

Rim Trail Domestic Water
Improvement District

240 E. Box Elder Lane Payson, AZ 85541 (928) 472-7585

Board Members

Chairperson: Dave McKibben
Secretary: Gary Richardson
Treasurer: Ray Tanner, Jr

Management

Manager: Harry Jones, HDJ Management, LLC
Operator: a Quality Water Co.

DRAFT UNTIL APPROVED AT THE NEXT BOARD MEETING

Minutes of the Rim Trail Domestic Water Improvement District Board Meeting held at Whispering Pines Fire Station on Saturday, June 14, 2014 at 1:00 pm as well as telephonic conference at (712) 432-5610, access code 1714.

1. Call to order: The meeting was called to order at 1:01pm by Chairman Dave McKibben.
2. Roll Call and Determination of a Quorum of Board Members Present: A quorum was present with all Board members in attendance. Also present in person was Harry Jones, District Manager, as was one property owner, Mr. Tim Walsh. One property owner, Mr. Gary Busenkell, participated via telephone conference line.
3. Approval of minutes of prior meeting: The minutes of the prior Board meeting of May 24, 2014 were presented and approved.

4(1) Treasurer's Report: The financial report was presented by Treasurer Ray Tanner. We have approximately \$70,000 in the bank.

4(2) Clerk/Secretary's report: None.

4(3) Chairman's Report: None.

4(4) District Chairman's Report: Harry Jones reported on issues that need to be addressed by the Board:

- Harry has received two quotes to inspect the water tanks, and is waiting for a third quote.
- The pressure on Well 2 has been lowered from 90 psi to under 60 psi, and it is able to run fewer hours now.
- Harry and Ray have a meeting with SRP on June 23 to talk about water rights of the District.
- We are not using the water treatment plant right now due to the turbidity in the river and the inability of the facility to remove the colloidal iron in the water.
- Chairman McKibben asked what is colloidal iron? Harry answered that it is a contaminant caused by iron in the water which colors the water brown. The current turbidity issue is not a health concern. It was commented this was not a health hazard but a visual secondary standard that currently has no penalties from ADEQ, but that our filtration equipment could not reduce the colloidal iron to the level to meet the standard.
- Chairman McKibben also asked why we need the water tanks to be filled in order to be inspected. Harry answered that the divers need to be able to swim close to the top of the tank so all parts of the tank can be tested and minor repairs made if needed. He said we can fill them up to the top so the diver can fully inspect all parts of the tank.

5. Status reports relating to:

(I) Possible relocation of the river pickup point above the SRP generator.

Harry and Ray will meet with SRP on June 23 to discuss this issue. There is no need to contact the US Forest Service until we have SRP's approval to do this. We can do a temporary above ground pipe now, but we prefer the pipe to be buried in order to protect it from human vandalism and animals. We may need to do an Environmental Assessment and get SRP's approval to proceed with the project.

(II) Possibly instituting a property tax with a cap (flat tax concept").

Gary Richardson compared the issue to other utilities which do not charge for availability of their services, like the phone or electric companies. Ray Tanner reminded the Board that this is only a request for the authority to impose a flat tax, not a request for the tax at this time. Gary Busenkell asked that if we do impose a property tax on all property owners within the District, that the money be used for long-term needs, not current operating expenses. He suggested we use the \$30,000 left over from the last assessment for only long-term needs, as well. No action was taken on this issue.

(III) Possibly expanding the Board size to five members.

Gary Richardson contacted Eric Mariscal, Elections Director of Gila County, about the possibility of expanding the Board to five members. Mr. Mariscal indicated there is no statute prohibiting it, but there is no statute authorizing it, either. He said he would ask one of his attorneys for advice regarding this request, and get back to Gary.

Discuss and Take Possible Action related to:

5(a) Call for an election of District Board members to occur during the normal November 2014 election cycle.

Ray Tanner moved, seconded by Gary Richardson, to request Gila County to handle our election. Motion passed unanimously.

5(b) Provide written proof that the Board has taken action to adopt the Anti-Discrimination and Anti-Harassment Guide and Policies of United States Liability Insurance Co. Motion was made by Gary Richardson, and seconded by Ray Tanner to have Harry Jones notify the company. Motion passed unanimously.

5(c) Authorize the District Manager to execute new bank signature cards at Chase Bank.

Chairman McKibben asked what we had signed last meeting. Harry Jones responded that those were the cards for Gila County. The Chase bank cards still need to be signed and meeting minutes may need to be provided. Chairman McKibben moved to ask Harry Jones to take care of this for the Board. Gary Richardson seconded the motion, and it passed.

5(d) Develop a 2014-2015 budget for the District.

Treasurer Ray Tanner led the discussion on proposed budget items. No increase in fees or rates is proposed. The District Manager wants a \$3,000 increase in his retainer, and \$50 per hour for his time over 25 hours per month. Harry was asked, and agreed to, provide a sample monthly list of work done, and how many hours were given to the District. Harry was asked if we could buy some measuring equipment, like a well sounder for about \$400, and save a lot of consulting money from outside hydrologists. Harry said he prefers the consultants' expertise in the work that needs to be done. Gary Richardson moved, and Chairman McKibben seconded, to accept the proposed budget subject to final approval after the Budget and Rate Hearing that is to occur during the middle of the next board meeting. Motion passed unanimously. Discussion then followed about the format of the budget to be printed in the paper. It was agreed to print an abbreviated version in the paper, and send all the customers both the published version and the full detailed version, which should be published in PDF format. The budget is hereby made a part of the minutes of today's meeting.

5(e) Revisions to the management contract with HDJ Management, LLC (Harry Jones).

This was postponed until next meeting.

5(f) Revisions to the Bylaws.

This was postponed until next meeting.

6 Call to the Public comments: None

Meeting was adjourned at 4:22 pm. Dated this 17th day of June, 2014

Rim Trail Domestic Water Improvement District

By Gary Richardson, Secretary