

Mayer Domestic Water Improvement District

Special Board Meeting

May 30, 2002

Minutes

1. Call To Order. 7:00 p.m.
2. Roll Call of Board Members, All present, Dick D. attended via telephone.
3. Discussion / Decision on Bringing Oak Hills Well Into System. Brief synopsis given of last meeting: We discussed how to bring Oak Hills on line, Walt Diskin made a motion for obtaining sealed bids. However, it was stated that what he thought, and what was required were two different things. Frank discusses how obtaining sealed bids would be much more costly, and suggested to the Board that we bring Oak Hills well on line by a force account (meaning we do the job ourselves). We hire an operator, laborers, and someone to do all blasting. This way would be quicker and cheaper, but Frank states that he will back the Board's decision however they decide. Mike asks exactly how much more money it would cost to have sealed bids. Frank states the biggest expense would be the survey, which he ball-parked at approximately \$3,000 and engineering, acceptable to ADEQ, at approximately \$5,000. If we do the job ourselves, the engineering fees would be minimal. The job would probably be about \$50,000. The County would be involved for sure. Frank quotes prices: \$3.00 per foot for pipe, lineal ft. \$15,000. Gate Bells - \$3,250. We will need to also purchase air release valves, how many is not yet known, and 5,000 feet of tracer wire (we have recently been paying .15 per foot) and shading material is also needed to install the pump and motor and controls at the well site - estimating at \$6,000. Frank states we would most likely want to fence the site, which 100' x 100' = \$3,000. Frank phoned on a trac hoe, which would probably be required. He was quoted with a discount and including insurance, it was approximately \$7,000 for a one-month rental. It is cheaper to rent by the month. Frank projected that if we had an operator on the machine, two guys on the pipe crew - he estimated \$3,000 per month. Gas, oil, grease and to maintain the machine wages would be \$25.00 per hour (4 Wks - \$4,000), 2 Laborers = \$3,200 and additionally to pay somebody for backfilling - \$1920. Additionally, we would have to pay the normal taxes, state funds, etc., at approximately \$2,000 - Hopefully, that is a high guess. Therefore, labor would maybe be over \$11,000.

Frank spoke to ADEQ regarding antimony issue. Since we are at the MCL, not over, there is no treatment required at this time. However, we are scheduled to retest again. It seems few, if any have had problems with antimony. ADEQ are dumbfounded as to why we are having a problem here. In other situations such as with Arsenic, when a system has failed the MCL tests, ADEQ has allowed them to have a water vending machine. They may allow us to do that too. Any Questions? Short discussion.



Mike King requests to have all these figures typed up before he votes so that he has time to review. He also suggests that we check with landowners and see how much land we may need for a settling pond. Frank states that he has had no opportunity as of this date to inquire.

Mike King asks if we have to pay a company any percentage for the materials used on this job. Frank answers No, any charges would be minimal. The only charges out of pocket would be for payroll and insurance.

Duane asks if the water goes into the system would it need to be deluded. Frank states that we would have to treat it before it gets to the first customer. Frank draws diagram to explain about Jim Brown's Easement and offer for using one of his lots. Board discusses how the well would work, pressure & pumps. Discussion on who gets served first and suggestions on how to run the system.

Discussion on whom should do the survey for us. Frank explains that when we get a sealed bid, they have to include everything so the price is more expensive because they need to make allowances for unexpected occurrences that may throw them off schedule.

Walt suggests asking anyone around Mayer with a back hoe if they have any idea what they would charge.

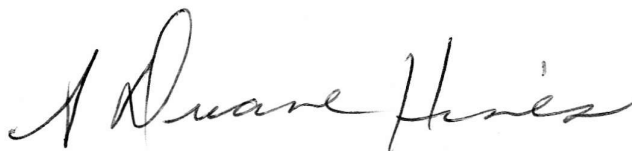
Paul Hines comments that he would like to look at the job. His thoughts were that we planned to go straight to the tanks because of the levels being so close to over the limits. Frank states that is an option. Since we are looking at about a mile of pipe, we need to take the shortest route. Discussion using diagram.

Mike King reiterates that he wants firm numbers until he is ready to commit to a decision. Frank states again, that until we have an actual plan of what we want, firm numbers are practically impossible to obtain.

Discussion on how cost effective it would be to put reverse osmosis units in homes that we serve before water gets to tank and that it would be our responsibility to maintain and service these units. Duane states this would be a shorter length of time to accomplish and that we could maybe release the moratorium if we can just hurry to get water in the system.

Paul states that we come from the well with a 2 inch line and go straight to the tank. It would be around \$63,000, and let the developers get their own lines out. The people in town are our first priority. There is long discussion of 6" line versus 2".

Short discussion on Grapevine well, recovery level being low and what that well pumps.

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

Updates. We have been pumping Chimney Wells Sun, Mon., and Tuesday and they have not gone down. We rested the Lucas well for 3 days and we rested the D&R well. Now that it is getting hotter, Frank anticipates seeing exactly how users are going to be willing to conserve.

Paul states that there are different rules for a transmission line versus a domestic line. since there are no taps it feeds directly into the tank. Frank disagrees. Discussion on same and discussion on Paul's IRS situation regarding a letter we received that Paul said expired on April 15 of this year. Board requests a letter stating it has expired in order to consider him for the Oak Hills job. Board also discusses Paul's on the job behavior and dependability.

More discussion regarding Oak Hills job options.

Mike King requests figures on what it would cost for us to do the job to the lower Goodwin tank and straight through, so at least we have two options. He also wants to know exactly the government is going to make us spend money on. Its commented that if we let Paul Hines bid exclusively, than it has to go out to public bid also.

Schuhmacher asks who has to do the final inspection. Frank answers the engineers.

Discussion on Lesio's Bid. Franks Explains Bid.

Discussion on whether Schuhmacher & his wife are willing to give us an easement. Schuhmacher states that it isn't a problem. Frank recommends coming up the road to Schuhmacher/O'Leary's property line, down easement to well and that we do it basically ourselves. We rent the equipment and do the 6" line.

Duane makes motion to use 6" pipe, take the utility easement on back by Schuhmacher's house, then go down and meet the other 6" pipe at O'Leary's and that we do the job ourselves.

Dick D. seconds. All in favor except for Mike King who opposes.

4. Discussion/Decision on Requirements ADWR Need to Write a Plan. Frank states that he met with John Fortune and he is aware of our situation and wants to help. After showing him most of the wells and discussing our issues, Fortune went back and sent us an outline. He didn't say that we have to do everything on the outline, but he did say that if we follow it close, then he will help and release money to us. It is very extensive, and they want answers from a geologist / hydrologist, etc. Frank states he has not spoken with John since he received the outline, but wanted it on the Agenda for the Board's comments. Walk D. asks what happens to the money, and Frank answers that we have 20 years left to use it, then it goes to the CAP. If we don't use it we'll lose it. Discussion of same. Mike thinks the outline is a good thing to complete. Frank requests the Board to review of the outline, and states he can show it to Manera and get his opinion.



Discussion of meeting that Frank attended regarding the Land Swap.

Any More Comments?

Frank discusses receiving a faxed letter from Jim Brown. His plan is to send his check back, but acknowledged acceptance of his application. He spoke with Anna Young, she feels that Jim Brown's attorney will be filing suit.

Mr. Schuhmacher asks for any public comments:

Mike King states that 1) we are in violation for the May 28 meeting because they spoke to Paul Hines altogether; 2) wanted it said that he is upset that he couldn't get more numbers in advance of the meeting; 3) wanted to know what kind of contract we have with Anna Young and if the Board members could contact her directly. Frank stated he doesn't think there is any kind of agreement, but thinks the more people that speak with her, it could cause confusion or communication problems. Mike: Do we need approval from the Board? Board should decide among themselves

Dick: Has no comments, and is asked by Mike King if he is registered to vote in Yavapai County. He is not – only Maricopa County.

Schuhmacher: Is There A Motion To Adjourn?

Duane motions to adjourn.

Mike: Seconds

All in favor.

No Oppose.

Meeting Ends At 8:38 P.M.

A handwritten signature in black ink, appearing to read "Duane Hines". The signature is written in a cursive, flowing style.