

MAYER DOMESTIC WATER IMPROVEMENT DISTRICT
P.O. BOX 416
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MAYER, ARIZONA 86333
520-632-4113

BOARD MEETING MINUTES
August 10, 2000

- 1.) Chairman Mike Schuhmacher called the meeting to order at 6:25 p.m.
- 2.) Chairman Mike Schuhmacher called the roll and all Board Members were present except Walt Diskin.
- 3.) Dick Diffenderfer made the motion to approve the minutes for June 8, 2000 meeting, Duane Hines, seconded the Board voted, motion carried.
- 4.) **MANAGER/OPERATOR REPORT**
 - A.) Frank Soto reported on problems with the water truck overheating, running rough and loose in the front end.
 - B.) Frank Soto informed the Board that there is an ASUA Conference at the end of the month. It will be held at the Prescott Resort and it is for three days. He stated the conference is mainly for Board Members and Managers, and asked the Board if some of them could attend with him. Duane Hines went last year and said he would try to attend. Dick Diffenderfer asked for the information he may be able to attend also.
 - C.) Frank Soto reported the Districts were having a meeting on Wednesday morning and that the group is steadily growing.
 - D.) The Manager stated he had received a registered letter from CLS Group asking Mayer Water District to sign an agreement not to hold the equipment they are providing for Alamosa Cellular in the case they should default on their agreement with Mayer Water District. CLS Group will pay \$500.00 to Mayer Water District and \$500.00 in Mayer Water District legal fees if the agreement is signed in the next 10 days.
 - E.) The Manager informed the Board that about 3 weeks ago the D&R, Cliff and Gate Wells went down in the storm. Those are back on line. The Grapevine #2 went down and also has had problems with pressure it was fixed and Manager stated he went out and checked today and pressure is down again.
 - F.) The Manager also informed the Board that the Lower Goodwin was out last week. They replaced a pressure switch and a couple of wires.
 - G.) Frank Soto reported on working on a couple more easements. He stated he was waiting on the surveyor on one and the land owner on the other.
 - H.) The Manager informed the Board the donated backhoe rental has expired. Now the District has to pay rental but they are giving the Mayer Water District a reduced rate.
 - I.) The Manager stated he met with Pete from Southwest Underground Services to have them run the underground services across the pavement. He should get back with him on prices within a couple of weeks.
 - J.) The Manager reported on the AZ Step expenses. At this point the total was \$122,158.66. NACOG was going to charge 1,500.00 for handling the County but he was going to talk to her about foregoing this charge. There is approximately \$28,000.00 left.

- K.) The Manager stated there was approximately 3000 feet of 6" line left to put in. He also reported he was contacted by the Corporation Commission because the District has hit the telephone cable 5 times. There will be a \$2,000.00 fine and the next time it could be as much as \$5,000.00. There has been a problem with the Blue Stakes. He called UTI to come out and check on some of the Blue Stakes.
- L.) Frank Soto stated he needed to have monday off. The Board and Manager decided to hold off working on the AZ Step project for the one day.
- M.) The Manager asked if there were any question on the financial. There were no questions.

5.) OLD BUSINESS

- A.) Frank Soto introduced CPA, Donna Fagan that has been doing an Audit of 1999 and 2000 for Mayer Water District. Donna Fagan thanked the staff for their time and patients. She told the Board she thinks the District has a very good staff they care about their work and do an excellent job. One issue she covered was how important it was for the Board to be responsible and keep control of the way things are handled by the staff. She also went over the ways fraud can happen and how to look out for it. Donna Fagan suggested the District do background checks on it's new employees and check out reference. She also stated there should be a Policy Manual so employees know what is acceptable and what is not.

She stated it is very important that the Board be responsible and have a good internal control system this protects the Districts Assets. She also said having accountant, Noni Gorcyca was a good responsible internal control.

Donna Fagan stated that the district is spending what is earned and there is no reserve. The District needs to plan ahead five or ten years and something needs to be considered to earn the district money in reserve. The CAP fund is a restricted fund that can only be used with the approval of the Arizona Department of Water Resources. Regulatory Fund is also a restricted fund at this time.

Frank Soto stated this was the first Audit he has been through and thanked Donna Fagan for coming and discussing this with the Board. He also stated that Donna has done 2 years of audits for the price of one and also generously donated to the AZ Step Project.

- B.) Dick Diffenderfer made a motion to table the review and discussion on Employee Manual until October meeting, Duane Hines seconded, the Board voted, motion carried.
- C.) The Manager stated he had not had a chance to make it down to talk to the state about leasing or purchasing state land as an water source option so he recommended tabling this until next month's meeting. The Board agreed.
- D.) Frank Soto stated that he got a call today from Todd Doust of American Tower and they are ready to go with 3 carriers on the Cell Tower, Cellular One, Voicestream and Alamosa.
- E.) AZ Step Project was updated earlier in the Manager/Operators report. The Manager stated that Paul Hines has been helping and that has helped move things along faster. He also informed the Board of Donations given by the Owner of the Post Office of \$500.00, Bert Lough \$1000.00, Mayer Fire Department \$500.00, Community First Bank \$1000.00 for Fire Hydrants. Mayer Unified School also paid for 2 Hydrants.

6.) NEW BUSINESS

- A.) The Board discussed approving waterline extension for Vince & Jo Ann Alessio. Mr. Alessio wanted to split 20 acres into 5 - 4 acre lots with a meter for each lot. Mike King asked if Mayer Water District was in a position to add this many new services. The Manager stated the Board had approved 15 meters at an earlier time but it did not go through so this should not be a problem. The Manager recommended it be 6" waterline. Duane Hines made a motion to approve the line extension for Vincent & JoAnn Alessio contingent on the agreement reached with the Manager, Dick Diffenderfer seconded, the Board voted, motion carried.

- B.) The Board discussed the letter received concerning the abandoned water pipe on the Charles Baker Property. The Board directed the Manager to research the Mayer Water District's Easement and ask Mr. & Mrs. Baker to be put on the Agenda and attend a Board meeting so they can discuss it in person before the Board will take any action. The Board also directed the Manager to discuss this with Water Rights Attorney Lee Storey.
- C.) The Board went over Laureen Bottazzi's Application for Waiver/Refund, in which she was asking for her \$60.00 deposit, \$15.00 Turn on/Application Fee and Minimum water Charge of \$26.49 refunded. She felt she didn't know the options she had at the time she had water turned on at an empty lot where no water was being used at this time. The Manager recommended refunding her deposit and minimum water charges because there was miscommunication at the time she had a meter set on a vacant lot. The Board agreed the \$15.00 Turn on/Application Fee had to be paid since it is part of the fee for a new meter set. Mike King made the motion to refund Laureen Bottazzi's deposit of \$60.00, minimum water charge of \$26.49 and adjust any minimum charge on the account at this time, Dick Diffenderfer seconded, the Board voted, motion carried.
- D.) The Manager explained that he had applied to be put on the fundable list and WIFA had approved a Grant for Technical Assistance in the amount of \$2,280.00, which is available with a signed Resolution. The District must hire a consultant in order to receive these funds. The manager suggested using ASUA as a consultant and the Board agreed. Mike Schuhmacher asked about the Fundable Range list that shows Mayer Water District at \$350,000.00. The Manager explained this would be a loan with WIFA if it was approved. Duane Hines made a motion to approve a Resolution agreement between Mayer Water District and WIFA to accept the \$2,280.00, Mike King seconded, the Board voted, motion carried.
- E.) The Manager stated he had been approached by Charlie Dean of Catholic Social Services. Mr. Dean has a person out of Cordes that needs a 40 hour a week volunteer job. The person would be insured through Catholic Social Services. The managers concern was how physically demanding the AZ Step Project can be. Dick Diffenderfer made a motion to give Frank Soto the power to interview and approve this person contingent on the interview, Duane Hines seconded, the Board voted, motion carried.
- F.) Mike Schuhmacher suggested keeping the regulatory fee charge and changing it to a Capital Improvement Fund and leave the water rates the same. Mike King suggested sending out flyers to let people know the regulatory fee will change to a different type of fund to improve the existing water system. Dick Diffenderfer said a letter will be drafted to inform the customers of everything that has gone on and is coming up, as soon as this AZ Step Project is completed. The Manager stated the Board should consider what CPA, Donna Fagan said about spending what the district is making and not having any funds in reserve. Dick Diffenderfer stated he has worked up several different water rate options. It was decided the Board hasn't had time to go over the options enough to make a decision at this time. Mike King made a motion to table making a decision on water rates until next month, Dick Diffenderfer seconded, the Board voted, motion carried.
- G.) The Board went over the 2000-2001 Budget. Duane Hines made a motion to approve the Final adoption of Mayer Domestic Water Improvement District's 2000-2001 Budget, Dick Diffenderfer seconded, the Board voted, motion carried.

7.) **COMMENTS**

There were no comments.

8.) **ADJOURNMENT:**

Chairman Mike Schuhmacher adjourned the meeting at 8:40 p.m.