

District Manager's Report

October 21, 2023

Accomplishment:

- Assisted Board members with closing the purchase transaction including:
 - locating, inspecting, and certifying existence of all specifically listed physical assets to be acquired with assistance of Lee Thompson and the A Quality Water operational staff.
 - Acquired insurance for \$4.2M of physical assets, general liability, and Directors and officers.
 - Changing all locks and taking physical control of all acquired assets and re-signing of the buildings.
 - Provided introductory Open Meeting Law training to District treasurer and assisted with introduction to planned financial management reporting and control activities.
- Coordinated the start up of daily operational services of A Quality Water Co.
 - Maintained relations with Lee Thompson to help carry out a smooth takeover of day-t-day activities without major interruptions to customer services.
 - Assisted with documentation and preparation of procedures and activities to complete first months meter readings so as to update saved customer data for improved accuracy and to locate meters not on the billing/meter reading system.
- Coordinated the conversion of Southwestern Utilities Management (SUM) activities from Starlight Water Co. services to services to be provided to the Blue Ridge DWID:
 - built relationships with Gary Wene and other staff to determine what each of the other people do so as to not be burdened with time delays in obtaining information since Gary and Veronica are often not available.
 - assisted with preparation of meter reading process and improvements in accuracy of customer data supplied to field staff.
 - prepared communication procedures for customer service functions (phone procedures, service call requests, etc.) to be coordinated with field operations staff and assisted with moving responsibility for day-to-day activities from Lee Thompson to A Quality Water.
 - assisted SUM in establishment of bank accounts for operations and customer deposits.
 - prepared instructions, forms, general ledger accounts, and financial reporting formats for entry into the SUM accounting systems to result in required financial reporting and controls.
 - met with District Treasurer and SUM staff in Tucson to coordinate service activities and emphasize need for greatly improved customer communications and billing procedures.
 - Prepared updates to billing statement formats and coordinated contents and timing of mails of statements.
 - Determined what issues are with Customer Deposit reports and how to handle future credits to customer accounts.
 - New signs for all buildings have been delivered.
 - Control/ownership of the water system has been successfully transferred to BRDWID by ADEQ.

Current Status and Challenges:

- We need to greatly improve accuracy and responsiveness of Southwestern Utility Management in terms of:
 - Establishment of accounts for general ledger accounting for preparation of required financial statements, budgeting, and financial controls. Two-three day project started on Sept. 22, then several weeks delay, and finally some headway made on the matter on Oct. 18, and promise of additional activity within a week.
 - Greatly improve the telephone service in terms of calls on hold, transfers of calls, limited phone numbers.
 - Establish procedures and forms to make sure new accounts are properly established and adequate information is obtained for billing, meter installation, emergency contacts, etc.
 - Gain assurance that late charges are being properly applied to invoices.
 - Improve turnaround time between meter readings and mailing of bills.
 - Gain assurance that new procedures are in place for meter readings during snow are timely.
 - Obtain more data from billing system to assure accuracy of water sold, water pumped, late fees assessed, etc. so proper postings to the financial records can occur.
 - Determine the proper number of active and billable accounts, ranging from 784 active, 38 inactive, with 802 meters read, and to less than 800 billed and mailed/emailed. Need to know if everyone is being charged.
 - Determine how the bulk sales are being handled for water used for dust control/construction.

- Other Topics Besides Southern Utilities Management:
 - Establishment of more responsive backhoe services for minor leaks and snow removal
 - How to significantly improve time and costs to take meter readings.
 - How to gradually reduce the work load on the Board members so to avoid burn-out and turnover.
 - Establishment of full view and access to checking accounts by the Board Officers and Manager. Need to present the indemnity agreement to SUM.
 - Assure that adequate financial information is accumulated over the next six months to be properly prepared for budget and rate hearings activities starting in April 2024.
 - Gain more control over water usage and billings with Payson Concrete or other bulk purchasers of water for road construction, dust control, etc.
 - Improve schedule for weed control inside fencing. Major problem area at Pine Creek Canyon was completed today.
 - Continue to diligently encourage customer to use the one number to SUM for all activities, hoping to minimize calls going to Lee Thompson.
 - Consolidate all District records into one location.
 - Obtain a sales tax license for SUM to use to pay the Dept. of Revenue.
 - Engage a required District engineer per ARS 48-913, hopefully at no cost.
 - Investigate and strengthen legal counsel to be more responsive.

NOTE: See attached Operations Report.

- All wells test negative for bacteria on September 19. MAP tests taken, results pending.
- communications between SUM and the operators seems to be working well.