

MAYER DOMESTIC WATER IMPROVEMENT DISTRICT
MINUTES FOR JULY 11TH
PUBLIC MEETING

1. Call to order 7:07 p.m.
2. Roll Call of Members. All Board members are present.
3. Motion to approve Minutes of May 20, 2002. Motion seconded to approve, all in favor, motion carried. (Couldn't hear who made motion & who seconded.)

Motion to accept minutes from Executive Session of May 30, 2002 and Board Meeting of June 13, 2002, motion seconded, all in favor, motion carried. (Couldn't hear who made motion & who seconded.)
4. Public Comments; Please give only 5 minutes and no questions will be asked to the Board and the Board will not take actions or answer questions.

Jan Little: I was questioning the rate increase and when did it go into affect? Was it posted properly?

Margie Good: Regarding the time period before ASUA. We had two part time people, one full time person and Frank Soto. Now there are eight people, three are Frank and two office personnel. Has Frank put any kind of an add out for help or did he just hire without advertising those jobs? Also, when the Board makes important decisions, where do you find resources?

Maureen Hawkins: In respect to issues regarding when it was decided to hire ASUA as management. Is that an issue that should be made known to residents? Also, if you aren't responding. At what point will you answer the questions -

Dave Albins: First, as an owner, I resent that your pacifying us. We want to participate as owners of this company in the management of Mayer Water. We want to be part of the process. It isn't fair that we can't talk with the Board and it is creating resentments. I want to talk about wells. The board put trust in a manager that isn't here now to inform them about the operating status and because of this we've adopted a moratorium where the Board is disallowing agreements to be met that have already been agreed to by the Board. This is a problem and I think the board needs to figure out what is going. Something is wrong when the Board won't let people participate. People are getting involved who don't have any ownership. The Board is being totally unfair by not allowing the public to participate. It seems that anything I have to say doesn't matter. I don't think there should be a moratorium in this community. (Mr. Albins tells brief history). Water should be progressive in growth and its decreasing



its source. Now we are being told that people who have existing agreements cannot be served.

Anna Young: Wants to address public. She states that the facts behind the public comments by law is that the Board isn't allowed to answer questions. It is simply a time frame for the public to voice their opinions.

Dave Albins: This isn't a law thing. When an attorney says the Board can't answer questions, it takes away morality. This Board is doing wrong things right now. Don't put trust in employees at ASUA who has been giving bad information to the District.

Anna Young: You are welcome to call in, or visit the District's office

Dave Albins: I want to help.

Bert Tesky: If your gonna speak you have to fill out a speaker form. I put down that I would like to about the regulatory fee. I asked where fee monies are that were collected in the past, and I was told the funds were in a rollover fund. I did talk to management about that. Another question I have is about the increased fee. I was told it was removed. Our regular water rate was \$18 which was less, except for the regulatory fee, which hasn't been used except for any operating expense. So, if it was legal to roll that regulatory fee into the general fee - than why did we have to raise the rate at time when we had so much money in the bank? As far as the moratorium - I can't get an answer as to what it really means.

Sarah Morgan: Since Frank has resigned and they appointed an office manager, what qualification does she have to manage water?

Anna Young: We can answer if the Chairman says we can.

Tim Edwards: Brenda is hired as the office manager. I am the operating manager, and I have the qualifications. I have an office in Goodyear, but frequently come to this area to conduct business. I spend a considerable amount of time there. Brenda is not a general manager of the district - but supports me on behalf of the office work. You can contact me if you have to, but I prefer for you to contact the Mayer office.

Someone??: What is the turn-around time to receive a response from you?

Tim Edwards: Within 72 hours

John ("X" Mayer employee): I am understanding that the water district personnel cannot speak to the Board members about any issues. Why? The community can speak to the Board, but not employees - why? The members of the community should be able to speak.

A handwritten signature in black ink, reading "Duane Hines". The signature is written in a cursive, flowing style. The first name "Duane" is written with a large, stylized 'D' that loops around the first few letters. The last name "Hines" is written in a more straightforward cursive. The signature is positioned at the bottom of the page, below the printed text.

Charlie ???? : To introduce the well off Hackleberry Road, what is that going to do to the water table? What about well at the Aqua Fria?

Someone? Does Anna Young represent ASUA, or does she represent the District:

Anna Young: I represent the Mayer Water District.

Someone? Than why are you conferring with the ASUA : I am communicating. Also, because they happen to be sitting right next to me.

5. Manager / Operator Report: Billy? Do you have any comments? Billy states not at this time.

Tim Edwards: I would like to address some questions to the best of my ability: We've already addressed Brenda's position, which is to support me to manage the system. Regarding why employees cannot contact the Board: We need to know there is one individual - the manager - everyone else is responsible solely to the manager. It is just like a chain of command. In the private world you go to your immediate supervisor - we aren't restricting the staff - but if it deals with the policy, they need to take the issue to their immediate supervisor - just like following the chain of command as in a personnel policy manual. Regarding the water quality of Oak Hills: We are trying to determine - there have been varying opinions and we are currently trying to validate those opinions. So far, the well does meet all of the requirements that have been established - whether we are encroaching on MCLs there is still a question. We had a hydrologic study performed and it depends on the amount that is taken. We can't give definitive information if it isn't available. We've established the proper pumping rate so that there is no negative impact. We try to achieve a gpm rating - we need to have recovery rates. Regarding well ownership: We do own the well. So now we need to establish a pumping rate that will affect the well as little as possible. Also, I'd like to say to the community members regarding participation, that I tried to give an opportunity with the Chairman to facilitate you, and give you an opportunity to come and talk so you can be heard. We altered the agenda so you have an opportunity to voice concerns so we can go back and resolve your concerns. Unfortunately there is a time limit to this forum. The public does have other avenues available to assure that your voice is heard by Board - call them, write them, send a note - and as we discussed if you still don't feel fairly represented there are other alternatives available as you are well aware. We want to address your concerns if we can. A comment was made that you can ask questions - but can't get answers, its illegal for us to answer without them being properly posted on agenda. We will get your answers and provide them to you. Some of your questions we simply need time to answer.

Someone? Are you going to put these questions on next agenda?

Tim: We've put everything on the agenda, if something is missing we certainly will



put them on agenda, yes.

End of manager's report.

Dick Diffenderfer: Would like to move information items ahead of action items.
Motion by Dick, Duane H. seconds, all in favor.

9. Information Items:

- A.) Mike Schumacher: Announcement of Board Positions: We need to make known to the public that there are two positions available on the Board of Directors. If anyone is interested they need to go to the County and fill out all the information needed.
- B.) Discussion with William Crouch regarding his payment of prior tenant's bill and raising deposit:

William Crouch: I guess you remember me. I am, once again, asking the Board to refund my money. I was told last time that you didn't remember a law proving this action legal, and couldn't recite one to it - I have the law (he reads the law).

Anna Young: Asks "what statute are you referring to?" She clarifies that what he is reading is not law. It is simply language from a textbook.

William Crouch: Since it isn't a law, what about the moral? These people want to know what moral means, what does moral mean? You said yourself we can go for a show of hands how many people had to pay out for something totally immoral. Why should I . . . the last time I came here I asked for a waiver or refund for monies I paid. I had to pay \$205.60 that some other person left on my meter for me to get my water hooked up. I have a wife & two kids. I'm on a tight budget - the Board said I could go to St. Vincent for help. But I didn't. What I needed was this Board to have the moral liability to be correct and quit ripping people off. Once again, I'm told it isn't a law - it's impermissible. That's my story. you work for us - we're part owners. Only one person had the morals to abstain from the vote cause he knew it was wrong. I'll be here again if I don't hear what I need to hear. I want to be on the agenda where I can get some action. For some reason the prior bill where I live now, there was never a \$60 deposit refunded to this woman. Where did this deposit go? Didn't it go in black - what happens to our money? You want our faith in you as Board members, give us a reason to put our faith in you. Remember my name - well, I will be here every Board meeting until something happens. No body is getting treated right.

Mike Schuhmacher calls next speaker.



C.) Mr. Albins: Concerning the wells and moratorium and the fact that it starts with a manager, which was involved that left. This stuff is a mystery - when Frank Soto left he was in your employ - so you aren't allowing him to walk out and not tell anyone where any valves are right? You owe allegiance to this Board. Well history as its known by the Board only comes from Mr. Soto, is most of what you know about the system things you learned from Mr. Soto? You make decisions on this Board - most decisions are based on what he told you. If this is true, how can management that's been contracted by Board - allow him to walk away? Then some gal calls - the point is the history of the wells is through Mr. Soto. This Board has no idea what is going on right now without Frank. What the heck is going on? Now about wells. There are wells - Gate well, needs three phased power to increase capacity of wells. There are wells that are quite good, one in particular and the water came in at a level of 200 ft (37 ft. from the top). According to Mr. Soto, who told everyone we are about out of water. Everyone believed that. I'm telling you different. There is surface change, but that is still a strong well and likely capable of a higher level. Did Mr. Soto tell anyone he undressed those wells and abandoned these wells? Recently, because he saw there was need now to reinstate, there are 2 wells that have had pumps after the moratorium was enacted. Chimney Ranch has pumps - one was on reset - the heater had bumped it off. My dad says there is an electric line - is the pump running now? Bill Jones stated: The electric box is old - Mr. Albins: Asks that couldn't that well be off right now? Bill Jones: True Bill Roberts is in the process of getting those replaced. Mr. Albins: At 25 gallons a minute, with the moratorium in affect, what if we're losing water because of this? Someone should be checking that right now. I want to know where the other pump is. Where is the third pump? It seems to me that there should be a pump in each one. Then, if one dies the other can be flipped on. Thank you.

D.) Patty Hollbrook: I guess we are addressing the moratorium issues. Her questions are: One issue that was never answered - I represent Oak Hill subdivision, we've been advertising water is there - why, legally, can the Board say there are no issues allowed, we can't call people. The only answer I received was that there was no water. Afraid of an overwhelming response? How can we get these questions answered - are there 10, 20, 500 meters requested? What are the reasons we don't have water? I asked someone how many wells we had, they answered they didn't know - now we are here to help you guys because we want these questions answered. We owe moral responsibility to people in Mayer. Now we are asking you questions - and every time its tabled or put in executive session. How can we work together if everything is behind closed doors? If I had my own business and was having problems, i wouldn't hire a manger that was hardly ever there - I'd want someone there every day. No answers besides there not being water. What is happening? How many meters are active now? (550) if 12 people want

Adriane Hines

7. Executive Session. Mike Schuhmacher requests that a motion be made to move into Item 7, executive session? motion by Dick Diffenderfer, seconded by Walt Diskin, all in favor no opposes.

Board returns from Executive Session.

6. Action Items

A.) Discussion / Decision with Patti Hollbrook:

Patti Hollbrook: From what I said before, the moratorium should be lifted until more facts are gathered. I think that would be a good plan.

Mike Schuhmacher: Is there a motion to table?

Mike King: What I want to do is have or schedule a meeting either this week or next week to discuss the moratorium because I'm not into tabling this meeting after meeting. At the same time I think that at the special meeting we can address the whole issue again. It will give the management company time to go out and look at things, review the information so we can make a better decision. How about two weeks from tonight?

Walt makes motion, for a special meeting on July 25 of at 7:00 p.m.

Mr. Albins states he's having a hard time hearing the discussion.

Is there a second? Dick Diffenderfer seconds to table Patti Hollbrook's issue until the July 25 special meeting. All in favor, motion carried.

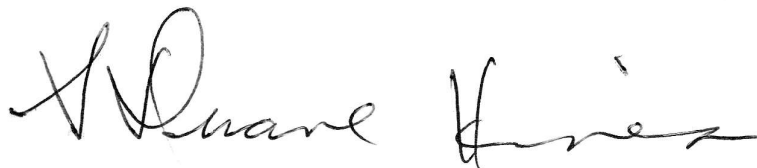
B.) Discussion / Decision with Jim Brown concerning Oak Hills area's two meters.

Mike Schumacher: Is Jim Brown here? Is there a motion to table Item C, Jim brown's issue? Duane motions, seconded by Dick Diffenderfer, all in favor, motion carried.

C.) Discussion / Decision with Ben Filer/Jim Riley Concerning a New Meter. Is there a motion to table Ben Filer's issue until July 25? Mike King moves to table, seconded by Duane Hines. Mike Schuhmacher: I want to let the people know that these items are going to be on a discussion / decision basis for July 25.

(discussion where the meeting will be)

Jean Albins asks a question - (but I can't hear her clearly - something about one at a time?) Anna Young: They are planning on dealing with the moratorium issues on a whole, and I will be meeting with Mr. Albins next



week. Mrs. Albins also wants to make sure that Brenda Lawyer has the proper authority to meet with her & Anna regarding her line extension. Tim Edwards assures her that if he cannot make the meeting with Anna, Brenda can sit in and relay any information to him and act on the District's behalf.

(can't hear - and the tape recorder did not pick this up since everyone was so far away)

Tim Edwards: Anna is one of the representatives to the district.

Anna Young: The purpose of the meeting will be to discuss issues in the district.

Jean Albins: I want to make sure if you're getting off the moratorium.

Anna Young: It will all be dealt with at that time.

- E. Discussion / Decision on Disabling old system. Staff is not really ready at this time and will move to next agenda.

Mike Schumacher: Wants to mention on a C and D is about the moratorium and will be handled at next meeting, okay?

Is there a motion to table Item E indefinitely?

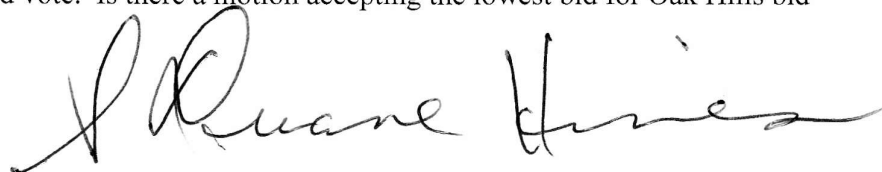
Mike King: What is indefinitely?

Tim Edwards: We aren't sure that this needs to come as an action item - we feel the operation on this needs to be done. We just want to bring to you a special report that's why we are asking to table indefinitely. Because it is an action item, we would like to table. Motion by Duane Hines to table Item E, seconded by Dick Diffenderfer, all in favor, motion carried.

- F. Discussion / Decision on changing copy fee policy. Tim Edwards: It was suggested that we may want to review the policy on copying fees. We understand the reason for setting the rate at today's rate to hope people won't want a bunch of copies. (.50) however seems to be unfair, some people may legitimately want copies. It is suggested to amend that policy to establish a rate of 10 cents a copy up to \$1.00, than .50 a copy.

Mike Schuhmacher: Is there a motion to change the copy fee policy? Mike King makes motion, seconded by Walt Diskin, all in favor, motion carried.

- G. Discussion / Decision on Oak Hills well bids: Tim Edwards: We've been instructed by the Board to proceed to bring back bids for survey to begin the construction process. We've had opportunity to collect bids, we received two bids but one board Member has recommended the lowest bid be accepted. We need board vote. Is there a motion accepting the lowest bid for Oak Hills bid

A handwritten signature in black ink, appearing to read "Duane Hines". The signature is fluid and cursive, with a large initial "D" and "H".

survey at \$2,500. The reason all Board members haven't received bids for review is because bids have recently arrived and there wasn't time to review. Dick Diffenderfer explains to the public his engineering background and why he feels this bid is very reasonable.

Mike King is angry because he didn't have time to review the bids.

Is there a motion to accept the bid of \$2,500? Duane Hines makes motion to accept lowest bid - -

Walt Diskin: We are going to spend (interrupted) - - I don't see why we are going to survey it now if the well isn't usable. . . money down the drain.

Mike Schuhmacher: Explains bids for surveys.

There has been a motion by Duane Hines. Mike King and Walk Diskin oppose, Dick Diffenderfer and Mike Schuhmacher in favor -

8. Notice of Marcus' Resignation. Marcus is not here tonight. Tim Edwards explains why Marcus is leaving.

Mike Schuhmacher: Is there a motion to adjourn?

Walt Diskin: Requests to ask Bert Teskey a question. Bert do you buy the ranch first or the cows first? people laugh - - -

Duane Hines makes motion to adjourn , dick seconds, all in favor, meeting adjourned.

A handwritten signature in cursive script that reads "Duane Hines". The signature is written in dark ink and is located at the bottom center of the page.

meters - why not? Last year how many meters were hooked up? You should know this before you enact a moratorium. If we have the capability to service 800 meters and if we only have 550 - why can't we get these meters

Mike King: Let's put this on next agenda.

- E.) Paul Hines: Everyone has tried to get a well on line at Oak Hills. I came to the last meeting and was told the well was near contamination levels - our manager believed it was better to put directly into system saying we had antimony problems and if it became toxic that we'd work it out. At three meetings we were told antimony was a problem - I got the well report and it says there is a \$15,000 well report that there is no chemical analysis for. I called Legend Laboratories and wanted a breakdown. I asked for a copy of Oak Hills well test. We now see antimony is .0006 mcl - it would have to increase 10 times for there to be a problem - there was never a problem with antimony. I thought this odd so I called ADEQ. They said they never received the report so they couldn't comment. ADEQ said they were told not to submit it. We looked into it further and went to Yavapai County to see about running lines down city roads. Spoke to Mr. Huitt (Walt & I went), discussed route down Hackleberry Road past storage tanks - also got a permit. (a Board member said stop now. not sure what Board member it was). The permit for going down the County road is \$60.00, the survey and easements will run anywhere from probably 6 - 8 thousand dollars. We saw that as too high a cost to run a 6" line down through there. DWR said there are exceptions to things. I installed all 6" pipe in 1984. 900 ft is blasted, very hard process. If we go the road we can go 2ft with no blasting. We should get bids on this as it will be much cheaper than spending 60 -70 thousand for a 6" main. This is in the best interest for the people. Our policy has never been to run a 6" main for landowners - just developers. I talked with Tim Edwards. Twice Tim says he doesn't have an answer. I understand this. I would like the Board and public to know that things we were told were not true - directions we tried to take to solve problems, and a well report we paid so much money for. Dave Dobson owns the land - I had a registered surveyor come out, the well we bought with the legal description is incorrect because we bought it from Jim Brown.
- F.) Margie Good: I have a lot to say. I, myself, am depleted because there is so much going on in this town and we come to meetings now and truly we have intimidation because a lawyer is a lawyer. There are things I want to say, but I feel the people deserve to have a voice that they can trust to speak for them to the Board. I want money to be put up so we have an attorney to speak for us. We aren't satisfied. We need to try every avenue to have an attorney paid to listen for us and bring a resolution to the problems. We need more than just working it out - we don't have solutions its getting to be too much for all of us. We need to move forward with something positive. I believe that the Board has authority to make monies available so we can get answers to our questions.

