

DRAFT

Rim Trail Domestic Water Improvement District Minutes of open meeting June 16, 2012

Meeting held at the Whispering Pines Fire Dept. Meeting Room

Meeting opened at 2:06pm Saturday 6/16/12. Board members present; Buddy Rice; Don Nelder and Ray Tanner.

Don Nelder read the minutes of the meeting held on May 27th, 2012 at the Whispering Pines Fire Dept. meeting Room. The minutes were approved as read by a unanimous vote. Questions arose from the public about posting of meetings in general and this meeting to vote on the proposed budget specifically. Chairman Rice said that emails were sent out to all who had given the district their emails, the meeting was posted in the Payson paper and the agenda meeting notice was mailed in the most recent water billing notices. Rice said that he thought the district had emails for about 30% to 40% of the members in the district.

Rice then temporarily adjourned the open meeting to go into the proposed budget hearing.

Much public discussion followed including concern about rates continuing on an upward spiral along with the some individuals stating they were on fixed incomes and could not afford these continued rate increases. Discussion ensued regarding having a reduced rate structure for part time resident's versus full time residents. Suggestions were made to have a lower rate increase than the proposed \$20 per month which raised the monthly base rate from \$59 to \$79 per month. Questions regarding the source of our water were asked. Rice said that he had learned that we have two wells. One produces 3 gals. per minute and the other 6 gals. per minute. The balance of the water comes from the stream and needs to be filtered. Fred Wolfe asked that in the future proposed budget notices include a copy of the breakdown of income and expenses as well. The board agreed to do that in the future. Rice closed the proposed special budget meeting discussion and returned the open meeting.

Ray Tanner stated that we based our monetary budget decisions on the longer term history of the district and the 2011-2012 expenses were uncharacteristically low compared to the two previous years. It is hoped we can keep 2012-2013 expenses at the same level as 2011-2012 but for budgetary purposes we must consider the longer term expense numbers. Ray Tanner made a motion to approve the proposed 2012-2013 budget with the following amendments:

- 1) "That \$14000 is moved from Water Operations expense to a new category of Water Contingency Fund for system breakdowns and system upgrades". "Non-emergency system repairs and system upgrades require Board approval prior to initiation. Emergency repairs, defined as "system is out of service or unable to deliver water to one or more customers" require that a board member be notified at the time the condition becomes known".
- 2) "The \$16,000 of capital projects further require board approval when the details of those projects are made available and contracts and/or other documentation is available". The motion was seconded by Don Nelder. Motion passed unanimously.

Ray Tanner made a motion

"To have the district chairman (Buddy Rice) designate a representative to enter discussions, if and when needed, with Payson related to items regarding the pipeline project but any money to be spent in this endeavor must have prior

board approval along with prior approval from Buzz Walker of Payson water department in order for the district to receive reimbursement from Payson. Don Nelder seconded the motion. In the following discussion, Don Nelder suggested the HDJ be excluded from engaging in this process because HDJ works for the district and therefore would have a conflict of interest . He pointed out that conflicts of interest where at the core of the dissention last year and should be avoided. Both Buddy Rice and Ray Tanner disagreed with Don Nelder and said that they did not see the involvement of HDJ as a conflict of interest providing RTDWID were the one to pay HDJ with 100% reimbursement from Payson and HDJ would not otherwise be working for Payson. During the discussion of the motion Buddy Rice announced that he wanted to address the Harry Jones history with RTDWID and pointed out that his statement was strictly his personal opinion and not that of the board. Buddy went on to say that he had worked closely with Harry Jones over the last 10 months, frequently on Saturday and Sundays, and that he had studied the past minutes of prior meetings held by the board with regard to Harry and his administration and found no fault in anything that Harry had done. He could find nothing where Harry had done anything wrong and had complete confidence in Harry's ability to do his job. Harry responded by saying thank you to Buddy. There was no further discussion nor were there any comments from any of the other board members or the members of the district that were in attendance. The vote was called for on Ray Tanner's motion above and the motion passed unanimously.

Ray Tanner moved to authorize the board chairman (Buddy Rice) to designate a representative to enter into discussions with SRP, if and when necessary, relating to items regarding the district water rights and additional water resources available from the Cragin Reservoir. He added that any expenditure of money relating to this activity must have prior approval from the board. Motion seconded by Don Nelder. The motion passed unanimously.

Ray Tanner made a motion to authorize the board chairman (Buddy Rice) to spend up to \$5000 in the aggregate for the 2012-2013 budget year for capital improvements and/or equipment, system upgrades and non-emergency repairs without prior board approval. It is understood that the expenditures will be for hard assets, a new laptop computer and software were mentioned as one of the needed items and would not include other expenditures such as consulting fees or other soft costs or long term contracts which still require prior Board approval. Don Nelder seconded the motion. The motion passed unanimously.

Discussion followed regarding what help the district might expect from joining the Rural Water Association of Arizona.

Don Nelder moved to have the district pay the required fees of \$75 plus 55-65 cents per meter to join. Seconded by Ray Tanner. The motion passed unanimously. This organization can provide assistance to the district on many levels some of which are; assist in training new plant managers for certification, water distribution systems, review of specs for installation of water lines and equipment etc.

Ray Tanner moved for the board to hold a general election as of November 6, 2012 for one seat on the Rim Trail Domestic Water Improvement District Board of Directors and to engage the Gila County Elections Department to administer the voting process for the district. Don Nelder seconded the motion. The motion passed unanimously. The entire group of district members, that had been in attendance, had left the meeting by this time so no additional public comment was received. Don Nelder made a motion to adjourn. Ray Tanner seconded the motion. The motion passed unanimously. The meeting adjourned at 5:15pm.

Submitted by Don Nelder June 16, 2012