\$ 165,000.00
Indirect Costs					\$ -
TOTAL ESTIMATED PROJECT COSTS					\$ 165,000.00

2.3 Budget Narrative

The budget for the YWIA Meter Replacement and Radio Read Conversion Project consist of the purchase of 90 new Meters with Radio Read Technology, in this case we have chosen the 5/8" x 3/4" x 7 1/2" Meter 3G USG No Lead, bronze bottom meter from Fortiline in Peoria, Arizona at a cost of \$212.92 each.

The remaining 450 meters will need to have the tops replaced and the transmitting units installed on existing meters. The cost of the purchase of the transmitting units is \$186.66 each.

The software and hardware for the radio read, field vehicle reading system includes the Harmony Mobile Drive-By System with DMMR Receiver, Vehicle Mounted Antenna, Case System with Hard Case laptop computer with Harmony Hosted reading and billing software with staff training, customer service support and warranty for 1 – 1,500 accounts. The cost of the package is \$19,162.80.

In addition, there will be a third person programmer to set up the communication between the new radio read system and the current billing software. The estimated cost is \$5002.00.

The cost for a contractor to come in and retrofit the existing meters and change out the old, non-functioning meters is estimated at \$69.33 each.

The project will begin once the funds have been released with the procurement of the meters, retro fitting kits, radio read vehicle-based hardware unit and software. The installation will be completed by a contractor familiar with the meter system and water system.

3.0 Environmental and Cultural Resources Compliance

The application should include the answers to:

Will the proposed project impact the surrounding environment (e.g., soil [dust], air, water [quality and quantity], animal habitat)? Please briefly describe all earth-disturbing work and any work that will affect the air, water, or animal habitat in the project area. Please also explain the impacts of such work on the surrounding environment and any steps that could be taken to minimize the impacts.

The project will not require any earth-disturbing work or any work that will affect the air, water, or animal habitat in the project area nor any impacts on the surrounding environment.

Are you aware of any species listed or proposed to be listed as a Federal threatened or endangered species, or designated critical habitat in the project area? If so, would they be affected by any activities associated with the proposed project?

We are not aware of any endangered species in the project area.

Are there wetlands or other surface waters inside the project boundaries that potentially fall under CWA jurisdiction as “Waters of the United States?” If so, please describe and estimate any impacts the proposed project may have.

None of which we are aware.

When was the water delivery system constructed?

The water delivery system was constructed in 1974.

Will the proposed project result in any modification of or effects to, individual features of an irrigation system (e.g., headgates, canals, or flumes)? If so, state when those features were constructed and describe the nature and timing of any extensive alterations or modifications to those features completed previously.

No, it will not.

Are any buildings, structures, or features in the irrigation district listed or eligible for listing on the National Register of Historic Places? A cultural resources specialist at your local Reclamation office or the State Historic Preservation Office can assist in answering this question.

There are none.

Are there any known archeological sites in the proposed project area?

No, there are not.

Will the proposed project have a disproportionately high and adverse effect on low income or minority populations?

No, it will not. Actually, it will benefit low income populations.

Will the proposed project limit access to and ceremonial use of Indian sacred sites or result in other impacts on tribal lands?

No, it will not.

Will the proposed project contribute to the introduction, continued existence, or spread of noxious weeds or non-native invasive species known to occur in the area?

No, it will not.

4.0 Required Permits or Approvals

No permits are required for this project work.

5.0 Official Resolution

Attached are the minutes of February 22, 2020 YWIA Board of Directors meeting with motion authorizing and supporting submission of BOR Grant are attached.

Attached is the Board Approved 2020-2025 CIP Project Detail Sheets.

Attached is the Board Approved Calendar Year 2020 Budget.

6.0 Unique Entity Identifier and System for Award Management

Yarnell Water Improvement Association is registered in SAMS

- YARNELL WATER IMPROVEMENT ASSOCIATION
- CAGE: 5RPN4 | DUNS: 072451461
- YARNELL, AZ, USA

Attachment A

YWIA FIELD OPERATIONS REPORT 2019

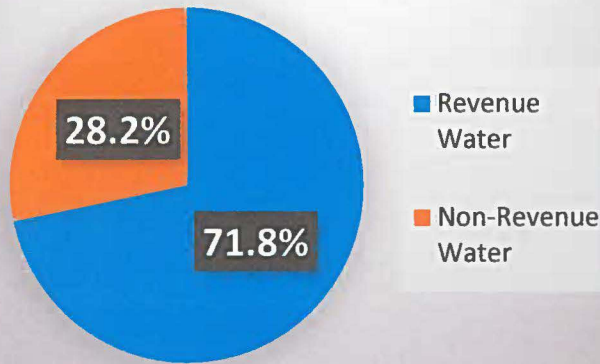
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Route #3	540,070	393,550	491,730	399,290	497,240	819,330	834,660	710,100	816,610	507,380	545,180	377,210	6,932,350
Total Delivered	1,709,780	1,140,020	1,015,510	1,122,336	1,367,720	2,238,520	2,288,520	1,869,210	2,099,940	1,225,040	1,274,840	1,154,410	18,505,846
Accounted Loss	694,080	511,448	433,800	424,800	610,720	259,200	372,200	301,338	268,400	185,962	219,200	330,120	4,611,268
Total Accounted	2,403,860	1,651,468	1,449,310	1,547,136	1,978,440	2,497,720	2,660,720	2,170,548	2,368,340	1,411,002	1,494,040	1,484,530	23,117,114
Total Pumped	2,700,466	1,697,184	1,698,339	1,899,411	2,127,510	2,655,044	2,817,798	2,410,448	2,616,850	1,555,402	1,692,008	1,667,828	25,538,288
Unaccounted	296,606	45,716	249,029	352,275	149,070	157,324	157,078	239,900	248,510	144,400	197,968	183,298	2,421,174
%	10.98%	2.69%	14.66%	18.55%	7.01%	5.93%	5.57%	9.95%	9.50%	9.28%	11.70%	10.99%	9.48%

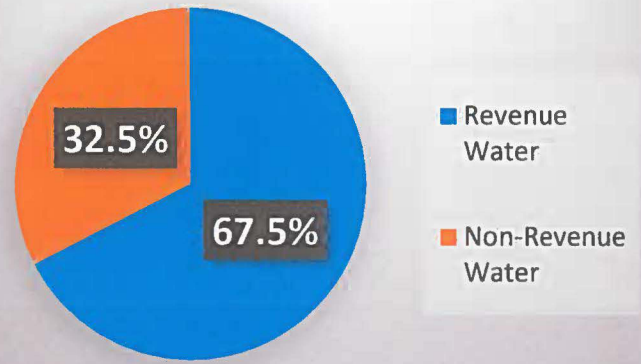
Revenue Water = Billed water

Non-Revenue = Accounted + Unaccounted Water

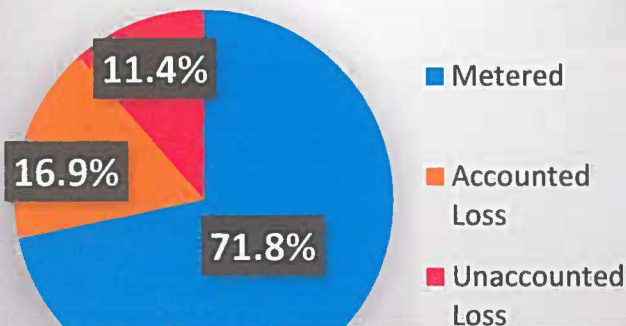
2019 Water Accounting



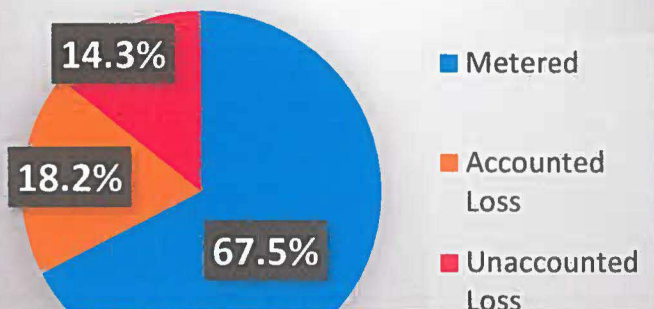
2018 Water Accounting



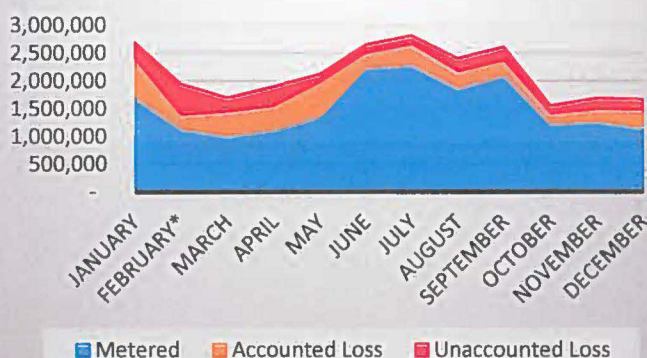
2019 Water Accounting



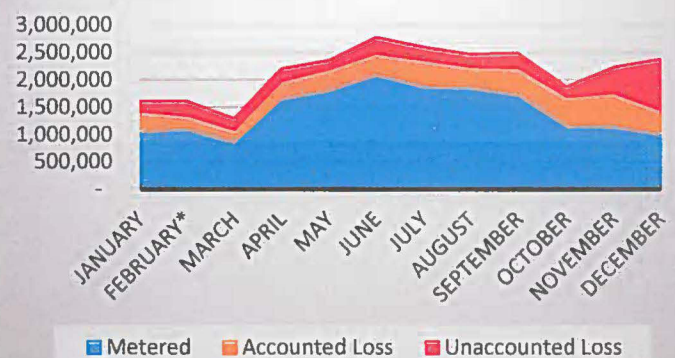
2018 Water Accounting



2019 Water Accounting



2018 Water Accounting



Attachment B

- CIP Detail: Meter Replacement Program
- CIP Detail: Radio Read Meter Conversion

Meter Replacement Program

TOTAL COST: \$63000**CONSTRUCTION SCHEDULE:** 2020 - 2024

RANKING CRITERIA MET:

☒ Board Goals ☒ Regulatory Requirement
☐ Health & Safety ☒ Service Delivery Need
☐ Master Plan: _____

PROJECT TYPE:

☒ Maintenance
☒ Replacement
☐ New/Expansion

NEW ON-GOING COSTS?

Yes \$ _____ No _____ None _____

DESCRIPTION:

In order to accurately capture all water usage in the distribution system, meters are the primary tool for measuring water delivery to each property with water service. To accurately measure water usage for a property, meters need to be replaced due to the amount of water flow through the meters and age. Meters in the YWIA service area are mostly ¾" by 5/8".

PROJECT SCOPE:

The Scope is to replace the final 90 – 3/4" by 5/8" meters in the water system with new, more accurate meters with new technology for reading through radio or fixed base methods, reducing manual labor and increasing efficiencies for capturing leaks, providing a reduction in water loss. This will be done by removing the old meter and replacing it with a new meter.

HISTORY:

The reason for the water meter replacement program is two-fold; First, American Water Works Association (AWWA) best practices require meters be changed out every ten to twelve or at a threshold of 1 – 2 million gallons of use. Second, the Arizona Corporation Commission (ACC) and Arizona Department of Environmental Quality (ADEQ) require the water company to provide the amount of water which is either lost or unaccounted for throughout the system. The majority of lost or unaccounted for water is through inaccurate meters. Replacing the meters on a regular basis meets both goals for the ACC and ADEQ.

FUNDING PARTNERSHIPS:

This is fully funded by YWIA Capital Improvement funds. There is the potential for grant funds through the Bureau of Reclamation (BOR) as part of the federal and state mandates to fund projects which save water or account more accurately for water used. The grants through the BOR are matched grants which means the water company must match up to 50% of the grant. Water Infrastructure Finance Association (WIFA) and the ACC are attempting to provide grants from federal sources to reduce lost or unaccounted for water. By having a CIP for meter replacement, the YWIA is eligible for these grants.

FUNDING SOURCES FOR THIS PROJECT:**AMOUNT**

<u>Operating/BOR</u> Fund	FY 20	\$35000
	FY 21	\$25000
	FY 22	\$1000
	FY 23	\$1000
	FY 24	\$1000
	TOTAL:	\$63000

Radio Read Meter Conversion

TOTAL COST: \$63000**CONSTRUCTION SCHEDULE:** 2020 - 2024

RANKING CRITERIA MET:

☒ Board Goals ☒ Regulatory Requirement
☒ Health & Safety ☒ Service Delivery Need
☐ Master Plan: _____

PROJECT TYPE:

____ Maintenance
☒ Replacement
____ New/Expansion

NEW ON-GOING COSTS?

Yes \$1000 No _____

DESCRIPTION:

As part of the water system improvements and joining the 20th century with technology, moving to an automated meter reading and billing system is the next step. With radio read or fixed base meter reading systems being used nationwide, there is a track record for reducing the manual labor in physically reading each meter and sending the reads to a billing office. With radio read and fixed base systems, the reading is all automated and system software can do the billing. The change will require replacing existing meters with the radio technology and require a software purchase and annual license.

PROJECT SCOPE:

The Scope is to replace the old, manual read meters and add the radio read technology. This will require a meter change out program and/or a replacement of the direct read portion of the meter with a radio/fixed base read component and converting to the radio read or fixed base system. Replacing the meter with new remote read technology would cost about \$235/meter, replacing just the manual read with the new technology would cost about \$170/meter.

HISTORY:

As part of the routine meter reading and billing, each meter must be manually read, and the reads given to a second party for manual entering into their billing system. This is time intensive and may result in human errors. With the new technology being used since the 1990's, there is a proven track record that radio read, and fixed base systems are accurate and a time saving tool. It frees up operators to work on the system which needs regular repairs and maintenance. With increased accuracy and real time reading and recording technology, the system will see decreased lost water and leaks can be addressed after the meter by property owners.

FUNDING PARTNERSHIPS:

This is fully funded by YWIA Capital Improvement funds. The priority in the water industry is more accurate accounting of water pumped and used in the system. This priority was shared in a recent adoption of a declaration of the Arizona Corporation Commission (ACC) to change the way water is being accounted for and officially requesting funding for meters at the state and federal level. The ability to receive grants will be increased by having an adopted CIP and Master Plan. Cost reflects the meters and radio read purchases, no labor costs for installation is included.

FUNDING SOURCES FOR THIS PROJECT:**AMOUNT**

<u>Operating/BOR Grants</u> Fund	FY 20	\$35000
	FY 21	\$25000
	FY 22	\$1000
	FY 23	\$1000
	FY 24	\$1000
	TOTAL:	\$63000

Attachment C

- YWIA 2020 Approved Budget
- YWIA January 31, 2020 Balance Sheet

Yarnell Water Co-Op
Profit & Loss Budget Performance-2019
January through September 2019

						APPROVED
	Jan - Sep 19	Budget	\$ Over Budget	% of Budget	Annual Budget	2020
Ordinary Income/Expense						
Income						
400 - Operating Revenues						
461 - Metered Water Revenues						
461.1 - Metered Customer Water Revenues	237,438.89	217,499.99	19,938.90	109.17%	290,000.00	300,000.00
461.2 - Late Charges	1,395.62	1,500.01	-104.39	93.04%	2,000.00	2,000.00
461.6 - Bulk Water Sales	20.00	2,250.00	-2,230.00	0.89%	3,000.00	50.00
Total 461 - Metered Water Revenues	238,854.51	221,250.00	17,604.51	107.96%	295,000.00	302,050.00
474 - Other Water Revenues						
474.2 - Service Establishment Fees	2,496.00	1,800.00	696.00	138.67%	2,400.00	2,400.00
474.3 - Reconnect Fee	-48.00					
474.6 - Returned Check Fee	300.00	112.50	187.50	266.67%	150.00	150.00
Total 474 - Other Water Revenues	2,748.00	1,912.50	835.50	143.69%	2,550.00	2,550.00
Total 400 - Operating Revenues	241,602.51	223,162.50	18,440.01	108.26%	297,550.00	304,600.00
Total Income	241,602.51	223,162.50	18,440.01	108.26%	297,550.00	304,600.00
Gross Profit	241,602.51	223,162.50	18,440.01	108.26%	297,550.00	304,600.00
Expense						
clearing/refunds	0.00					
401 - Operating Expenses						
615 - Purchased Power/Utilities						
615.1 - Electric						
615.1.1 - Well	9,520.34	9,750.01	-229.67	97.64%	13,000.00	13,000.00
615.1.2 - Office	571.62	525.01	46.61	108.88%	700.00	800.00
615.1.3 - Substation	361.15	375.00	-13.85	96.31%	500.00	500.00
Total 615.1 - Electric	10,453.11	10,650.02	-196.91	98.15%	14,200.00	14,300.00
615.2 - Propane						
615.2.1 - Office/Workshop	492.53					
615.2.2 - Tank Rental	205.10					
615.2.3 - Well Site	513.95	374.99	138.96	137.06%	500.00	600.00
Total 615.2 - Propane	1,211.58	374.99	836.59	323.1%	500.00	600.00
Total 615 - Purchased Power/Utilities	11,664.69	11,025.01	639.68	105.8%	14,700.00	14,900.00
618 - Chemicals						
618.1 - Container Deposit	-120.00					
618.2 - Hypochlorite Solution	216.84	1,125.00	-908.16	19.28%	1,500.00	300.00
Total 618 - Chemicals	96.84	1,125.00	-1,028.16	8.61%	1,500.00	300.00
620.1 - Repairs and Maintenance						
620.1.1 - Building Repairs & Maintenance	0.00	149.99	-149.99	0.0%	200.00	200.00
620.1.3 - System Repairs						
620.132 - Materials	555.98	3,750.01	-3,194.03	14.83%	5,000.00	5,000.00
Total 620.1.3 - System Repairs	555.98	3,750.01	-3,194.03	14.83%	5,000.00	5,000.00
Total 620.1 - Repairs and Maintenance	555.98	3,900.00	-3,344.02	14.26%	5,200.00	5,200.00
620.2 - Office Supplies & Expense						
620.2.2 - Filing Fees	10.00					
Total 620.2 - Office Supplies & Expense	10.00					

Yarnell Water Co-Op
Profit & Loss Budget Performance-2019
January through September 2019

	Jan - Sep 19	Budget	\$ Over Budget	% of Budget	Annual Budget	APPROVED 2020
632 - Cntr Svcs - Accounting						
632.1 - 990 Prep	0.00	599.99	-599.99	0.0%	800.00	800.00
632.2 - Audit/Financial Reviews	5,927.50	4,874.99	1,052.51	121.59%	6,500.00	5,000.00
Total 632 - Cntr Svcs - Accounting	5,927.50	5,474.98	452.52	108.27%	7,300.00	5,800.00
633 - Cntr Svcs - Legal						
633.1 - .1 - Engineering	16,200.00					0.00
633 - Cntr Svcs - Legal - Other	0.00	1,500.00	-1,500.00	0.0%	2,000.00	2,000.00
Total 633 - Cntr Svcs - Legal	16,200.00	1,500.00	14,700.00	1,080.0%	2,000.00	2,000.00
634 - Contr Svcs - Management Fees						
634.1 - Field Operations						
634.1.1 - Monthly Field Operations	66,855.00	66,150.00	705.00	101.07%	88,200.00	88,200.00
634.1.4 - Non-Routine Ordinary Operations	14,550.16	18,750.01	-4,199.85	77.6%	25,000.00	25,000.00
634.1.5 - Dialer Telephone	478.55	472.50	6.05	101.28%	630.00	650.00
Total 634.1 - Field Operations	81,883.71	85,372.51	-3,488.80	95.91%	113,830.00	113,850.00
634.2 - Business Operations						
634.2.1 - Business Operations-Acctg	27,856.25	27,337.50	518.75	101.9%	36,450.00	36,450.00
634.2.2 - Business Operations-Acctg Extra	525.00	750.01	-225.01	70.0%	1,000.00	1,000.00
Total 634.2 - Business Operations	28,381.25	28,087.51	293.74	101.05%	37,450.00	37,450.00
Total 634 - Contr Svcs - Management Fees	110,264.96	113,460.02	-3,195.06	97.18%	151,280.00	151,300.00
635 - Testing	-131.07	937.49	-1,068.56	-13.98%	1,250.00	1,000.00
636 - Cntr Svcs - Other						
636.7 - Grant Requests	35,350.39					
636.1 - Web Site	0.00	374.99	-374.99	0.0%	500.00	0.00
636.3 - Bank Service Charges	449.41	300.00	149.41	149.8%	400.00	600.00
636.4 - Board Administrative Support	0.00	3,750.00	-3,750.00	0.0%	5,000.00	5,000.00
636.5 - Trash Collection	198.00	225.00	-27.00	88.0%	300.00	300.00
Total 636 - Cntr Svcs - Other	35,997.80	4,649.99	31,347.81	774.15%	6,200.00	5,900.00
650 - Transportation Expense						
650.3 - Mileage Reimbursement	0.00	150.00	-150.00	0.0%	200.00	200.00
Total 650 - Transportation Expense	0.00	150.00	-150.00	0.0%	200.00	200.00
657 - Insurance						
657.3 - Package Policy	12,345.00	9,360.00	2,985.00	131.89%	12,480.00	12,500.00
657.4 - D & O	0.00	855.00	-855.00	0.0%	1,140.00	0.00
657.5 - Flood Insurance	1,411.00	1,026.00	385.00	137.52%	1,368.00	1,500.00
Total 657 - Insurance	13,756.00	11,241.00	2,515.00	122.37%	14,988.00	14,000.00
675 - Miscellaneous						
624 - Member/Board Meetings	88.03	750.01	-661.98	11.74%	1,000.00	500.00
625 - Public Education	3,398.84	375.00	3,023.84	906.36%	500.00	0.00
675.1 - Dues and Subscriptions	780.80	225.00	555.80	347.02%	300.00	500.00
675.5 - Education	184.23					1,000.00
675.9 - Board Annual Meeting	0.00	374.99	-374.99	0.0%	500.00	500.00
Total 675 - Miscellaneous	4,451.90	1,725.00	2,726.90	258.08%	2,300.00	2,500.00
Total 401 - Operating Expenses	198,794.60	155,188.49	43,606.11	128.1%	206,918.00	203,100.00
408 - Taxes Other Than Income						

Yarnell Water Co-Op
Profit & Loss Budget Performance-2019
January through September 2019

						APPROVED
	Jan - Sep 19	Budget	\$ Over Budget	% of Budget	Annual Budget	2020
408.11 · Property Taxes	0.00	9,000.00	-9,000.00	0.0%	12,000.00	12,000.00
Total 408 · Taxes Other Than Income	0.00	9,000.00	-9,000.00	0.0%	12,000.00	12,000.00
7912 · Bank Service Charges	83.86					
Total Expense	198,878.46	164,188.49	34,689.97	121.13%	218,918.00	215,100.00
Net Ordinary Income	42,724.05	58,974.01	-16,249.96	72.45%	78,632.00	89,500.00
Other Income/Expense						
Other Income						
USDA Grant Income	111,133.74					
419 · Interest Income	12.60	150.00	-137.40	8.4%	200.00	200.00
421 · Nonutility Income						
Sales Tax Accounting Credit	159.88	131.26	28.62	121.8%	175.00	200.00
421.9 · Misc Income						
421.9.2 · Building Rental	900.00					
Total 421.9 · Misc Income	900.00					
Total 421 · Nonutility Income	1,059.88	131.26	928.62	807.47%	175.00	200.00
Total Other Income	112,206.22	281.26	111,924.96	39,894.13%	375.00	400.00
Other Expense						
425 · CIP	22,418.96	18,750.00	3,668.96	119.57%	25,000.00	120,000.00
426 · Miscellaneous Non-Utility Expen						
426.0 · Restoration from Fire 2013						
426.341 · Meter Replacement Project - MRP						
.2 - System Side						
.2.1 - Parts & Materials	1,624.73					2,000.00
Total .2 - System Side	1,624.73					2,000.00
Total 426.341 · Meter Replacement Project - I	1,624.73					2,000.00
Total 426.0 · Restoration from Fire 2013	1,624.73					2,000.00
426.99 · Annual Meeting	566.53					0.00
Total 426 · Miscellaneous Non-Utility Expen	2,191.26					2,000.00
427 · Interest Expense						
427.2 · Loan Interest						
427.2.2 · Loan Interest Expense- USDA	10,641.12	11,250.00	-608.88	94.59%	15,000.00	14,000.00
Total 427.2 · Loan Interest	10,641.12	11,250.00	-608.88	94.59%	15,000.00	14,000.00
427 · Interest Expense - Other	193.39					
Total 427 · Interest Expense	10,834.51	11,250.00	-415.49	96.31%	15,000.00	14,000.00
Total Other Expense	35,444.73	30,000.00	5,444.73	118.15%	40,000.00	136,000.00
Net Other Income	76,761.49	-29,718.74	106,480.23	-258.29%	-39,625.00	-135,600.00
Net Income	119,485.54	29,255.27	90,230.27	408.42%	39,007.00	-46,100.00

Page 4 of 4

2:03 PM

02/17/20

Accrual Basis

Yarnell Water Co-Op
Balance Sheet
 As of January 31, 2020

	Jan 31, 20
ASSETS	
Current Assets	
Checking/Savings	
131 · Cash	
131.0 · Restricted Funds	
131.0.1 · Customer Deposits/Meter Deposit	20,882.29
131.0.2 · USDA Debt Service Reserve Fund	29,838.84
131.0.4 · Not for Profit - Grant	617.29
Total 131.0 · Restricted Funds	51,338.42
131.1 · Operating Income & Expenditures	
131.1.1 · Op Income - 8421	326,566.71
131.1.5 · For Expenditures	3,285.98
Total 131.1 · Operating Income & Expenditures	329,852.69
Total 131 · Cash	381,191.11
Total Checking/Savings	381,191.11
Accounts Receivable	
141 · Accounts Receivable	
141.1 · A/R - aQuality Excavating rent	1,800.00
141 · Accounts Receivable - Other	37,166.20
Total 141 · Accounts Receivable	38,966.20
Total Accounts Receivable	38,966.20
Other Current Assets	
142 · Grants Receivable	59,582.35
151 · Plant Materials and Supplies	49,064.98
162 · Prepayments	
162.1 · Prepaid Insurance	6,661.50
Total 162 · Prepayments	6,661.50
Total Other Current Assets	115,308.83
Total Current Assets	535,466.14

Attachment D

**YWIA February 22, 2020
Board Meeting Minutes**

YARNELL WATER IMPROVEMENT ASSOCIATION

FEBRUARY BOARD MEETING

Saturday, February 22, 2020 ∞ Yarnell Community Center

President called the Board into Executive Session at 9:05 AM.

REGULAR MEETING MINUTES

1. CALL TO ORDER BY PRESIDENT at 10: 18 AM

2. ROLL CALL OF BOARD

BOARD PRESENT: *Claude Mattox (President/CEO), Steve Kremer (Vice-President/Treasurer), Jerry Postema (COO), Emad Mohit, Tim O'Day.* ABSENT: *Barbara Dow – Excused.*

PARTNERS/GUESTS: *Terri Denemy (YWIA Secretary), Fletch Wiles, AQuality Water (AQW).*

3. APPROVAL OF MINUTES: January 25, 2020 (Attachment)

MOTION: *To approve the minutes of the January 25, 2020 Board Meeting as submitted.*

Moved: S. Kremer 2nd: T. O'Day Discussion: Yes. Vote: Approve Unanimously.

4. CALL TO PUBLIC AND OTHER CORRESPONDENCE

- 01/28/20 Letter from Yarnell Fire Department
- Payment Received from Kurt Florman for Purchase of Pipe

5. REPORTS

- Operations & Grants, Jerry Postema (Attachment): In addition to the submitted report, Jerry presented two topics for board discussion: Applying for a Bureau of Reclamation (BOR) grant to system meters and proposed revisions to the Capital Improvement Program (CIP) for the grant and to add blow off replacements. As part of the discussion, Steve referred to several budget lines and to verify proper accounting of AQW expenses as either CIP or non-routine. Steve expressed concern about entering the fire season with only one well and asked about status of hiring Valentine Engineering to do the hydrology for the new well site. Fletch reported that he can make Well #2 work to meet demand if needed. Emad asked for more detail on status and moving forward of the well replacement. Jerry reported he is working with Valentine for design and hydrology to move forward and has also discussed with USDA about using any funds remaining from the well cleaning project to for well replacement. He clarified that once all projects are closed out, final fund balances can be used for other grant project costs incurred by YWIA such as attorney fees. Board discussed the possibility of purchasing property for another well site or purchasing an existing well.
- Finance/Treasurer's Report, Steve Kremer (Attachment): Steve reported that with a cash balance of - \$399,620.41 we are very close to the board goal of \$400,000 that would trigger investment in CD's. However, the CIP plan will tap into that balance and delay that action. The YWIA is up \$48,435.09 year over year, but month over month is \$1,365.80 down. This is due to a low revenue (water use) month and larger than usual operational expenses. Steve will soon begin working with Ulman & Company on this year's financial review. Fletch reported 600 pounds of metal has been scrapped out and there is about another 600 pounds to go.
- Business Operations, Fletch Wiles – Nothing to report for billing and customer service. Steve reported that Wallace Utility Billing Solutions has asked YWIA to be a reference as they look to expand their business.
- Field Operations, Fletch Wiles (Attachment) Fletch reported that YWIA has crossed the 500 mark and is now at 501 active accounts. He stated the operations team responded to three large main breaks this past month. He reported that he is now combining the YWIA chemical pickup with his ADOT which will save YWIA about \$800 per year in delivery costs. Fletch reported the customer with the large leak was denied coverage by their insurance company and is asking for relief from YWIA. Fletch

Improving the quality of life for our community

Providing the highest quality, sustainable water for our customers

03/02/2020

stated that the leak consumed 420,000 gallons which even if billed at the lowest tier of \$5.33 per thousand gallons = \$2,238.60. Steve asked Fletch to have the customer make a formal request to the board so we can act. Fletch reported that he is pleased that the tank access road turned out better than he expected. He noted the importance of staying off road when it is wet which causes rutting. He stated with road improvements and drainage corrections more water will flow down to the back of the YWIA property. Board agreed to see if the Yavapai County Flood Control grant (which will provide funds to address both the YWIA property and the adjacent County building) is approved before taking any other action. Board discussion of infrastructure related to vacant properties in Yarnell expected to have increased marketing efforts for their sale. Fletch reported that there are water services in place, but no meters.

- Solar possibility for Well / Pump site, Emad Mohit. Emad reported Barbara has reached out to her contact to confirm the costs projections earlier reported. Emad stated if the board wants to entertain this idea there are three ways to pay: 1. Out of pocket, 2. Look for a grant, and 3. Have solar company build it and lease it to us. Steve commented YWIA would not receive any tax benefit as we don't pay income tax. He asked if any company might be willing to partner and fund the project or part of the project for promotional purposes, suggesting the tank site as a highly visible location. Claude referred to the APS program for residential and asked if there was enough space on the well site for a solar installation. Fletch and Jerry believed there would be space for a small installation. Emad will explore the possibilities per the discussion, connect with Barbara on her findings and report back at the next meeting.

6. OLD BUSINESS

- Letter of Mutual Understanding Yarnell Fire Department (YFD) / Water Usage & Billing Policy: Claude will team with Jerry to draft a letter response to state YWIA does not accept the \$1,500 settlement offered, but YWIA is willing to enter into negotiations to determine a mutual agreeable amount and to revise the terms of our mutual agreement. The letter will direct also direct YFD to cease from operating or connecting to any portion of the water system without a YWIA representative on site. Emad will begin attending the YFD monthly meetings on behalf of the board.
- Field Operations Contract with A-Quality Water: Proposed Revision - In Works
- Business Operations Contract: Proposed New Contract with Wallace Billing – In Works
- 2020 Membership Meeting Planning: Claude will send meeting invite to Robert Landford at USDA; Isabell and Chloe with the CDBG; and to Sherri Hannah, Yavapai County Board of Supervisor candidate. He asked Terri to draft and send a press release to Wickenburg and Prescott newspapers. Board agreed to add agenda items on fire protection related costs, the Yarnell Fire Department agreement, initiation of a new rate case and to provide coffee and donuts.
- Dormant Account Process: Steve stated they are wrapping up the process and will report on the outcome and details at the Annual Meeting.

7. NEW BUSINESS

- BOR Water Smart Grant Application
MOTION: To authorize submission of a Bureau of Reclamation Water Smart grant application for \$75,000 and approve YWIA required matching funding up to \$90,000.
Moved: J. Postema 2nd: S. Kremer. Discussion: None. Vote: Approve Unanimously.
- CIP Revision/Amendment
MOTION: To amend the CIP meter replacement/radio read conversion as approved for the BOR grant project and to add a galvanized blow off replacement program at a cost of \$49,000.
Moved: J. Postema 2nd: S. Kremer. Discussion: None. Vote: Approve Unanimously.

8. ONGOING - FUTURE AGENDA ITEMS

- YWIA Policy: Infrastructure Standards (Postema)
- Dormant Meters (Kremer)

9. CLOSING DISCUSSION For the Good of the Order:

Easement: Board discussed the value of pursuing an easement between Mountainair Lane and Forest Metate Trail to create an emergency evacuation route and add a water line to loop the system in Glen Ilah. Jerry will request a letter from Valentine detailing the value of the connection to our system and members for both an emergency evacuation route and the water system.

10. ADJOURNMENT declared by the President at 11:46 am.

Attachment E

Mandatory Federal Forms

- o SF-424 Application for Federal Assistance
- o SF-424 Budget Information
- o SF-424 Assurances