

Minutes of the Rim Trail Domestic Water improvement District Board meeting held at the Whispering Pines Fire Station at 10603 North Houston Mesa Rd. The meeting was held on November 23, 2013 at 10:05 AM

A quorum was present with board members Dick Johns, Don Nelder and Ray Tanner. Also present was the district's manager Harry Jones and 4 property owners within the district.

The minutes of the August 23, 2013 board meeting were unanimously approved.

Officer's reports: Treasurer Ray Tanner made a few remarks saying that the we are on budget for the year so far.

Immediately after adjournment Dick Johns submitted his resignation from the board. Dick Johns had previously notified the Board he will no longer be eligible to serve on the Board as the property he and his family own in Rim Trail is scheduled to be sold on November 27, 2013. The board received a letter of interest from property owner Gary Cabaric to fill that newly created vacancy. After a brief review of Gary's letter and a statement from Gary the board voted unanimously to accept Gary on the board effective immediately subject to him being sworn in with the Loyalty Oath of Office.

Ray Tanner led the discussion regarding the Salt River Project involvement in the water supply from the river for our water district. He said that in a preliminary communication with SRP they stated that our water district does not have "water rights" but acknowledged we do have "water claims". Dick Johns pointed out that we should not worry about the distinction between the two terms because the issues are being adjudicated in court for water claims throughout Arizona. At Don Nelder's request, Harry Jones will provide, to Ray Tanner, the data from his former work on the water rights issue for the district. The board approved Ray to continue talking with SRP to try, as part of the discussion with SRP, to move the water district's pick up point upstream of the Cragin outlet. If and when, a proposal is made by SRP to resolve the districts claim to the river water, Ray is to report back to the board with any proposals from SRP.

In a related issue Ray also discussed the issue of relocation of the river water intake from it's current location to a site ,in the river, above the SRP Cragin Water pump house operated by SRP. He will continue contact with the local office of the Forest Service to determine how to accomplish that objective. Ray will bring his findings back to the board as he acquires them.

Dick Johns reported on the status of the pursuit of expanding the board of RTDWID from three to five members. All attempts have been unsuccessful to date. However the following options were offered by Dick as possibilities to accomplish this task. 1: dissolve the current Rim Trail Water Improvement District and then petition for a new district with a 5 member board. 2) work with the County Elections Department to find a way to get this done. 3) Request an advanced opinion from the County Attorney or County Supervisors. 4) Submit a completed petition to the County Board of Supervisors and request that they accept it. Dick provided a sample petition that could be used in this situation. Ray Tanner offered to contact Tommy Martin on the BOS and meet with her to discuss our options on this topic. The board accepted Ray's offer to proceed.

A brief discussion regarding the Payson Pipe Line project occurred. The board asked for a board volunteer to begin negotiations with Payson. Don Nelder volunteered to contact Buzz Walker who is in charge of the pipeline project for Payson. Dick Johns moved that the board authorize Don Nelder to initiate negotiations with Payson; the motion was seconded by Ray Tanner. The motion passed unanimously.

The board requested that the following topics be discussed. 1) will Payson repair all damages done to any of the existing pipelines owned by RTDWID 2) what added financial help will Payson provide to RTDWID regarding new piping to extend into private property from any repairs that are made. The objective here is to minimize future breaks in piping that belongs to RTDWID stemming from the site of any repairs made by Payson. 3) Discuss if Payson would install either a 3 inch or a 4 inch main line going down Balluzzi Blvd. If so, at what cost to RTDWID? 4) ask if Payson will help RTDWID to identify the districts water lines that will be in the path of the Payson Pipeline. If so at what cost? 5) discuss with Payson the issue of installing the 6 inch line for the Fire Dept. along Balluzzi Blvd. Will they help with the cost?

Per Don Nelder's request, Harry Jones will provide a copy of the map of the districts' water lines that was derived from prior water claims. Don will take this map to Buzz Walker for review during the discussion regarding the pipeline. Don will report back to the board with the results of his meeting with Buzz Walker

Chairman Dick Johns announce a temporary recess in the meeting to commence at 1:35pm. The recess ended at 1:50 pm. The meeting resumed at this time.

Dick Johns led the discussion regarding modifications to the district manager's management agreement with the district. Much discussion ensued reviewing each item in the new draft. The process stalled near the end of this session when the topic of compensation to HDJ LLC was discussed. . Harry Jones had proposed that the compensation to HDJ LLC for his services be raised from \$800 per month to \$1250 per month for a base retainer which includes 25 hours per month. Mr. Jones also stated that he has been spending two to three times the base number of hours (25) per month and in the future wants to be compensated for the time in excess of 25 hours at the rate of \$55 per hour (previous rate for special projects had been \$40 per hour). After much discussion the board tabled the matter to be addressed at a future meeting of the board.

Prior to adjournment the board asked Dick Johns for his continued assistance to bring to resolution the items that Dick was still working on at the time of his resignation. Dick agreed to assist the board, as an unpaid outside volunteer.

A well deserved thanks was given to Dick Johns for the excellent job he has done in the short time he has been on the Board.

The meeting adjourned at 3:30PM by a unanimous vote.

Submitted by Don Nelder-Secretary