DRAFT RIM TRAIL DOMESTIC WATER IMPROVEMENT DISTRICT

BOARD MEETING SUMMARY / MINUTES

October 21, 2026

1. MEETING DATA

Legal Name of Public Body: Rim Trail Domestic Water Improvement District (RTDWID)

Date: October 21, 2026

Time: 6:00 PM to approximately 8:50 PM

Board Members Present

- JT Driscoll
- John Tanner
- Jeff Manley
- Ray Tanner
- William Regg

Quorum: Confirmed.

District Operator: Ben Rowe was unable to attend due to a personal engagement.

District Administration: Cheryl was reported to be on vacation and therefore did not provide an administrative report.

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2. REGULAR BUSINESS

Approval of September 16, 2026 Meeting Minutes

The Board reviewed the minutes of the September 16 special meeting.

Ray Tanner identified a correction to John Tanner's title, which had been shown as Vice President instead of Vice Chairman. The correction was accepted before finalizing the minutes.

Motion

Motion Made By: John Tanner

Motion: Approve the September 16, 2026 meeting minutes, subject to the correction of John Tanner's title to Vice Chairman.

Seconded By: JT Driscoll

The Chair called for affirmative votes, opposition, and abstentions. No opposition or abstention was recorded, and the Chair announced that the minutes were accepted pending the correction.

Result: Motion passed without recorded opposition.

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3. TREASURER'S REPORT

Ray Tanner presented financial information through September.

He reported approximately:

- **Gross sales/income:** $22,599
- **Administrative costs:** $4,282
- **Water operations costs:** $11,589
- **Total expenses:** $15,417
- **Operating surplus:** approximately $7,181
- **Interest income:** approximately $408
- **Cash balance:** approximately $137,472 at the end of September

No formal action was taken on the Treasurer's Report.

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4. WATER OPERATOR REPORT

Because Ben Rowe was absent, the Board reviewed his previously distributed operator report and well-level information.

Discussion included:

- Well depths and production trends for Wells Nos. 1 through 4.
- Concern regarding the information shown for Well No. 2.
- Well No. 3 measurements, including October, September, August, and July readings.
- Status of previously approved Well No. 3 work.

- Gila Pump had arrived intending to perform previously discussed improvements but was told not to proceed because the District did not yet have an adopted budget authorizing the expenditure.
- Some emergency work had nevertheless been completed to maintain operation of the system, including manifold-related work.
- The larger booster-pump and improvement work previously contemplated had not been completed.

No formal motion was made during the operator-report discussion.

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5. OLD BUSINESS

Prior WIFA Loan

The Board discussed the status of the previous WIFA loan.

Ray Tanner reported that WIFA considered the prior loan closed following action by a former district manager. Approximately **$2,000 in reimbursement** remained unresolved.

The Board discussed attempting to recover that amount through a future WIFA application and agreed that it made more sense to pursue a new loan covering several projects rather than initiate a separate application solely for approximately $2,000.

Potential projects identified for future WIFA financing included:

- RanchBot remote monitoring.
- Well No. 3/Gila Pump improvements.
- Future infrastructure work.

The Board also discussed Cheryl handling the administrative paperwork and Ben or another qualified individual handling field/project-management responsibilities.

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6. WIFA FUNDING FOR RANCHBOT AND WELL NO. 3

The Board reconsidered the funding method for the previously approved RanchBot system and Well No. 3 improvements.

The work had originally been approved using District reserve funds. Board members discussed using WIFA financing instead because a substantial percentage of qualifying costs could potentially be funded through the program.

Discussion included keeping the initial application relatively limited to projects for which quotes already existed rather than delaying the application by adding numerous additional projects.

Motion

Motion Made By: Ray Tanner

Motion: Apply for WIFA financing and change the funding source for the previously approved **RanchBot monitoring system and Gila Pump/Well No. 3 work** from District reserve funds to a potential future WIFA loan.

Seconded By: John Tanner

Recorded Voting

- **John Tanner:** Aye
- **Jeff Manley:** Aye
- **Ray Tanner:** Aye
- **William Regg:** Aye
- **JT Driscoll:** Nay

The Chair declared the motion passed and directed that work begin on initiating the new WIFA application.

Result: Motion passed, 4-1.

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7. DISTRICT CLOUD STORAGE / RECORDS

The Board discussed centralized electronic storage of District records, maps, photographs, historical documents, and infrastructure information.

William Regg explained that the existing Microsoft/SharePoint environment could continue to be used without additional cost under the current arrangement. Adding separate licensed accounts would create additional recurring costs.

Jeff Manley stated that he would move to keep the existing system in place. The subsequent discussion reflected general agreement to continue using the current Microsoft/SharePoint

arrangement, with William Regg and JT Driscoll maintaining access and Board members forwarding records and photographs for storage.

Board consensus/direction rather than a formally adopted motion.

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8. WATER TREATMENT PLANT / GRADE 3 RECLASSIFICATION

A substantial portion of the meeting addressed the District's water-treatment-system reclassification.

JT Driscoll reported that ADEQ had reclassified the treatment side of the system from **Grade 2 to Grade 3 effective August 1, 2026**. The distribution system remained Grade 2.

Discussion included:

- The treatment plant was the reason for the Grade 3 classification.
- The current operator did not yet possess the required Grade 3 treatment certification.
- The Board understood that Grade 3 operation would require appropriately certified operator coverage and increased on-site operating requirements.
- ADEQ had advised that the District could either comply with the Grade 3 requirements or physically disconnect the treatment plant from the active public-water system.
- An ADEQ notice of violation was expected in early November if the system remained noncompliant.
- Creating an appropriate physical air gap would allow ADEQ to downgrade the active system back to Grade 2.
- The treatment plant could continue to be repaired, tested, and improved while disconnected and could later be returned to active service after regulatory requirements were satisfied.
- Board members wanted additional input from knowledgeable operators, including Mike Armistead and potentially Dean Schaefer.
- The Board did not want to permanently abandon the treatment plant and wanted to preserve the opportunity to bring it back online.

An initial motion contemplated disconnecting the treatment plant. Discussion continued, however, because the Board wanted additional time to explore alternatives before taking that step.

The proposal was ultimately amended so that disconnection would occur only at the latest date ADEQ would allow before enforcement action.

Final Motion

Motion Made By: Jeff Manley

Motion, as amended: Create an air gap/disconnect the water treatment plant from the active system **only after ADEQ provides the final date by which the District must take action**, thereby allowing the District additional time to identify a Grade 3 operator or another compliant solution.

Seconded By: William Regg

Recorded Voting

The transcript clearly records affirmative responses from:

- **Ray Tanner:** Aye
- **Jeff Manley:** Aye
- **John Tanner:** Aye
- **JT Driscoll:** Aye
- **William Regg:** Aye

No opposition was recorded, and the Chair announced that the motion passed.

Result: Motion passed with no recorded opposition.

Follow-Up

- JT Driscoll was to obtain the final permissible compliance/disconnection date from ADEQ.
- Ray Tanner agreed to contact Mike Armistead.
- Board members planned to investigate Grade 3 operator availability and possible alternatives before physically disconnecting the plant.

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9. TENTATIVE FY 2026-2027 BUDGET

The Board undertook an extended review of the proposed District budget.

Major issues discussed included:

- The District was already several months into the fiscal year without an adopted budget.
- Previously approved projects could not proceed because funding had not been formally budgeted.
- The new HydroTech operator agreement could not be fully implemented without budget authority.
- Proposed RanchBot and Well No. 3 expenditures.

- Infrastructure mapping and future replacement planning.
- WIFA funding assumptions.
- Water-treatment-plant costs.
- Administrative, operator, and district-management costs.
- The effect of higher operating expenses on District reserves.
- A projected operating deficit in the draft budget.
- Whether the District should reduce expenses, increase rates, use reserves, or some combination of those options.

The draft contemplated funding for RanchBot, Well No. 3 work, infrastructure mapping and planning, and other District costs. Board members disagreed about whether the proposed budget should be further revised before adoption, particularly because it projected an operating deficit.

JT Driscoll emphasized that the District was substantially overdue in adopting a budget and could not continue delaying capital and operating work.

Motion

Motion Made By: JT Driscoll

Motion: Accept the budget as presented as the District's tentative budget.

Seconded By: Jeff Manley

Recorded Voting

- **JT Driscoll:** Aye
- **Jeff Manley:** Aye
- **William Regg:** Aye
- **Ray Tanner:** Nay
- **John Tanner:** Nay

No abstention was recorded.

Result: Motion passed, 3-2.

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10. WATER RATES AND FEES

Following adoption of the tentative budget, the Board discussed whether District water rates should be increased.

Discussion included:

- The proposed budget's projected operating deficit.
- The effect of operating losses on the District's cash reserves.
- The history of building the District's reserves over many years.
- Comparing RTDWID rates and operating expenses with neighboring water systems.
- Whether the base monthly rate should be increased.
- Whether higher-volume users should instead pay significantly higher usage rates.
- Concerns regarding customers using unusually large volumes of water.
- The relationship between high water consumption and stress on District resources.
- The possibility of reducing expenses rather than relying entirely on rate increases.

The Board generally agreed that more comparative information was needed before making a rate decision.

Ray Tanner planned to ask Cheryl to update his earlier comparison of surrounding water systems and their rates/expenses.

No formal rate increase was adopted at this meeting.

The Board intended to review the updated information at a subsequent meeting and potentially coordinate the rate discussion with the formal budget-hearing process.

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11. DISTRICT MANAGEMENT

The Board discussed the broader need for dedicated District management.

Discussion reflected concern that responsibilities previously handled by a district manager were now being distributed among Board members, the water operator, and administrative contractors.

Topics included:

- Budget preparation.
- Project management.
- WIFA administration.
- Contractor coordination.
- Regulatory compliance.
- Infrastructure planning.
- Records management.

There was general agreement that the District would benefit from more consistent management or project-management resources, but **no formal hiring decision was made**.

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12. CALL TO THE PUBLIC

The Chair opened the call to the public.

No members of the public were attending, and no public comments were received.

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13. ADJOURNMENT

After discussion regarding timing for the next rates-and-fees/budget meeting, the Chair again requested an adjournment motion.

Jeff Manley stated "so moved," John Tanner also stated a motion to adjourn, and William Regg seconded.

Recorded affirmative responses included John Tanner, Jeff Manley, Ray Tanner, William Regg, and the Chair's own "aye." No opposition was recorded.

Result: Motion to adjourn passed unanimously based on the recorded responses.

The meeting adjourned at approximately **8:50 PM**.