

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

**Board Meeting Minutes
August 8, 2013
Regular Session**

CALL TO ORDER:

Pat Champion, Board Chairperson, called the meeting to order at 6:00 p.m.

ROLL CALL OF BOARD MEMBERS:

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

APPROVAL OF MINUTES:

Kevin made a motion to accept the minutes of July 11, 2013, as amended, Rita seconded the motion.

Pat made a motion to accept the minutes as corrected. Rita seconded, the Board voted, all in favor.

Board discussed corrections to the July 11, 2013 minutes, including correcting typos, and to put corrections on the agenda. Call for vote to accept meeting minute corrections, Joe motioned to approve, Gordon seconded, all in favor.

Pat announced public comments are limited to 5 minutes each and only one comment per person, and all audience participants can have handouts.

RATE HIKE DISCUSSION:

Pat pointed out the current drought and referred to the US Drought Monitor, we are in a severe drought at this time, discussed the drought state. Some wells are out of service because of arsenic levels, working to retrofit these with equipment to remedy this. Water rate up article from the Payson Round Up showing water rates up 40%.

Kevin, asked about the testing of the arsenic levels in the unused wells and how long wells have been unused.

Rita, questioned and talked about graphs for soundings showing water levels, she sent info to ADEQ for clarification of the graphs. Rita worried about levels of wells and graphs being incorrect, per her discussion with ADEQ, wells are declining without use, said using two wells for graphs is incorrect.

Kevin and Pat, stated info is correct and that using static numbers is the only way to tell how much water we have. Production goes down as the water levels go down. The numbers show what the wells are capable of pumping (using original well numbers from initial drill). The wells we are using we can't be used to show the levels of water in the aquifer.

Rita, wants outside professionals to do the sounding on the wells. She refutes that we are doing the soundings correct.

Joe, talks about water conservation in the Mish household.

Rita, wants to know what we are going to do with possible monies we are going to get from rate hikes. Rita says we need a plan for use of the CAP money.

Joe, CAP monies can only be used to go forward on repairs, cannot be reimbursed for past repairs.

Joe, states that there are a few people that are using the majority of the water. Businesses are to be exempted from the increase in the prices for now. We need to conserve water or we are going to run out of water.

Rita, states the [rate hike] money needs to be managed in a good manner..

CALL TO THE PUBLIC:

Frank Soto, claims a MWID employee got caught giving one of the best wells away and is not happy about how the way the water company is being run, saying the water lines were flushed with sewer water.

Board members, stated Soto went to newspaper and had story published without confirmation of the accusations. Pat rebutted that the well being discussed used to have high nitrate levels. Now the well has an acceptable nitrate level of 2.1 and the newspaper published Frank's remarks w/out verification of the facts.

Mr Coe, has issue with commercial businesses getting a break on the overage fees for excess water usage. States the businesses can raise prices to consumers to combat the higher water rates. Individual can not afford to pay higher rates. He feels that the water company can't manage money if they can't manage water. Asked about million gallons of water missing.

Kevin, stated that there was a raging fire going on and they were taping our hydrants for fighting the fire. Mayer Water is looking into exactly where this water went. We need to look at the big picture. To conserve water. We need to recover more of the water we are wasting. We have a battle going on we are just at the beginning of the drought. Drought affects the property value of our homes. We need to work together on this.

Jerry Sharp, has concerns about the water in his home and he is a small business owner from his home. States he has paid bills in cash and not gotten credit for his cash payments. Has to call into office to find his payments. His business is down due to the economy. Is he to be considered as a business since he has an LLC.

Marge Good, concerns about graphs. Want to see a graph for every well for the whole year to be able to determine all the possible causes of drought. The current graphs are open for interpretation and manipulation. Claims the water company is not doing due diligence in reporting the water levels. Why are we not using more automated systems to turn the well pumps on? Says we should not depend on a person to turn the pumps on and off. No financials showing what the rate increase will go for. No financial report since the audit. Water company should not pander to one group or the other, need to be fair to all and all to support the system. Margie does not like the scare tactics being used. Margie wants to facts for her. Margie wants an across the board raise for all. Complains that board is not giving enough factual information. Worries one person or business is taking the brunt of the cost.

Kevin, we are a non-profit organization we are not using the increase to profit from. Kevin asked if we should not conserve water - is that what you are saying.

Joe, states that we are going to put in a 200 thousand gallon tank with the CAP monies. So we can have more water available in the hard times.

Gordon, states we are using an antiquated system to try to monitor the water. It's not so much restriction of water. But using a tired system and the need to conservation of water.

Rita, wants management of the company to be taken under control.

Gordon - disagrees with this statement.

Mr. Sharp, worries that the more money is being used to finance more projects.

JoAnn Coe, no one doubts there is a drought. Rate hike was based on one month of service. She has talked to the CAP office and states that the 200 thousand gallon tank has not been voted on. The fiduciary aspect does impact the community. She wants to know why the Pump Tech well is not being used. We need some facts and you need to do it right and need to do it fair. We want a list of people who don't have meters on their property. You are not working with community.

Patricia, took ownership of not posting notice the meeting. We didn't vote on the size of the tank but we voted on the design project.

Kathy King, didn't know that this well is not being used on the system but only being used for this building. The King family does not waste water. Voting on something and not having paperwork shows the proof. Wants to know where the 10 thousand gallons comes from. Thinks \$15 charge is to harsh. The tier thing, why can't we have a plan of what to cut out as the drought comes into effect. Is this a rate hike going to stay in effect for infinity.

Kevin Jones, do you even know what 10,000 gallons of water is. We need to come a fair reasonable line to the cap of water usage.

Pat, 81 accounts are using 44% of the water consumption.

Mrs. Sharp, she thinks we need some oversight. Financials and water consumption needs to be produced monthly to all consumers.

Gordon Nelson, feels that with the exception of one board member the board is on the same page.

Mr. Champion, the current billing for over 10,000 gallons is currently \$10 per one thousand gallons so the increase is really only a \$5 increase.

Pat, asks board for motion to increase the rates on the over 10,000 usage, commercial exempt at this time.

Gordon, makes motion, Kevin, seconds the motion, In favor Joe, Gordon and Kevin, opposed, Rita.

BOARD REPORTS:

Kevin, report - outstanding job on the Main Street new lines and the patching of the asphalt. On schedule as well.

Casey Boone, backhoe on private property. Repair leak for \$100. Rita – elders club leak. On their side.

Pat, financials - in spite of accountants personal issues we have the them. The financials are off by thousands of dollars. Several areas are inaccurate. Payroll, Pump houses and taxes etc. RVS does not talk to QB. So reporting is inaccurate.

Joe, motion to get a new accountant, Kevin, seconds, all in favor.

Joe, motion to approve managers and financial reports, Gordon, seconds, Kevin, Gordon, Joe, Pat in favor, opposed, Rita

Rita, Pump Tech well issue, what is an easement. How much water is being used by Drill Tech. When was contract presented to board, was not since no \$\$ involved, only the agreement and escrow issues that were tasked to Pat and attorney, no presentation or vote required.

Rita, Pump Tech well why not being used. Casey- \$19,000 just to hook up 3 phase power to well.

Rita, audit issues. The Financials need to be addressed.

Rita, when will Heather be returning. Pat, requires an executive session because a personnel issue.

Gordon, would like to eliminate "Call to the Public", Pat - feels like sitting ducks in a pond.

Joe, previously transparency was an issue. Wants to keep calls to the public.

Gordon, motion to do away with call to the public, dies for lack of second.

ADJOURNMENT:

Gordon made a motion to adjourn. Joe seconded. The Board voted, all in favor. Meeting adjourned at 8:30 p.m.