

Rim Trail Domestic Water Improvement Special District Board Meeting Minutes
January 28, 2023, Held at Whispering Pines Fire Department, Whispering Pines, AZ
RTDWID Approved Meeting Minutes

1. The meeting was called to order at 12:00 PM by Vice Chairman Will Regg
2. Roll was called – Vice Chairman Will Regg (WR), Treasurer Ray Tanner via telephonic (RT), Secretary John Tanner (JT), Parliamentarian Jeff Manley via telephonic (JM), newly elected JT Driscoll (JTD) were present, and a quorum was established.

District Manager: Dan Utz (DU)

Public: Bruce Johnson (BJ), Harry and Nancy Jones (HJ), Buddy Rice (BR), JTD's friend (?) and Ana Kilichouske (AK) joined via telephonic.

3. Approval of Minutes of Prior Meeting on 11/17/22: WR motioned to accept minutes and JM 2nd motion – motion passed unanimous.

4-1 Treasure Report: RT reported that there is a correction he is working out with Janel and the current reporting does not reflect the correction. As of 12/31/23, Total Administration is \$857 under budget, Total Water Operations are \$698 over budget, overall, \$143 under budget for expenses and once we get the corrections, we will be about \$2,000 over budget on income. On the Balance sheet, our cash position is \$80,156 and that is \$4,789 more than we had last year at this time. No questions but RT added a comment regarding HJ's previous reference to the board that we needed an accountants review every year of the books and that the district is in violation of State Law by not having an accounting review of our books. RT looked this up and there is ARS 48-253, A, 1 which suggest that District would be required accounting review at least every other year. However according to ARS 48-253, H which states "District organized under chapters 4, 6, 17, 22, 27 and 28 of the title are exempt from the requirements of this section." Chapter 6 is laws pertaining to the formation and administration of County Improvement Districts which RTDWID is one. RT discussed this with JM and JM agrees that the District is not required to have a accountant reviewed statement. That being said there is a requirement in the By-laws and later in the meeting we will be reviewing the By-laws. No questions on RT report.

4-2 District Manager Report: DU on District activity: DU reporting a significant leak in the system, he increased production on all three wells to make up for the loss. He has started meter reading early to find the leak, no significant leaks found on Rim Trail Rd., Ranch Rd., Orchard Ln., Filaree, Bridge Rd. or Sierra Vista. There are still meters to check on WTK, Beluuzzi, and Box Elder. The run-off from the snowmelt has made locating the leak difficult. DU will continue search and finish checking meters. Ongoing: 1) WIFI WTK Tank Replacement: Jerald Postema (JP), of Tata & Howard Engineering inspected the WTK tank site on Monday. The inspection went well, and we have sent him the requested specifications for the tank. Paul Worth (PW) was not able to attend but is being kept informed. We should have Final Engineering soon, at which time PW can solidify proposal based on engineering requirements and we can commence schedule of installation. In a discussion with JP regarding the WTP he gave a quick assessment of the wash out at WTP and suggested the pump was oversized, RT added a reminder that the WTP had been working properly with the current pump under the natural flow of river. DU said once it is operational, we can test and evaluate the system. 2) WIFA ARM/AMI Purchase – Mike Ellis of Aquaflow Solutions, seller of Master Meters is behind on getting complete quote including everything, software, laptop, training and fees. DU is going to meet with him this week on a demonstration in PHX. DU also spoke with Jordan Miller of Ferguson, seller of Badger meters. The Badger meter are compatible with our Mueller meters. He has meters in stock and his quote includes software, hardware, training and fees. Future projects: 1) Carl Harden will put together a quote to move Chlorine tanks outside of the well House (#2 and #3). 2) Test the Generac Generators at Well #3 and WTP. 3) Prepare WTP for startup. 4) Install booster pump at Well #3. Other Items: 1) Janell Sterner has decided not to remain as bookkeeper/accountant, she will work until the end of February. 2) The owner of 158 Rim Trail has requested her water to be turned on. DU informed her of the district policy and asked Janell to prepare and send her a bill. JTD asked if we have identified a replacement bookkeeper. DU indicated there is someone in Payson we may consider, and Eldorado was also suggested.

5a. Oath of Office Swearing in ceremony for newly elected board members, JT Driscoll. JTD stood and raised his right hand and read the Oath. Welcome to the Board JT.

5b. Selection of Officers: WR pointed out as it stands now, he is Vice Chairman, JT as Secretary, RT as Treasurer and JM as Parliamentarian, and we have newly elected JTD. WR asked for any nominations from the Board, JT recommended WR for Chairman and RT 2nd the recommended nomination. HJ asked for a nomination from the floor, HJ recommended WR for Chairman, JTD as Treasurer, JM as the Secretary, and JT as the Vice Chairman and RT as the Parliamentarian. BR 2nd the nomination from the floor. JM asked is JT willing to remain the Secretary, is RT willing to remain Treasurer, and JTD do you have any desire to take any certain position on the Board. JTD responded that he would accept several different roles here depending on where it is best and wouldn't mind at all at jumping in at Vice Chairman. JT responded that he would be willing to stay as Secretary. RT is willing to stay as Treasurer, however if the Board would prefer to have someone else it

would not offend him. HJ interjected that he would recommend JTD take over the Treasurer role and get involved with the WIFA situation. JM asked if JTD was willing to take over Treasurer position and JTD responded yes. JM is not interested in Secretary position, and he would recommend keeping Secretary and Treasurer the same and JTD as Vice Chairman and nominated himself for Parliamentarian. WR asked for nominations of Chairman, JT motioned to have WR be Chairman and JTD 2nd the motion, no discussion. WR voted in as Chairman. WR asked for nominations for Vice Chairman, JT motioned to have JTD be VC and WR 2nd the motion, no discussion. Vote was taken and JTD was elected Vice Chairman. WR asked for motion for Parliamentarian, WR moved that JM remain Parliamentarian and JTD 2nd the motion, no discussion. Vote was taken and JM will continue position at Parliamentarian. WR asked for motion on Secretary, JM motion to have JT Secretary and WR 2nd motion, no discussion. Vote was taken and JT remains Secretary. WR asked for motion for the Treasurer, JT motion for RT be Treasurer, JM 2nd motion, no discussion. Vote taken and RT remains Treasurer. HJ spoke from the public and recommends that JTD Vice Chairman handle the relationships with the WIFA loan and work with the Treasurer on the loan.

5c. Insurance Proposal we have in place and statement of values on our equipment (2022 and 2023): JM reported that we did renew with the same (Southwest Risk) company. JM could not find any other company to offer insurance in the area and there is an effort by the State to get the insurance companies to offer insurance in out lying areas. JM pointed out that we need to get a current assessment of value of our equipment. We will need to add new tanks on WTK and correction on any of the addresses. We do have officer/director insurance and excess liability coverage as well. JM to send equipment and building list to DU and he will review values and confirm updated list. JM asked if anyone had connections with Property and Casualty companies in Payson area. HJ recommended Crabtree and Associates. WR asked if JM had original effective date of existing policy and when it was initially put in place. JM indicated the current policy with SW Risk is effective 1/9/2023 but not sure of origination date with SWR. WR pointed out our By-laws require we review insurance 90 days prior to expiration to see if we can get a better rate and if need additional coverage and update our asset list, etc. WR would like to put a review of insurance policy in our March meeting and make sure we get a quote/s at that time. (Fiscal year of June 30th).

5d. WIFA Loan update and project status for WTK tank/s and meter purchase and installation: DU already reviewed WTK tank in DM report. Regarding meter purchases, he spoke to Jordan Miller of Ferguson and Mike Ellis of Aqua Solutions. DU has complete quote from Ferguson and hope to get a quote and demonstration from Mike Ellis this week. The advantage Master meters is the antenna is part of the unit and it may be more reliable in the long run. DU not ready to commit to Master Meter at this point until he gets the updated quote with upgraded product. WR suggested we postpone decision until DU has an updated quote and witnesses' demo from Master Meters. JT pointed out with meter decision we will need install price, price for back flow check valve and riser install for 3 or 4 box deep meter boxes. DU estimated we have 68 meters that are 2 boxes deep and at least a dozen or more that are 3 boxes deep. BR recommend that we get a quote that includes meter, meter install, check valve and riser – a “turnkey job”. WR stated we will get two bids that include meter, meter install, option for check valve and separate riser option. We will also need an additional install quote from Primary Construction. We also need to determine how many risers and check valves will be needed to accurately estimate cost and procedure on how to pass on to customer.

5e. Review By-Laws and amend if necessary: JM pointed out that State statutes don't require accounting review but our By-Laws do. WR pointed out that according to section 8.1 requires a review or audit by an independent accounting agency. RT does not feel the review is worth the added cost because it doesn't carry credibility and an audit is cost prohibitive. However, he does recognize there could be a need and he suggest we add in that Section “at the discretion of the Board”. JM will try to track down a local accounting rep and determine typical charge for a review, certification or audit of our accounting books. JTD raised the question if our insurance and the WIFA loan requires the review. BR was not sure, but he believes it was incorporated into our By-Laws because WIFA required it. WR recommends that we make it an agenda item for next meeting – that (a financial review or audit) remain in our By-Laws or not based on requirements of WIFA and JM will check with our insurance carrier if there is any requirements there. JT asked about the water pressure requirements and it was explained that that is not part of By-Laws but in our website. RT pointed out that Don Ascoli had asked WIFA about accounting review or audit requirements and DA indicated that WIFA would accept our QuickBooks financial statements and that was satisfactory to them. RT suggest we get that in writing from WIFA. RT made additional reference to our By-Laws which indicate meeting posting with 4-5 days' notice vs the State Statutes requiring 24 hr. notice, he pointed out according to the By-Laws if there is any discrepancy in the By- Laws vs. the Statutes, the Statutes rule. JM also called for an agenda item to be added to review the Rules and Regulations.

5f. District Manager and Bookkeeping/Accounting Contracts: Regarding Bookkeeping/Accounting DU suggested someone in Payson that would be able to take it over and RT suggested DU and RT get together and develop a job description and go from there to search for new Bookkeeper. Regarding the District Manager agreement – RT sent red line DM contract to

everyone and Dan approved it except 8.F on “designated by the Treasurer”, RT qualified that was regarding signing checks and DU, RT and WR agreed that WR would be available to sign the checks. JT made motion to accept District Managers (DM) contract as red lined on 12/17/22, JM 2nd the motion – motion passed unanimously. We have accepted DM contract and RT will accept all changes on contract and send to WR to sign contract and have DU to sign.

6. Call to Public: No comment from public except AK, who is a resident and ask the Board for financial considerations in getting their water turned back on. The board received an email from AK. She and her family have suffered some hardships and disability of their child, petitioned the board for a fresh start and consider a payment plan for financial relief. When they bought their property, they did not realize the cost of refurbishing and clean up and had minimal use of the water since they took possession of the property. Estimated purchase time 2015. DU had a letter dating back to 2015 that showed a bill of \$665 and guessed an additional \$70/month until now. JM asked DU to put together an accounting of what would be owed in the rears and what would be owed going forward and circulate it to the board, DU acknowledged. AK is not currently receiving a bill. AK asked the Board to forgive them on the water they did not use. WR asked AK to update their mailing address with us so that they could receive the monthly bill and we ask that you begin paying that and that will help the Board make a decision on the rears a little easier. DU will coordinate with owner on timing to turn water on. JM added that he has a friend in Cowan Ranch below Verde Glen, and they had struct a deal with SRP on their water purchase. He was going to dig up their information on the deal and will share it with the board. JM will send information to the board when he receives it.

The Board would like to thank our outgoing Chairman “Bruce Johnson” for his dedicated service to the Board and our community and we express our grateful appreciation for your many years of volunteer service.

Thank you again Bruce 😊!

7. Call to staff and Board for non-agenda updates and recommended topics for future meetings:

- a. Review insurance policy in accordance with 90-day review prior to fiscal year ending 6/30.
- b. Review meter proposals, including meter, meter install, an option for check valve install and option for riser. DU to include breakdown of total check valves and risers needed.
- c. Review WTK tank install contract with confirmed engineering signature and execute contract.
- d. Review By-Laws on Accounting review/audit requirements based on WIFA and Insurance requirements, also the timing notice for meetings and amend if necessary.
- e. Review Rules and Regulations especially as it pertains to required water pressure.
- f. Review water bill amount in the rears and make a decision on amount due from AK.
- g. Add PR discussion on PR relations and like to discuss a bulletin of accomplishments we could send out with water bills. Like to discuss ownership of those documents at the next meeting.

8. No Executive Session

9. Potential schedule for next Board Meeting: Saturday 3/11, 18 or 25/2023 at 12:00 PM at Whispering Pines FD with an option for the Thursday night zoom meeting preceding these Saturday dates. A follow up email will be sent to confirm.

JT motioned to adjourn, WR 2nd

Meeting Adjourned at 2:04 PM.

Respectfully Submitted

John Tanner

Secretary