

Rim Trail Domestic Water Improvement Special District Board Meeting Minutes

January 30, 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), Parliamentarian Jeff Manley TBI (JS), Treasurer Ray Tanner (RT), Secretary John Tanner (JT), Vice Chairman Will Regg (WR) were present, and a quorum was established.

District Manager: Don Ascoli (DA)

Public: JT Driscoll (TJ), Jesse Richards (JR), Harry Jones (HJ), Rob McCarver (RM), Judy Scott (JS)

- Approval of minutes from 10/31/20, BJ motioned to approve, and JT seconded, minutes approved. Approval of minutes from 1/25/21 meeting was postponed, edits had not been viewed by all Board Members.
- BJ welcomed new Board member Jeff Manley. DA confirmed that he had received Oath of Office from all 3 newly elected Board members JM, WR and JT and they are officially installed on Board. BJ will continue to serve as Chairman, WR will continue as Vice Chairman, RT will continue as Treasurer, JT will continue as Secretary and JM will serve as Parliamentarian. The Board also thanked Judy Scott for her service over the past four years working on the Board as the Parliamentarian.
- Treasure Report: Through December 2020 – Total Gross Profit is \$45,122, \$2,652 over budget (OB), Total Administration was \$14,251, \$660 under budget (UB), Total Water Operations \$23,576, \$2,363 UB, Total Expenses was \$37,827, \$3,023 UB, Net Ordinary Income was \$7,294, \$5,675 OB. Balance in checking was \$75,762, which was \$28,578 less than 12/2019. Major additional expenses this year were the Well #4, some new meters and a new service line.
- District Managers report - there has been one property ownership change since last Board meeting: 298 S. Ranch Rd. Three Blue Stake request. On Repairs and projects: DA learned of one unauthorized cross connection into our water system. DA met with well owner and had connection replumbed so not to introduce water into our system. DA to follow up with well owner at later time and possibly add additional source of water to our system. DA discovered a valve box leaking on WTK, upon working on repair he discovered our WTK main line ran 700' under Mark Pond's driveway. He added a new isolation valve to stop leak and updated water line map. District Election occurred on 11/3/20 and we have 3 newly elected Board Members: JT and WR repeat term and JM new Board member.

3a. Update on Well #4: Original estimate vs. current actual cost, of the \$86,050 estimated cost, we have spent \$69,103 – roughly 80% of estimate. Completed to this point is the Well house, trenching, electrical, pad, we have power and can pump water. We still must complete the plumbing, fencing and gate, recertify the line and engineering design expense. Roughly another \$10K to spend before it is all said and done. We did receive Approval to Construct from ADEQ, but we still need final approval from ADEQ. Anticipated 100% completion by end of February. RT asked a question on how well the static water level has held up and DA said it has been holding between 69 and 71' the whole time since we have been measuring it.

3b. Purchasing Zoom one-year license: Board was ready to obtain 1-year Zoom license because of COVID virus when Jeff Manley volunteered to offer use of his license from his work. Board accepted and appreciated the \$150 expense that it saves the Board. DA to get with JM on using Jeff's Zoom license. Board discussed changing timing of meeting and essentially established the current 12:00pm time is a good time.

3c. Update on method(s) for using the high gallon water usage rate: DA explained the current water rate billing. If owner uses under the standard amount of 36,000/gallons/yr., they will be charged the flat rate. If the owner uses more than 36,000 gallons/yr. – then they will be charged the standard rate in those months of over 3,000/gal./month and they will not be eligible for the flat rate in the coming year. DA implemented that billing method since 2016 and in that time frame there has been 20 to 25 people that were back billed on water usage. RT pointed out that we had a residence that was taken by surprise on the back bill. It seems there is a matter of interpretation of this special flat rate vs. overuse/month and back bill. BJ asked for volunteers for the next evaluation of water rates (WR, RT and DA) will come up with a recommendation on billings for over water use at that time.

Break 12:55, resume meeting at 1:04pm.

3d. WIFA Loan Update, funding the Project Manager: DA explained we are keeping the Loan at 225k. Originally, we were going to take 30k out of loan because of not being able to qualify for Davis Bacon and other requirements - WIFA said, "No, leave it in". We could use it for cost overruns. Because of the medium household income of our area of the state it could save us up to 85% in forgiveness, literally talking about a loan of \$32,000. Which is a good deal. Leaving the original 30k in loan, if we don't use it, that's not a problem – asking for more later is a problem. BJ asked if we can still go back on cost of Well #4 and obtain WIFA money for well #4. DA indicated that the source that can do this is "The Central AZ Council of Governments" CACOG which is government entity not a private group. The question has not been answered yet if they will go back on a project that is already started and gain compliance to meet FED Act - (Davis Bacon and AIS) to get WIFA Loan on Well #4. DA will get CACOG contact information to RT and RT will follow with them to find out what we can do. DA pointed out that the FED Act was something HJ did not have to deal with when he applied for last WIFA loan. If we find out we can go back and meet the WIFA standards on Well #4, we will go back and get another loan application for it. HJ asked why we don't up the WIFA Loan to include new piping on water mains and BJ pointed out that we are currently qualified for 225k and if we change that, we have to start process all over again. Once we get approval on the current WIFA Loan, we can go back later and ask for more on these other projects.

2nd part of 3d. Funding Project Manager: DA has currently spent 15.5 hours of his time and BJ had requested DA to keep track of his time and Board can approve funding for DA's time. DA is asking to be compensated \$40/hr. to cover his time to further pursue the WIFA Loan. Currently no budget for WIFA Loan. RT pointed out that it needs to come out of line item in budget. Line items could be the Discretionary Fund, Miscellaneous, WT tank or 35k gal tank. All items will be capitalized. WR moves that we make DA the Project Manager for WIFA Loan Application Process and pay him accordingly at \$40/hr. RT suggested a cap mainly because it is new to DA and he can benefit in other projects. DA pointed out the line item is \$7,500. WR move that we hire DA as the Project Manager to move the WIFA Loan through the application process and set a cap of \$7,500. BJ seconded the motion. Motion passed unanimously. DA wanted to categorize the line item. RT suggested it is a capitalized item and he and DA can itemize that later. RT pointed out that 75 k /\$40/hr. is 187 hours and it surely will not take that amount. BJ indicated we the board have the oversight on this and can monitor it from the Board.

3e. Creation of Sub-Committees for Water Rates and Adjudication: BJ update on Adjudication on Water Rights. A couple of years ago we sent SRP a proposal on Water Rights. A month ago, BJ heard back from Greg Kornrumpf (at SRP) and the court has ordered AZ Dept of Water Resources to report to them on the sub flow of the East Verde River and all the tributaries by June of this year. BJ presented a Power Point on what that means to us. Briefly described Adjudication process dating back to 1974-75. BJ pointed out that we have deadlines and what we must do by June 1, 2021. BJ showed a list of all the claims currently registered and there is a lot of cleaning up of these claims. All Rim Trail residences that are using water in wells, flumes or river water need to make sure they are properly registered in their claims by June 1st. There is work to be done on our water claims for our Wells. Basically, all claims go back to Homestead in 1875. We must get all our claims going back to same date in 1875. This information is available from BJ if you would like to take advantage of his research. If any residence in Rim Trail area does not make sure their water claim is filed correctly, their claim will be thrown out of the court and they will lose their claim. After much discussion, a committee for Adjudication was formed and will be BJ, RT and possibly Roxanna Holzapfel.

2nd part of 3e. The committee for Water rates will be DA, RT and WR. See 3c above.

Comments from Board: JT commented on Meeting minutes and they typically should be posted on website, correct? DA properly posted on Bulletin Board but was behind on getting to Dave McG. DA next Board meeting in May and he will get dates emailed out to us to approve.

No comments from public.

Meeting Adjourned at 2:03 PM.

Respectfully submitted,
John Tanner
Secretary