

Rim Trail Domestic Water Improvement Special District Board Meeting Minutes

June 19, 2021

Held via Zoom.

**DRAFT UNTIL APPROVED AT THE NEXT BOARD MEETING**

1. The meeting was called to order at 12:04 PM

2. Roll was called – Chairman Bruce Johnson (BJ), Treasurer Ray Tanner (RT), Secretary John Tanner (JT), Vice Chairman Will Regg (WR) were present, Parliamentarian Jeff Manley (JM), and a quorum was established.

District Manager: Don Ascoli (DA)

Public: Jesse Richardson (JR) and Harry Jones (HJ)

3. Approval of prior meetings Minutes from 3/18/21, 4/8/21, 4/28/21, 6/5/21 and 6/9/21. BJ motioned to collectively approve all the above minutes in one vote, there was no objections. WR second the motion, no discussion, motion passed unanimously.

4.(1) RT presented the Treasure's Report: Total income for fiscal year last 11 months, we had \$86,635 gross sales which was \$5,123 over budget than expected. That means we sold more water than we expected. Total Administrative expenses were \$25,992, that is \$2300 under budget; Water Operations were \$29,397 which was \$4,661 under budget; Net ordinary income was \$26,244 which was \$12,103 more than what we had anticipated. RT pointed out that DA made a change to depreciation and changed it from water operation expenses and put it under Other Expenses. Net Income was \$7,275 which was \$7,131 more than budgeted. On the Balance Sheet: the item of most interest is our Cash position, which is \$67,158, \$14,861 less than we had a year ago, primary reason for that is the purchase of the well and all the work that went into Well #4. RT pointed out during his report that the Depreciation should be shown in Operating Cost vs. Other Expenses and DA moved it there because WIFA recommended that it be in Other Expenses. HJ joined the meeting, HJ commented that he agreed with RT that Depreciation should be in Operating Cost. HJ also pointed out that the current statement is ending May 31<sup>st</sup> and he does not see Acct. Rec for storage tank restoration completed 5/27 and WT Knob pipe restoration and he did not see it on balance sheet. DA said that none of it has been billed for and it will all show up in June. HJ felt even if it was an estimate, it should be reflective of the current financial state of the District and DA will take advice.

4.(2) DA presented District Management Report: This is a five-month report since last mtg., there has been one property change at 167 Beluzzi Blvd. and the property owner at 272 S Ranch Lane requested a new meter for their new home being built. There had been 9 Blue Stake request. Under Repair and Upgrade Projects: The Hedstrom's pipeline issue was resolved with the help of the recent WIFA Loan and the District replaced 1300 feet of 2", 45 year old pipe line with 2" HDPE pipe along with new shutoff valves blowoff. On 5/23 we recognized a leak next to Well #3 and replaced the Schedule 80 T fitting which was the origin of the leak. In March Century Link replaced a new phone cable down Ranch Rd. and broke 1-1/4" pvc line which was only 10" deep ILO 24" and it had to be repaired. We are please to report that Well #4 was officially approved by ADEQ on 5/12. To date it has pumped over 250,000 gallons into our water system at a flow rate of 11 gpm. We have been running the well up to 13 hours to allow a better recharge time for Well #2&3. On 4/28 & 29 DA attended the Rural Water Association of AZ EXPO and learned of methods of rehabbing wells. With the productivity of Well #4, it will give us the opportunity to do maintenance to our other wells. DA would like to look at doing some Well #3 maintenance, possibly scrubbing it to get more production. He will come back to the Board later with that proposal. WR suggested doing Well #2 at same time and that it would nice going into next summer with 3 performing wells. RT reminded us of the recent effort to do maintenance on Well #3 and before we do that, we ought to look into getting our water treatment plant back online and that our recent study pointed out that the two wells were only supposed to supplement our water verses the primary source of water. There have been multiple leaks on owner side of meters, and we have to up our education to the customers about shutting off their water while they are gone. Now that we have completed Well #4 and procured the WIFA loan and already completed two of the projects, DA will focus on getting the filter plant running in the next several months. Other items: we are pursuing a Chase credit card for a business entity, and it takes 3-4 weeks. The typical credit limit begins at \$5,000 and we can start at \$1,000 credit limit but when or if we want to up it, it will take same 3-4 weeks. Noting also, we got approval on 5/7 with a \$270K loan from WIFA to do our 4 projects. Lastly, we received our 2020 Annual Review from our accounting firm.

5. Discuss and Take Possible Action related to:

a. The proposed budget, rates and fees (BRF) for 2021-2022: DA and RT lead discussion on BRF Hearing and after little discussion WR motioned that we approve the BRF schedule has delivered to the public at Hearing on 6/9, BJ seconded the motion. Motion passed unanimously.

b. Credit back-billing of customers for last year due to clarification of the annual 36K gallon usage rule. DA updated us on what needed to be clarified and after discussion WR motioned in light of the policy changes and in the name of good will, he moved that we issue a water credit to the customers that were back billed in 2020 (total amount of \$292), BJ seconded it. Motion passed unanimously.

c. WIFA Loan update: We closed on the loan 5/7/21, we requested money for 4 projects, 1) AMR water meter replacement, 2) WT Knob tank replacement, 3) refurbishment of the 35K gallon tank and 4) replacement of 1,300 feet of WT Knob pipeline. The refurbishment of 35K gallon tank was completed on 5/27/21, testing was completed per ADEQ procedures, and it came out clean and the tank went back into use on 6/5. The 1,300 foot of WT Knob pipeline was replaced. DA noted that he was impressed with the contractor that did the job, it included rough terrain, required shading and tracer wire, it was an excellent job. The next project is the replacement of the water meters. DA working on two quotes for meters and cost of installation. JT suggested asking same contractor (Paul Worth). DA will ask PW. DA explained WIFA is shutting down from 6/23 to 7/14 and need to get billing in before they shut down so we can get them paid in a timely matter. In September DA expects us to start obtaining bids for 10K storage tank and plan to have that project completed by end of calendar year. BJ noted that we were under budget (\$28K) on 35K tank restoration because we did not install the electronics. We held off on electronics because we would like to integrate it with the new AMR meters. DA not sure of cost of electronics for tank. We want to integrate all 3 tanks and he has not got the bid yet. RT asked about removal of old WT Knob tank and he noted that if it is a giveaway, he may have someone that will haul it away for free. RE: WT Knob tank would like to upgrade to 12K gallon tank. Suggested we would need to determine whether we would install Poly tanks over rock bed or concrete pad. JT noted installing tanks at Knoell homestead on ABC bed 25 years ago and they have held up fine. HJ noted a good practice of shading these poly tanks it could help extend life. WR noted to DA, get your pricing on tank and Board will help determine upgrade option on tank size.

d. Purchase of Zoom license: DA briefly described the challenges of using JM license and with frequency of use, suggested the Board go ahead and purchase license for Zoom license. WR motioned that Board spend \$150 for annual license for District, JT second the motion. No discussion and motioned passed unanimously.

e. District Manager and Water Operator Contracts. RT had questions on contracts and noted to DA that we should have information sent out more than a day or two before meeting for Board to have time to review it. RT had a question on increasing time to have statement prepared for Board from 10 days to 20 days. DA suggested we go into Executive Session under personnel matters.

There was other questions from RT had so at 1:25 PM BJ motioned that Board move into Executive Session, JT seconded the motion. Motion passed. HJ will drop off and we contact him when we get go back into public meeting.

Let the record show at 1:56 left Executive Session.

Regular Session continues: DA to contacted HJ to let him know we are joining regular session. HJ said he will try and do it. JT made motion to enter back into regular meeting, WR seconded it, motioned passed unanimously.

At 1:59 we entered back into regular meeting:

JM motioned to approve the new District Managers Contract as amended by DA and delete the irrigation ditch from paragraph 14, BJ seconded it. BJ, JT, WR, JM voted yes and RT abstained.

BJ motioned to approve the Operators Agreement as proposed by DA for years 2021-2022, WR seconded the motion. Motion passed unanimously.

Call to the public was done before executive meeting. Question came up about sharing employment contracts with public, JM will follow up on determination of that question. BJ commented - Board wants to be transparent but needs to be careful about sharing personal information. JT commented that for any future meetings that may be scheduled in Metro Valley, his employer (Keystone Homes) would be amenable to hosting the meeting at its office. JT also reminded Board of Mark Pond offer on his well and that if we want to consider pursuing it. BJ indicated that that well is in consideration and that it is a matter of getting to it. RT reminded us of Jay Tenison well (that may be to close to river to qualify). BJ says Jay Tenison well is being shared by four properties in the sub-flow area of the river and would be controversial when it comes to the adjudication of water rights. RT suggested it would be a minimum cost to do some preliminary test to evaluate Pond well and we should discuss later whether to pursue it.

BJ asked for some possibilities for next meeting: DA suggested 8/21, 8/28 and 9/11. DA to send email and get feed back to confirm next meeting.

BJ pointed out that we approved District Manager Contract and Operator Agreement but we should approve BJ to sign them. JM motioned to authorize BJ to sign both the District Manager Contract and Operator Agreement, WR seconded motion. Motioned passed unanimously.

RT had additional comment – we usually we have more time to develop proposed Agenda and offer suggested items to go on agenda. RT request that we return to doing that and BJ concurred. RT asked DA for status report on Water Treatment Plant during this next quarter meeting. RT also asked about record storage area and BJ reported: currently District files are stored in his garage dating back to 15 years and many of the files are on electronic media now. RT noted to add storage area discussion to Agenda of next meeting. DA offered to Board to send him an email anytime on adding an item to Agenda, don't wait to be asked. RT also brought up the replacement of the distribution system, DA has been recording his findings when he does repairs or locates valves and recording it. RT would like to add to next meeting Agenda to get a report on that from DA. DA concurred. RT also suggested to BJ that we need to get together on where we are with SRP, pointing out that RT, BJ and DA are under confidentiality agreements, and we need to get permission to share that information with the Board and move forward with the water right effort. RT also liked to ask the Board on the what the Board feels about review of contracts by the Board. (RT was referencing BJ approval of recent contracts) If we are going to say that we are going to review and approve these contracts, then we ought to do it. BJ gave us the break down on how that happened and noting time constraints, elements of serving the community and several other reasons and apologized for not involving the Board. BJ was grateful for RT bringing it up. RT noted that DA can notify the Board in an email and Board can take it from there.

WR motioned to adjourn meeting, RT seconded it. Motion passed unanimously.

Meeting adjourned at 2:31 PM.

Respectfully submitted,  
John Tanner  
Secretary