

**MAYER DOMESTIC WATER IMPROVEMENT DISTRICT
12994 CENTRAL AVENUE
P.O. BOX 416
MAYER, ARIZONA 86333**

**Board Meeting Minutes
Regular Session
June 13, 2013**

CALL TO ORDER:

Joe Mish, Board Chairman, called the meeting to order at 6:00 p.m.

ROLL CALL OF BOARD MEMBERS:

Joe Mish, Kevin Jones, Pat Champion, Gordon Nelson and Rita Macdonald were present.

APPROVAL OF MINUTES FOR May 9, 2013:

Rita would like the paragraph to read: On Shiela Schmidt's opinion on the Lucas Well: Pat made a motion to accept that the Lucas well belonged to Mayer Water District according to Shiela's report. Rita seconded. Kevin said nothing. Joe did not vote, but said "Motion passed two to one." Pat made a motion to accept the minutes as amended. Kevin seconded. The Board voted, all in favor.

CALL TO THE PUBLIC:

Kathy King said she wished the board would get training as to their roles as the Board of Directors. Financial reports have not been posted to the website since December 2012. That is 6 months. One of your main responsibilities is financial reporting. The District spent over \$6,000.00 to get an audit of how to better report financial issues. As of today, there has been no public meeting to discuss/decide how to follow the accountant's recommendations. Rate increase on agenda, this time for conservation purposes. She asked the Board what are they doing to conserve the thousands of gallons that are unaccounted for each month. She said other districts use a tiered type system for conservation,. She asked why the District wasn't doing that. She also asked about commercial rates. She said in response to the Attorney General's office, it was her opinion that if the District was lawyering up it was either guilty or covering up what was done. She wants to know how much it is costing the water users to handle these issues. She said she personally overheard a quorum of members discuss district business in the office prior to a board meeting.

Joanne Coe said she finds the items on the agenda disturbing. She said the budget is pathetic. She said she thought there was supposed to be a special meeting to go over the budget. She said she never saw it posted and maybe the Board had a meeting and maybe they didn't. She said in the future things are coming down the pike and this would affect things. She said looking at the budget it looked like the District has a budget over \$1 million and that determines whether you have an audit or a financial review.

Frank Soto said it has been four months since the auditor was here and there was still no policy established and that we need to do our job.

Ralph Stone said he wanted to apologize. His numbers were wrong. He said he wasn't overcharged by 10,000 gallons, he was overcharged by 23,600 gallons in excess of his 5 thousand gallon monthly usage.

BOARD REPORTS:

Pat said Shiela received another list of question from ADWR based on the proposal to have the CAP funds released. She said it was a short list and at some point she and Shiela and Emery will go down to ADWR to answer these questions. Rita asked for a copy of the questions.

Joe said he had some correspondence he would like to read. The first letter is dated April 11, 2013. It states:

Dear Sir or Madame:

On two occasions over the last few months, you Manager, Casey Boone, has made disparaging comments about me, to my supervisors at the Mayer Fire District, while in his capacity as the Water District Manager. His comments do not involve my performance as a firefighter. The comments indicate that that Mr. Boone thinks that I should not be allowed to take any interest in the Water District because he doesn't like it. His conduct is highly unprofessional and interferes with my employment with the Mayer Fire District.

If this continues, I will be forced to take legal action against Mr. Boone and the Water District, as well, since you now have been made aware of the situation. I have no great desire to do this, but his conduct is a threat to my livelihood. I ask that you, as his supervisors, put an end to this malicious behavior. If you have any questions, I will be happy to answer them.

Sincerely,
Paul F. Coe

Joe read the next letter dated May 24, 2103:

Joe,

This letter is to serve as assurance that no employee of the Mayer Water District's comments have had any negative impact or interfered in any way with any employees of the Mayer Fire District.

We understand that there may be personnel conflicts between individuals of our districts and we encourage continued communication from all parties involved in order to build an even more positive relationship.

Feel free to contact me if you have any additional comments or concerns.

Sincerely,
Glenn W. Brown
Fire Chief

Joe said that this was unproductive and that the two should handle it between themselves. Rita disagreed and said that if involved an employee that the Board should be involved.

Joe read a letter from Stephen O'Bresly giving Joe, Casey and Rita permission to walk his property. Rita said that was nice of him. Joe told Rita that she didn't keep her promise. Rita said she had told Joe about her ankle. She said it still wasn't well and got up to show Joe. Joe told her to go sit back down as he wasn't a doctor. She said she hasn't even been driving her jeep. Pat said that wasn't true. Joe went on to read the next letter dated December 16, 2005.

To the Mayer Water District Board Members, Ed Matteson, Bob Houser, Joanne Coe and Mike King,

I, Margie Good understand that members of the Mayer Water District Board govern my job. I am writing this letter to tell you about the difficulties I am experiencing with one board member, Joanne Coe. Ms. Coe's abusive tactics involving my job are belittling my position and interfering with my job responsibilities. She is throwing shadows of doubt on me other Board members questioning our integrity. This behavior is detrimental to my moral and job health. This needs to be addressed by the Board and needs to be stopped now.

Margie Good

Rita asked what this has to do with anything. Joe said it has to do with the way Rita is treating Heather. Rita asked Joe to spell it out. Joe said she would find out soon enough. Rita said she wanted to know right now what she is doing with Heather. Rita said make a note Pat said don't do it-because she's the Chairman. Pat said this was not the time or the place. Joe said while we were on reports, he won this election fair and square and he will not, under any circumstances, resign. He said you can stick that in your pipe and smoke it, he's here for 31/2 more years.

REPORTS AND CORRESPONDENCE:

Manager's report: Casey said that the pipeline project is progressing. He said the pipeline has been laid. They have 24 services hooked up and 4 more to go. He said they could have gotten 2 more done today but they got called off for a leak at the quarry. Gordon asked Casey if he had had a chance to check Mr. Stone's meter. Casey said yes and everything was back to where it should be. Rita asked about testing the meter. Casey said they could pull it tomorrow and test it. Pat asked the audience to please be quiet. Casey made a point of order to Joe for the audience to be quiet. Joe said if the audience couldn't be quiet they would be asked to leave. Gordon asked Casey if he had a meter he could replace the old one with. Casey said he would just put a brand new meter in tomorrow. Pat asked Casey if he had been sounding the Pump Tech well. Casey said no. Pat thinks it would be a good idea just to see what the level is and compare to the other wells. Casey said he could do that. Kevin asked Casey how the pipeline was coming and how much longer it would be. Casey said 30 days. He said they still had to chlorinate and do the pressure testing. Kevin asked if we were within budget and if Casey felt comfortable with it. Heather told the Board that she would be meeting with the accountant next week. She said that the accountant has been bringing the books up to current. She said the warrant account has always been right but the other two were not.

Gordon made a motion to accept the Manager's report. Pat seconded. The Board voted, Gordon, Pat and Kevin for, Rita opposed. Motion passed.

ELECTION OF OFFICERS:

Gordon made a motion to elect Pat as Board Chairman. Kevin seconded. Gordon, Kevin and Pat voted yes. Rita opposed.

Pat made a motion to elect Gordon as Clerk. Kevin seconded. The Board voted, all in favor.

RATE INCREASE FOR CONSERVATION MEASURES:

Pat said that this was what was trying to be done last year but we didn't do it right. Pat read off the well soundings. Casey said he is letting the Terrell wells rest and using the Grapevine wells as they are closer to the creek. Pat said that there was an article in the Daily Courier about the weather situation and the drought conditions. She also said there would be an article in the Big Bug to let the public be aware of the situation and the need to conserve. Pat said that this time the rate increase would be done right, we would hold a public hearing and post it properly. Gordon showed a graph he had gotten from the Friends of the Agua Fria and it showed the dire decline of water levels. Gordon said he had copies of some of the surrounding water districts and their rates. He said this districts well below what they are charging. He said at the Friends of the Agua Fria meeting there was a speaker and he said the way to get people to conserve is to charge the heavy users. He said it makes them take notice and it makes them start to conserve. Gordon says that is their philosophy and he thinks it should be ours. Rita said she had no problem with a rate increase but she thinks we should wait. She wants a professional opinion. Pat said it's June and it'll be too late if we wait. Kevin said he feels that the increase should start over 10,000 gallons. Pat asked what was the amount per thousand last time. Casey said \$15.00 per thousand gallons. Gordon made a motion to use the old rate structure from last

year to increase rates above 10,000 gallons to \$15.00 per thousand. Joe voted to proceed with the rate increase. Kevin seconded the motion. The Board voted, Joe, Kevin and Gordon for. Rita opposed.

ENGINEERING PROPOSAL FROM EMERY LAYTON FOR THE JEFFERSON ST. PROJECT:

Emery said on the Jefferson St. project there would be a 50% increase on the water line length and a 25% increase in cost, due to a little higher cost on the surveying and more trips up here and printing, items like that. He said the proposal is with Engineered with Layton as he will not be working for Global Water after the end of the month. Pat asked after the Main St. project how long until we can start the next project. He said maybe August or September. He has to go down to Yavapai County for the permit. Kevin asked about the accuracy of the gps. Emery said the accuracy is about 10-20 ft. Joe made a motion to accept the engineering proposal for the Jefferson project. Gordon seconded the motion. Gordon asked how much the project would cost. Emery said at 4200 ft. it would be \$60.00 a lineal ft. Rita asked how we could be voting when we don't have our finances in order. Joe, Gordon and Kevin voted yes. Rita opposed. Motion passed.

ISSUE OF THE ATTORNEY GENERALS LETTER AND THE RESPONSE FROM SHIELA SCHMIDT:

Pat instructed Heather to put the Attorney Generals letter in the minutes.

Dear Ms. Schmidt:

This office has received several complaints against the Mayer Domestic Water Improvement District ("District"). The complaints allege that the District may have violated the Open Meeting Law. Pursuant to A.R.S. 38-431-06 and 38-431.07(A), this Office is responsible for the investigation and enforcement of the Open Meeting Law. As a member of the Open Meeting Law Enforcement Team, I write to request your assistance in obtaining information regarding the District's October 18, 2012, November 8, 2012, and January 17, 2013 regular meetings. During that time period, the District Board consisted of Chairman Joe Mish and Members Kevin Jones, Patricia Champion, Gordon Nelson, and Rita Macdonald. The District's office staff consisted of Plant Manager Casey Boone and Office Manager Heather Pressley.

For your convenience, the allegations are specified below per District meeting.

October 18, 2012 meeting: It is alleged that the meeting minutes for the August 9, 2012 and September 13, 2012 were not properly approved by the District Board.

October 18, 2012 meeting: It is alleged that the office manager engaged an audience member in a financial discussion that was not listed on the agenda or denoted in the minutes.

October 18, 2012 meeting: It is alleged that the minutes failed to specify which financial documents District Board Member Rita Macdonald requested with respect to approval of the financial reports and why she was denied access.

October 18, 2012 meeting: It is alleged that the minutes failed to reflect that Chairman Joe Mish threatened to initiate a grand jury investigation into Board Member Macdonald during the discussion regarding rate increases.

November 8, 2012 meeting: It appears that the District Board passed a change in its meeting starting time, which was not listed on the agenda.

January 17, 2013 meeting: It appears that a meet-and-greet occurred after the meeting's adjournment. Please indicate how this post-adjournment gathering complied with the Open Meeting Law.

In addition, there is a general concern regarding whether the District Board's agendas contain enough information as is reasonably necessary to inform the public of the matters to be discussed or decided.

To gain a full understanding of the facts regarding these concerns, I request that you provide me with the District Board's written explanation to the allegations. You are welcome to provide any other documents or information that you believe are relevant to the disposition of these issues. Please

provide this requested response to me by June 21, 2013. Thank you in advance for your assistance and cooperation. Should you have any questions, please feel free to contact me.

Sincerely,
Marc H. Harris
Assistant Attorney General.

Pat said that Shiela would like the Board to vote to give her the authority to respond to the letter. Gordon made a motion to have Shiela respond to the letter, Joe seconded the motion. Rita asked why have Shiela respond and Pat said because the letter was sent to her and she is our lawyer. Rita said she had no problem with that but how are we going to get the information to her. Pat said she spent two days going over the recorded minutes. Pat said she asked Rita for some specific questions but Rita said her cat was sick. Pat said if other members have concerns to give them to her and she would pass them on to Shiela. The Board voted all in favor to give Shiela the authority to respond to the letter.

COST OF THE TITLE SEARCH: LUCAS WELL, AND UPDATE ON SHIELA SCHMIDT'S COST:

Rita said that Shiela sent her the legal cost for the Lucas well. It was \$7049.66. Rita also said that she doesn't feel it should say "appears" it should just say it is Mayer's. Joe said that was lawyer talk. Gordon said that it would matter if it had to be settled in court. What she is saying is that we have a very defensible case. Rita said that the \$7049.66 was because of Casey, Heather and Stephen. Pat said she didn't agree.

FROM MAY FINANCIALS-STEPHEN O'BRESLY'S MILEAGE AND WHAT IT WAS FOR:

Rita said she and Heather went around for three days about what mileage was. She feels that Stephen should not be doing anything for this company. He shouldn't be paid for anything. She said all Heather gave her was a hand written receipt from Stephen. Pat said Rita didn't understand the concept of mileage. Pat said he was reimbursed at .56 a mile which is the legal rate. He drove Casey up to Forest Lakes to pick up the dump truck and the backhoe. Rita asked how she would know if Stephen actually went there. Gordon asked her was the equipment delivered or not? Rita once again stated that she didn't trust Stephen, Casey or Heather as Heather gave away the Lucas well. Gordon said that she did not give away the well.

APPROVAL OF THE 2013/2014 TENTATIVE BUDGET:

Joanne Coe said the agenda was posted wrong. I was supposed to be called a hearing not a discussion. Pat entertained a motion to hold a special meeting on Tuesday, June 18, 2006 at 6:00 p.m. and a second special meeting to accept the budget. Joe made a motion to hold a special meeting on Tuesday, June 18, 2006 at 6:00 p.m. and a second special meeting to accept the budget. Gordon seconded the motion. The Board voted, all in favor.

FRANK SOTO TO SPEAK TO THE BOARD ABOUT COMMENTS MADE THAT THIS BOARD HAS ACCOMPLISHED A LOT MORE THAN BOARDS IN THE PAST:

Frank asked Joe what it is that he has done while on the board. Joe said right now we are putting in a new pipeline. Joe brought up an article from the Big Bug News dated 8/16/2002. Saying that the Oak Hills well would be on line on Friday of that week. He also brought up the pipe that was installed out at Oak Hills and never used. Frank again asked Joe what has been done by this board. Joe said we replaced a ¼ mile of sewer pipe and gas valves in Poland Junction. Gordon said there was the Fairmist project, the Main St. project and the Arsenic removal project. Joe said that the District also purchased this property. Gordon said this was a positive. Pat said that the District now has one place to store equipment and parts. It has saved the District money by being able to store AB and shade and not pay \$50.00 a load to have it hauled in for us. Rita said that we shouldn't be putting down past boards.

Frank went over some things from the past that weren't in the minutes. He brought up the fact that the original Board members did not know what to do when they first started but they were able to get the CAP funds. Also, the District wouldn't have the Tower money if Frank had not gone and talked to Dorsey Light to sell the District some more land. He said the tank in Poland was put up all by volunteers. Frank brought up the blending plan for the Arsenic, he said he thought the District had one. Emery told Frank that it exceeded the limit so we had to come up with a new plan.

ADJOURNMENT:

Gordon made a motion to adjourn, Joe seconded, the Board voted, all in favor. Meeting adjourned at 7:59 p.m.