

Mayer Domestic Water Improvement District

Minutes of Regular Meeting

January 25, 2024

1. MEETING OPENING

1.1. CALL TO ORDER 6:00 p.m.

1.2. ROLL CALL OF MEMBERS

Chairman Kathy King – Present, Clerk Shasta Guthrie – Present, Member Keith Francen – Present via Zoom, Member Kevin Jones – Present via Phone, Member Jacque Burruss – Absent

Manager Mardi Befort was also present.

1.3. DISCUSSION AND POSSIBLE ACTION ON THE ELECTION OF BOARD OFFICERS. **Postponed until all board members are present.**

1.4. PLEDGE OF ALLEGIANCE

1.5. COMMENTS FROM THE PUBLIC – **No public was present.**

2. CONSENT AGENDA

2.1. Approval of BMO Direct Deposit Payroll account financials for September and October 2023

2.2. Approval of November 2023 financials

2.3. Approval of December 14, 2023, Regular Meeting Minutes

Chairman King moved to approve the consent agenda, Member Jones 2nds, Vote – Chairman King – Aye, Clerk Guthrie – Abstained, Member Francen – Aye, Member Jones – Aye, - MOTION PASSED

3. ORGANIZATIONAL MEETING

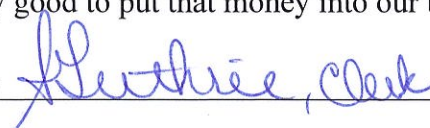
3.1. Discussion and possible action on legal posting site to be registered with Yavapai County. **Ms. Befort stated she verified with the County if this was something that needed to be done each year. They replied it was not required to be done each year but recommended that it be reviewed each year by the Board to verify the legal posting site is being followed. Ms. Befort stated the legal posting site is the display case outside the gate here at the District office and action is only required if the Board wanted to change the legal posting place registered with the County. Member Jones asked if every location was secure so people could not remove the agendas. Ms. Befort said yes.**

4. ADMINISTRATION/STAFF REPORTS

4.1. Chairmans report By Chairman King

Chairman King passed out a copy of HB 2160: domestic water improvement districts; reviews Sponsor: Representative Bliss, LD 1, Committee on Natural Resources, Energy & Water. Chairman King stated this bill is working its way through the house as we speak. And basically, it has to do with new laws pertaining to us (Special Districts). It's important to start talking about this now because I think it would be really good to put that money into our budget, audits are not

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cheap. We're probably going to be required to do an audit. Which is great because it's about time for us to get one done anyway. But this will make it so that every single time period, like they would be, it's five years, two years, depending on how big it is, that you have to get an audit. Oversight is so important with these small rural districts, and it'll support the districts that have to make public, the good, the bad, ugly. I'll keep you up on this.

4.2. & 4.3 Manager's Report/Office Report – By Manager Mardi Befort

Bobby and Matt redid the king pins on the front end of backhoe, the wheels were really wobbly. The first one took a lot longer to get done the bushing was seized in the housing. Bobby went to get a tool and we learned, which is kind of cool, that at Napa you can buy/rent, used tools, and if you don't like it, you can return it and get a full refund. It ended up at \$110 tool didn't work. They worked kind of long on Friday to get it done. They couldn't do it. I told him to go ahead and come back on Saturday to work on it. He went into town Friday night to look for another tool and ended up finding one at Harbor Freight and tool for only like 20 bucks. Ended up returning the other one to napa. But they got that done even though it took a long time. However, the second one, they got done in a couple of hours.

The meter replacement grant, we started installing the registers yesterday. They can install approximately 13 registers in two hours. I was hoping a little bit quicker than that. What takes so long is the paperwork, writing down the old reader meeting, the new reader meeting reading, and then also cleaning out boxes to get to the meters. They get filled up, and because you can't have any dirt between the register and the meter they have to make sure it's fairly exposed. So that's taking a little bit longer.

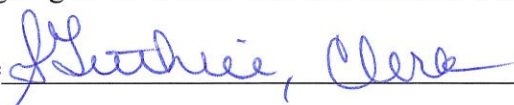
ARPA grant, the engineer called me last night. He was supposed to come today to do the site visit. He had to cancel, but he's going to try and come back on Tuesday to do the site visit. We're just one step closer to getting the engineering done with our grant than we can move forward with bids after that.

The lead cover rule, there is a letter in your packets of ADEQ. The district was selected by ADEQ for lead service line inventory assistance. The contractor contacted me last week, there's a kickoff meeting in February to meet with them.

Tank inspection we need to do those more often. You should do them every three to five years is the recommendation. The last time had them inspected was 2020, we had a dive team come in, but they could only get to three of our tanks. I would like to go with superior teams. They will do the three that weren't done. They'll go off the previous report from the other three. They're not going to be diving. They're using a remote camera in there, which is better, less risk of contamination and they'll be able to get to all of the tank locations. They'll go off the previous three reports because nothing was done based off those reports. They'll still do a visual inspection of the outside. Open the hash, look inside. That's \$3,000. If they did full inspections of all 6 tanks, it would be \$5,000. The next lowest bid after this one was \$9,000. So, I would like to go with superior teams. They came out and did some work on the Poland Tank. We'll look strategically over the years at which tanks to drain and clean out.

Let's see, there's no other updates on any of the projects that we have going on, other than what I updated to you guys in my email last week and gave will just copy that to Member Jones.

Bobby had his 90-day review in December. He's doing really well. He's truly saved us thousands of dollars on the work that he does on the backhoe and the vehicles. The first 60 days or more, he really focused on maintenance on vehicles. Now he's going in the field a little bit more. He does go with Matt

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or Chris so he can get his bearings on where everything is located and how our system works. He's getting it. He can't really do a meter change out by himself yet because he was done that many, but he is starting to learn and learn where everything is. That's the hardest and longest thing is learning where all the meters are located.

A few things, in the correspondence section of your packets I want to point out are part of Governor Hobb's transcript from her state of the state address regarding Arizona's water supply. Ms. Befort thanked Member Jones for pointing that out to her.

The meter replacement grant. I submitted my performance progress report and a federal financial report. There is nothing to report financially. As there were no finances spent during that time. I was able to request our first reimbursement for materials, which is roughly little over \$40,000. I got it the next day. It's pretty simple, pretty quick, pretty easy.

Then the other one is in your packet I did include the hours worked for employees since the last meeting. There are 3 pay periods. I didn't hear back from Chairman King, if you liked the way I did the full hours. So let me know if that is what you want.

5. OLD BUSINESS ACTION AND DISCUSSION ITEMS

5.1. Discussion and possible action on rental repair status and rent adjustment

Ms. Befort updated the Board that all the flooring has been completed and it came in under budget at \$465. Tom had estimated it would cost \$540. It took them roughly 24 hours to complete, they worked on it during the few days we had snow. On January 16th, the house was spot treated for termites. She stated everything else would be worked on in the spring. Chairman King asked about the exterior steps raising concerns about safety with them being wobbly and wanted to know, if possible, the following week that could be worked on. Ms. Befort stated Tom had told her he thought the exterior wood on the porch was fine and only needed to be scraped and painted but she would speak to Tom and have him relook at them.

Chairman King stated we needed to get moving on the rent and would entertain a motion.

Clerk Guthrie moved to raise the rent to at least \$1,000 a month and perhaps incrementally. Chairman King asked when it would be effective and about the water bill. Clerk Guthrie amended her motion to raise the rent to \$1000 effective April 1st and to no longer include free water, Chairman King 2nds, Vote – Chairman King – Aye, Clerk Guthrie – Aye, Member Francen – Abstained, Member Jones – Aye - MOTION PASSED

5.2. Discussion and possible action on cell tower activity status.

Ms. Befort stated that she only had one firm quote from American Fencing for \$8950 and Davis Fencing was between \$2100 - \$2400. American Fencing came out and did a site visit while Davis quoted by aerial view. Once we confirm the driveway and I have a set date I will meet Davis Fencing to get a firm quote. But because I am having a hard time getting concrete quotes, I don't want them to come out give a quote then have to update it.

The only concrete quote I have received is a rough estimate from Earth Resource \$35,000 for concrete and \$15,000 for asphalt. Ms. Befort stated that Tom's recommendation was to go with concrete. Member Jones talked about the benefits of asphalt. Easier to repair asphalt vs. concrete and less expensive initially. Member Jones stated the last time it was asphalted was in about 2012.

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Chairman King asked if the asphalt would put over the current asphalt. Ms. Befort stated no, they would scrape down and prep. There will be 6" ABC and 4" of asphalt. She was not sure what was done prior but hopefully this will hold up longer this time if properly maintained and repaired when needed.

Chairman King moved to do the asphalt, Member Jones 2nds. Vote – Chairman King – Aye, Clerk Guthrie – Aye, Member Francen – Aye, Member Jones – Aye - MOTION PASSED

5.3. Discussion and possible action on monthly water loss.

Discussion only, no action was taken.

Ms. Befort explained that in the past year our water loss was 19.89%, which is higher than the past 6 years. We are losing water somewhere I just don't know where. 50% of all water leaks never surface.

One of the things I did this month was to investigate other leak detection options after I was approached by a company that uses satellite imagery to detect soil dampness at a cost of over \$20,000 a year. That will only tell us an area to look at we would still need to locate the leak. The next option was correlator, which is similar to what we have not, but you have two points instead of one. I was also told about a meter that can detect leaks on both sides of the meter, but it is not compatible with the software we just purchased with our meter replacement grant. But with this information I went to Badger to see if they offer anything, and they do. There are devices we would put at valves, fire hydrants etc. that will use pressure changes and acoustic sound to detect leaks and the good news is we can apply for the same 50/50 grant we applied for the meter replacement grant as long as the total project cost is below \$225,000. After speaking to Jordan, he does not think it will be any near that cost. Which is on the agenda for tonight.

There was discussion about water theft through fire hydrants. Ms. Befort stated that is always possible, Chris did look at them all and it did not appear that they had recently been used. But she also pointed out they are located in highly visible areas if someone was hooking up to our hydrants each month someone would point that out to us.

6. NEW BUSINESS ACTION AND DISCUSSION ITEMS

6.1. Discussion and possible action on MDWID's current and future fire hydrants.

Discussion only, no action was taken.

Ms. Befort explained there was a fire in Mayer off Stagecoach Rd., and that her and Kevin had had discussion about a week prior to the fire about getting a procedure in place with the fire department to be notified of how much water is used when a hydrant is used to fight a fire. I have also been in contact with the fire department about them greasing and flushing all the hydrants as well as a location for new hydrants in the area where we are going to be replacing the water lines. Unfortunately, I found out we can not use ARPA funds for the fire hydrant so I asked the Fire Department about looking into grants for fire hydrants we can co-apply for especially with insurance companies denying to even cover homes now with the increased risk of wildfires. Adding more hydrants to our system will benefit the community. We might want to start looking at adding this to our budget each year. As Ms. Befort gets more information, she will bring it to the Board.

6.2. Discussion and possible action on applying for WaterSmart Grant with BOR for leak detection technology.

Ms. Befort explained this is the same grant we received from the Bureau of Reclamation (BOR) for the Meter Replacement Project and as long as the scope of work does not overlap on the two projects, we are good to apply for another grant. The SCADA technology I explained in the water loss agenda item for Water loss technology is completely different than the Meter Replacement Grant.

Chairman King moved to apply for the WaterSmart Grant with BOR for leak detection technology, Clerk Guthrie 2nds. Vote – Chairman King – Aye, Clerk Guthrie – Aye, Member Francen – Aye, Member Jones – Aye - MOTION PASSED

6.3. Discussion and possible action regarding transferring of funds to and from BMO bank accounts.

Ms. Befort explained she asked for this to be on the agenda because some Board members feel this falls within the Managers authority. But in the past these matters have always been brought to the Board for approval. It is up to the Board if they want to continue with that procedure.

Chairman King moved to give the manager the authority to transfer funds to and from BMO bank accounts as needed, Member Francen 2nds, Vote – Chairman King – Aye, Clerk Guthrie – Aye, Member Francen – Aye, Member Jones – Aye - MOTION PASSED

6.4. Discussion and possible action on office management position.

Chairman King stated she gave everyone a rough draft job description and it does not have a job title. She was kind of looking at a business administrator kind of a theme. Looking at full-time, with a \$40,000 salary. She believes when Frank left, that the operation was to be divided into two. She thinks with the wonderful resource we have with Mardi; this will give her an opportunity to really dig into more specialty things with field interest. She is looking for some support in doing this.

Member Jones asked how does that pursue in the chain of command? Would Mardi still be above that?

Chairman King replied she was really glad he asked that because she has been really thinking about this for a while. And in a way to incorporate our (District) goals in accounting and stability and water delivery and everything and getting a close to a model of a municipality like in Carefree and Cave Creek would be a direction I think we should go. With a set up with a business portion, then they have a field and facilities portion of it, and those two entities do their budget, supervise their people. And then they answer to the city council or the board. If we could bite the bullet and use the contingency fund to finance this to the end of June. And then of course we're going to be working on the budget. We can incorporate it into the budget. She is also looking at future people coming and going and making it more uniformed with a pocket of people with experience, with business administration or field. She told Ms. Befort "You're not leaving so forget that you are never leaving." Chairman King stated this will be modeled after a municipal kind of organization. They are separate and they answer to us (the Board).

Member Jones asked would Mardi be in the field all the time? Chairman King said No. she has people that work with her. Clerk Guthrie stated there is field business that takes place in the office.

Chairman King stated next month, she will show you the matching position to this. Clerk Guthrie stated that would be Ms. Befort's side.

Chairman King said this side with whatever changes you want to make, not just me, obviously and then with your input and doing that other matching, job description, then we'll have it set up.

Member Jones said if there is a discrepancy, can they say no. Chairman King said no.

Member Jones asked does she (Ms. Befort) still retain the authority she has reached in the District. It sounds like you want to put it in two different categories. I think the person who works in the office needs to know about what's in the field. Because there's so much going on, if she (Ms. Befort) is out in the field, they need to collaborate with each other. Chairman King stated. Right, and good administrators are totally capable and expect that type of environment.

Ms. Befort asked, "So we will be equals?" Chairman King replied Yes.

Ms. Befort stated she does not think we need someone full-time. She doesn't even need to be here full-time some weeks. She would recommend someone to work up to 40 hours a week with mostly 30 hours there's a lot of stuff that needs to be done, but she's not every day writing grants. She doesn't know that you need to pay someone to be here for 40 hours a week if it's not always needed. She was just throwing her ideas out there and her opinion.

Member Guthrie stated we have this budget period to refine both. She personally thinks there's a lot that could be done and more that we don't even know about. The thing with the legislature and stuff. There's networking and alliances and things that you (Ms. Befort) don't have the time to really go out and work with them and she would love to see that happen. And you'll suddenly have some more time to do that. So, it will benefit the District in ways we can't even see yet.

Ms. Befort stated in her opinion she does not think we need someone full-time 40 hours a week and would say up to 40 hours with 30 hours on average and the other thing is we are a small system with limited resources We all work together and are willing to step in when emergencies happen. I don't want to restrict office employees to just the office There's a lot of knowledge to be learned by having them experience field work. This will not only benefit them with customers and their customer service But also help them grow if they choose to become certified like I did or if one day they want to become well, if you're not going to have a district manager, I guess they're not going to aspire to be a district manager. But if Frank had not thrown me out in the field to experience stuff, I never would have had the desire to get where I am.

Chairman King thanked Ms. Befort for her opinion. Clerk Guthrie stated feels the consensus of the board is supporting cross training.

Chairman King stated she is looking for the possibility of increasing office hours and improving customer service. And I would like to see Ms. Befort get her cert 3 and start doing the water sampling, so we don't have to subcontract that out. There are a lot of things, go into that back room and there's stacks, stacks of files and all that, you know, we could start out with 40. She is looking for specialization at this point. With new people coming in to the board and stuff, it's pretty overwhelming, and it'd be nice to have some stability in the fact that we know that those financials are being done. I'm not criticizing anything, but I feel like after having been on the board for this long and maybe you (Kevin) feel that way, we have got to go forward. We can't

just go by the skin of our teeth. And I think that as a board member, in a lot of ways, some stuff has actually gotten more stressful and more demanding. And I don't think necessarily that that's what I want to have on someone else when they get on the board. I think we can accomplish a lot of our goals by separating out these positions a little bit. And I think we'll offer a lot more. And that really was one of the whole things behind redoing our rates, being able to qualify for a loan if we need it to and, you know, being able to have competitive certified people. So, this just seems like the next step.

Clerk Guthrie stated she thinks with Tom (Thurman) leaving we are in a bad position and having another adult in the room to carry some of this stuff out and make sure that the District is protected.

Ms. Befort asked if this would eliminate the office clerk position.

Chairman King stated she was not intending on that. She thinks whoever is hired and the office clerk can apply for this if they have the qualifications for it. But the office clerk can still get some hours.

Member Jones asked if there was going to be two people working in the office, somebody that is doing the finance and then the office clerk also for the 20-30 hours and asked Ms. Befort what she thought about it.

Ms. Befort stated whatever you guys want.

Chairman King stated and then you can be free when you need to go supervise or, you know, inspect things, or do your water sampling and won't be tied to having to lock up and worry about what's going on here and being grounded here.

Clerk Guthrie stated or have to close the office.

Chairman King moved to extend the job opening or position opening for an office administrator position, Clerk Guthrie 2nds, Vote - Chairman King - Aye, Clerk Guthrie - Aye, Member Francen - Abstained, Member Jones - Aye - MOTION PASSED

6.5. Discussion and possible action on personnel policy and procedure regarding wages.

Ms. Befort stated a Board member had brought up the fact that they thought, possibly she should have the authority to give raises, as necessary. Ms. Befort stated she was concerned about employees' wages keeping pace with minimum wage increases. There was discussion covering several topics related to staff compensation, performance evaluation, professional development and a policy involving phased hiring and performance reviews leading to salary increases t.

Ms. Befort suggests the District should cover the costs of certification exams if they're going to require employees to get certified. Chairman King stated she did not want to pay for practice tests. Ms. Befort stated because the study material is extensive and the book goes from grade 1-4 and when she went to take her grade 2 exam, she studied the wrong materials. She also could not afford to go take the classes. So, when taking the grade 3 exam she used the first exam as a practice test so she would know what to study. However, if the District pays for the exam, they should also pay for the study classes.

There was discussion on specific salary adjustments for individual employees based on factors like length of service, job responsibilities, and skills. There's a consensus to provide salary increases for certain employees, with considerations for certifications and performance. Clerk Guthrie suggested a work session to discuss policy and protocol related to performance evaluations and salary adjustments. Clerk Guthrie stated she felt this was important and needed to be hashed out.

Chairman King states in the industry a grade one averages between \$18 - \$22 an hour and asked Ms. Befort to give her a proposal on wages.

Ms. Befort stated: Employee 1; Mechanic \$15.35 to \$16.35, Employee 2; Welder/backhoe operator \$15.00 to \$16.00, Employee 3; Knowledge and years with the District \$16 to \$18.00. Chairman King stated that without certifications she does not think \$18.00 is okay.

Chairman King moved to wage increase for the \$15.35 to \$16.85, \$15.00 to \$16.00 and \$16.00 to \$17.50, Clerk Guthrie 2nds, Vote - Chairman King - Aye, Clerk Guthrie - Aye, Member Francen - Aye, Member Jones - Aye - MOTION PASSED

6.6. Discussion and possible action on scheduling working session for FY 24/25 budget

Meeting scheduled for February 6th at 2pm at the District Office.

7. ANNOUNCEMENTS

7.1. Board Member Election Updates - Kathy King, Keven Jones and Jacque Burruss terms expire 12/31/2024.

7.2. Next regular board meeting Thursday, February 22 at 6:00 p.m. The Board invited the field crew to the meeting for a potluck dinner.

8. ADJOURNMENT

Clerk Guthrie moved to adjourn at 7:29 p.m., Member Jones 2nds, Vote - Chairman King - Aye, Clerk Guthrie - Aye, Member Francen - Aye, Member Jones - Aye, MOTION PASSED