

District Manager's Report
December 16, 2023

Accomplishments:

- Continued monitoring of the installation of the chart of accounts and finally think SUM has virtually all accounts with correct titles and in the correct location on the balance sheet and P&L.
- Prepared additional charts for proposed asset values and depreciation rates to use to seek CPA advice and proposals for financial statement review. Visited two additional audit firms to solicit quotes for service.
- Rejected proposed financial statements and monthly activity report sent by SUM and prepared harsh memo criticizing quality of work related to financial accounting. NOTE: Gary Wene has been ill, but we have improved results scheduled for next couple days.
- Continued perfection of meter reading sheets as to missing meters, wrong addresses, etc. so customer total went from 802 to 810 that now receive bills (no actual new customers, just missed ones not previously billed).
- Hopefully have eliminated SUM requesting our operators to inspect meters already in the ground to verify existence, to obtain meter numbers, etc.
- Acquired location approval, postal clerk approval, and missing parts necessary to install mailbox at Starlight tank site.
- Investigated numerous situations related to removal of bulk water at various locations and arranged for three entities to take water in the future. Have backflow prevention device on order.
- Worked with SUM staff to have them accurately follow our instructions and policies, especially related to billing all customers that had previously requested meters shut off and billing discontinued (we require minimum base fee payment for every meter that is in the ground).
- Prepare numerous general journal entries for SUM to post related to Flagstaff account activity, draws of WIFA funds, etc.
- Assist Treasurer and SUM with tracking of A/P transactions completed, pending in process, and projected.
- Corrected red-light conditions on Starlight generator and ultimately uncovered various recommended repair issues on all generators. Arranged future service contracts on same.
- Assisted Susan with numerous applications for and obtain open account credit (Gen Tech and part suppliers).
- Assisted Susan with the application for a sales tax license so that SUM can forward tax collections to the AZ Department of Revenue.
- Prepared the infrastructure portion of the Insurance Services (ISO) application for Chief Phil Paine so he can possibly obtain a better rating for property insurance in the District.
- Had operators complete the upgrade to two main check valves and leaking nipple at Pine Canyon site.
- Change process as to reporting of retainer service invoices separated from invoices for other services.
- Locate and arrange for engagement of ARS required District Engineer (no cost until services needed).
- Workorder/field response appears to be working satisfactorily, but need to continue close monitoring.

Current Status and Challenges:

- Work with SUM to properly handle general ledger accounting transactions and financial statements generated with QuickBooks system, such that Treasurer and make meaningful reports to the Board and residents.
- Complete all QuickBooks entries for WIFA transactions including forgiveness of debt provisions.
- Follow up on preparation of required bank reconciliations SUM should be submitting.
- Obtain better explanation of procedures that result in various deposit entries to all bank accounts.
- Failure of Chase Bank/SUM to complete the authorization of District Treasurer/District Manager to be able to sign on all bank accounts.
- Review results of the 10-% refund of meter deposits.
- Institute late charge program if customer billing processing is stabilized.
- Develop process monitoring to be able to provide meaningful reporting of well performance, booster pump efficiency, electricity usage.
- Determine how to gradually reduce the work load of Board members so as to avoid burn-out and turnover.