

RIM TRAIL DOMESTIC WATER IMPROVEMENT DISTRICT

240 E. Box Elder Lane

Payson, AZ 85541

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Draft

Minutes of Special Meeting of the Board of Directors on 11-20-11

The Board of Directors of the Rim Trail Domestic Water Improvement District met in special session on Sunday November 20, 2011. The meeting was held at Station 71 of the Whispering Pines Fire Department located at 10603 N. Houston Mesa Rd. in the community of Whispering Pines, north of Payson, Arizona.

- I. Call to Order: Chairman Buddy Rice called the meeting to order at 1:05 p.m.
- II. Roll Call: Board Members present were Chairman of the Board Buddy Rice, and Don Nelder Treasurer. Absent was Board Member Ray Tanner. A quorum of the Board was present. Also present were Mel and Anne Bramley, Tom Johns, Shannon Branstetter, Al and Marilyn Fuzat, and Jozef and Anna Paganik. A written suggestion and telephone call was also received from Gary Busenkell who was unable to attend in person. Also in attendance was Harry Jones of HDJ Management, RTDWID District Manager.
- III. Call to the Public for input on scheduled Agenda topics: The only item on the agenda was a review and discussion of "Proposed RTDWID Bylaws" which had previously been posted on the District website and emailed to District members of record. Several members of the public made comments and suggestions related to the proposed bylaws:
 - A question was asked by the audience regarding how voting for Board members should occur and suggesting that a more detailed explanation be placed within paragraph 3.1. Discussion ensued and the Chairman Rice asked the RTDWID District Water Manager to explain how that process occurs in terms of public officials. Both Chairman Rice and Treasurer Nelder suggested that the election process was covered by existing statutes and that with the addition of our added communication processes, such as "Water News", email, and notices within monthly water bills, that there will exist substantial advance notification of upcoming elections for all members of the community.
 - Manager Jones then read into the record a suggestion from an e-mail received by the District suggesting a section be added to the bylaws related to "Definitions" and "Voting" delineating who is a "property owner" and who is a "voter" qualified to participate in District affairs. Chairman Rice then asked Jones to further explain the situation related to possibly including such sections within the bylaws and how such provisions might conflict with existing State statutes and rulings that are in place. Jones then made a suggestion that a new sentence be added to the end of section 9.7 that indicated "In case any provisions of these Bylaws conflict with the statutes or rulings issued by the State of Arizona or other governing agencies or regulatory bodies with jurisdiction over Domestic Water Improvement Districts, such statutes and ruling shall govern and the conflicting bylaws shall be null and void".
 - Jones then related a telephone call he had received that suggested the proposed paragraph 9.2 be modified to reflect something more than 50% of the qualified

electors be required to modify the bylaws. Chairman Rice suggested that obtaining 50% participation by the public was not likely. Discussion followed and Jones suggested the whole sentence related to the 50% provision should be excluded. Chairman Rice indicated that if the public had an issue of how the Board had established or in the future modified the bylaws, the public could vote the Board members out of office at the next election, or they could be recalled from office if the public felt that action was appropriate. An audience member indicated he preferred the way this section had been presented in the proposed bylaws. Board Member Don Nelder added that the purpose of the bylaws allows the community and board to work within a framework that provides a smoother process to handle the business of the District.

- Chairman Rice then asked the audience and Jones for any further comments related to the proposed bylaws. Jones then suggested possibly considering removing the next to the last sentence of section 4.2 related to required notification of non-attending Board members when a meeting of the Board was temporarily adjourned.

IV. Discuss and take possible action related to adoption of Bylaws for the District: The call to the public then ended with no other suggestions.

- Treasurer Nelder then discussed that he felt section 9.2 should be left as is with the proposed 50% provision. Nelder then made a motion to “Adopt the bylaws as proposed except to add a sentence at the end of section 9.7 as proposed by District Manager Jones”. Rice seconded this motion and it passed by a unanimous voice vote of the Board. Rice then said he would make the adjustments to the proposed bylaws to reflect the changes. Rice then indicated that the Board would notify the County Elections Department of the newly adopted Bylaws so they are aware of the Board’s intent to go to a five member Board of Directors. The Chairman then indicated he would prepare a “Water News” letter to go out with the next water bills to notify the public what had been decided in terms of the Bylaws and the expansion of the Board to five members. He asked that once completed and proof read that the adopted Bylaws be printed and sent to all property owners. Additionally, the Chairman indicated that any District member interested in filling the two new vacant seats on the board should contact him with a written expression of interest.

V. Call to the Public for input on non-agenda items: No additional input from the public was received.

VI. Call for Future agenda items: Board member and Treasurer Nelder indicated that he had communicated with Buzz Walker (Director of the Payson Water Department). Buzz indicated that the Payson Water Department attended a meeting with the Forest Service on November 18, 2011 to finalize the issuance of the permits for the pipeline. The Forest Service agreement as to the proposed pipeline route was being approved and that possibly construction near Rim Trail could start in mid-2013. Nelder felt a future RTDWID agenda item would be required to make a decision and public proposal related to any activities the District would need to participate in related to that process. Jones then commented that professional engineering help would be needed to help protect the District’s interest in terms of expected disruption, repair, and replacement of the District’s infrastructure by the Town of Payson. Nelder additionally mentioned that Buzz Walker had indicated that the reroute of the pipeline from Box Elder Lane to the hill above Box Elder Lane had been approved, along with the approval of the site of the processing plant near Mesa Del.

VII. Motion to Adjourn: Nelder made a motion to adjourn, which was seconded by Chairman Rice. The motion passed.

Minutes respectively submitted by:

Chairman of the Board Rice, Board Member Nelder and District Manager Harry Jones, acting as temporary Clerk/Secretary as requested by Rice.