

Rim Trail Domestic Water Improvement District
Budget and Rates Special Session
June 6, 2015
Held at Whispering Pines Fire Department

Board meeting minutes

DRAFT UNTIL APPROVED AT THE NEXT BOARD MEETING

The meeting was called to order at 1:04 PM

In Attendance

Board: Dave McKibben, Ray Tanner, Bruce Johnson.

District Manager: Don Ascoli

Public: Al and Marilyn Fuzat

By Phone: Harry Jones

A roll was called – Chairman Dave McKibben and Treasurer Ray Tanner and Bruce Johnson were present and a quorum was established.

Chairman McKibben introduced Bruce Johnson as a new member of the Board and asked if he would assume the duties of Secretary, which he agreed to accept. It was moved that Bruce Johnson be appointed Secretary of the Board, which was seconded by Tanner. The vote was unanimous.

Treasurer Tanner introduced the proposed budget for FY 2016 and asked for questions. Harry Jones asked about changes to the Parts and Materials line items. Manager Ascoli responded with descriptions and reasons for changes from prior years. It was explained that the changes were made to provide better visibility by increasing the number of line items and breaking out costs.

Harry Jones then asked about the Infrastructure Labor line. Comparisons between the previous year and the proposed changes were examined and discussed. Tanner expanded on changes by explaining the differences and the intent of the changes.

Harry Jones asked whether past years history (5 or 6 years) was examined to aid in the preparation of the proposed budget. Tanner responded by explaining that it is difficult to project unexpected budget needs; therefore a six to twelve month buffer is built into the budget to cover contingencies. Jones commented that a business budget and a public entity budget are dissimilar and should be handled differently. Ascoli commented that a two year history may be reasonable because of differences in costs of materials and labor.

McKibben asked if Contract Services- Non Operator had been moved to the Parts and Materials line. Ascoli responded in the affirmative.

Al Fuzat asked about income categories and why last year was greater than proposed 2016 budget. Ascoli and Tanner explained the budget forecasts versus actual revenue.

McKibben asked whether enough money had been budgeted for the Water Rights costs, and suggested that an increase from \$10,000 to \$20,000 be made. Tanner agreed that the future Legal costs were unknown and an increase would be a good precaution. Attorney fees are \$300/hr.

Additionally, the District may need to buy CC Cragin water in the future, and filtration of the water would still be an issue. SRP will charge a onetime buy in fee of \$1600 per Acre/Ft with a maintenance fee of \$150/Acre/Ft. Johnson asked about pipeline hook-up fees and Tanner explained that no hookup is needed because the District will continue to draw water from the river and wells.

Ascoli suggested that the budget should include the potential cost of Cragin Water.

Tanner reminded that charges still would require a Board action before expenditure. A motion to adopt the proposed budget and changes will be required at the end of the session.

Marilyn Fuzat asked about the water rights of the District. Tanner responded with a discussion about the history of the water rights claims. Marilyn asked Harry Jones whether he personally had purchased water rights. Harry said he had not purchased water rights. It was too early for SRP to consider selling water rights. He explained his understanding of the water rights issue and the role of SRP in determining those rights. Tanner replied that Harry's notes on the subject were forwarded to the Attorney.

Ascoli pointed out an error in the Water Operations Infrastructure- Labor line. The number should be \$720. The line total should be \$2750.

Ascoli reported his meeting with Payson water officials about the pipeline construction. It will begin August 5th and dig at 200-300 feet per day. Belluzzi Road has 3200 feet to cover. Digging will take about 12 days, but could be 3 weeks. Blue stake costs and construction oversight by Rim Trail DWID should be charged to Payson. Damage to our water lines will be repaired or paid by the contractor. Tanner and McKibben asked for a letter to Payson to obtain commitments for reimbursement. Ascoli committed to provide the letter.

Tanner asked about the Mapping budget item. Ascoli explained the process for the survey. Harry Jones asked about the costs and it was suggested that additional funds be budgeted for increased survey footage and expenses. A discussion of the survey process then followed with participation by Ascoli, McKibben and Jones. It was agreed that the lesser known areas of the district be surveyed first.

Marilyn Fuzat asked about the Engineering firm that will do the work. Verde Engineering was proposed.

Tanner asked whether Payson could provide the survey as part of the pipeline dig. Ascoli responded that it will be a by-product of the dig. The Manager and others will observe each operation and Blue Stake. The survey budget should increase to \$7660 to allow additional feet of survey.

Al Fuzat asked about the past turbidity issue and Tanner explained the history and expenditures of \$7000 to date. Future modifications to the filtration system could include flocculation equipment and testing at around \$28,000.

Ascoli discussed a new filtration system using Osmosis. More information is needed. Johnson reported information about the process of using iron oxide versus alum for flocculation. Problems with Cragin water is the main issue. Natural river flow is cleaner. ADEQ standards were discussed. Relocation of the intake to above Cragin outflow is needed, with SRP and Forest Service approval. The option of new wells and their sub flow problems was discussed.

Tanner reaffirmed that line item changes need further discussion and approval by the Board. He also asked whether budget included line item for monitoring Payson pipeline. Ascoli answered explaining the various costs and reimbursements. Jones suggested categories for the pipeline cost. Changes were discussed. The goal is to net zero the costs through reimbursement. Changes to Special Projects, Ops Infrastructure and Payson Pipeline were made to reflect the realignments. McKibben suggested that an increase for the potential third week of pipeline monitoring be included. It was increased to \$3285.

McKibben asked whether White Tail Knob repairs were covered. Ascoli confirmed tank replacement costs.

Additional comments were called for.

Johnson moved to accept the modified Preliminary Budget. It was seconded by McKibben. The vote was unanimous.

Marilyn Fuzat asked questions about the name of the District Manager, and the new Fire Department substation.

Discussion of the Water Rates was begun. Tanner explained that in 1980 \$183,000 in Bonds were levied and the lot owners paid \$1410 in assessments to cover the costs. Current District Rules does not quote buy in fee with a parcel split or sub division. He suggested that a \$3000 fee be added the \$3000 meter hook up fee. A new meter would then be charged \$6000. Further discussion and questions by McKibben, Fuzat, Ascoli and Tanner continued. It was moved by Tanner that the proposed parcel fee be added to the Rules. It was seconded by McKibben. A vote was taken. Johnson abstained. It was passed by two votes.

Tanner further proposed a flat rate for low avg. water usage (\$79.00/month). Discussion of an avg. usage versus current standard usage fees was begun. Low avg. usage fees would cover up to 36,000 gallons. Johnson asked if the proposal would impact the modified proposed budget for 2016. Tanner replied in the negative. McKibben asked for clarification on certain points and was answered by Ascoli. Additional research and calculations will be conducted by Ascoli and McKibben. Tanner moved that the proposed flat rate schedule be adopted. It was seconded by Johnson. The vote was unanimous.

Ascoli followed up with questions about the wording of changes and billing. Clarifications were made by the Board.

Meeting was adjourned at 3:15.

Bruce Johnson, Secretary.