

Approved
[Signature]

**MAYER DOMESTIC WATER IMPROVEMENT DISTRICT
BOARD OF DIRECTORS MEETING**

December 7, 1995

1. **CALL TO ORDER**-Chairman Gary Sandy called meeting to order at 7:05 PM.
2. **ROLL CALL OF THE BOARD**-Present were Gary Sandy, Johnnye Hines, Walt Diskin, Gene Miller and Rita Neff.
3. **APPROVAL OF MINUTES FROM November 2, 1995 and November 16, 1995**-Walt made a motion to approve the minutes of November 2, 1995. Rita seconded and it passed. Gene made a motion to approve the minutes of November 16, 1995. Walt seconded and it passed.
4. **CORRESPONDENCE**-This will be covered as is comes up on the agenda.
5. **REPORTS-a-Manager**-Walt brought up that there was not adequate heat or cooling in the office. The Board instructed Jan to send a letter to Mr. Lillywhite of his obligations. Jan had a conversation with Mr. Lillywhite concerning the heating problem and he had agreed to pay 1/2 of cost to put in heat. The check register and financial reports were reviewed. Jan received a call from Bill Feldmier concerning a customer who was complaining about the quality of water and the high rates. This customer is not a member of the Water District opting out when the District was formed. She is provided water as a courtesy Mr. Feldmier told her to direct her comments to the Board but she was not present. Tim Bray called Jan with the news that the Federal Government wants the Bureau of Reclamation to do environmental impact study in the area in connection with the CAP allotment. This will hold up the sale to Scottsdale. There is a meeting tomorrow in North Phoenix. Also a meeting on the 14th at 12:30. She has also had conversations with Mr. Bray and Mr. Orme concerning CAP.
b-Operator-Had 3 major leaks this month. Contacted the State Land Department and verbally asked for an extension. There is a good possibility of receiving it. Ron Lipps came in as the low bidder. Can do it for \$5000.
6. **MOTION TO GO INTO EXECUTIVE SESSION PER AR38-431.-30-A1**-Gene made a motion to go into executive session. Walt seconded and it passed.
7. **MOTION TO RETURN TO OPEN SESSION-a-Take any action needed on Item 6-a**-Walt made a motion to go into open session. Gene seconded and it passed. No action was taken at this time.

Rita made a motion to move 8-b before 8-a so Mr. Van Deren could leave before the road was closed. Gene seconded it and it passed.
8. **OLD BUSINESS-b-Clayton E. Van Deren-Update on RECD**-Mr. Van Deren stated that a lot of work needs to be done in this area although need and eligibility was not necessary to receive funding. The RECD budget has been lowered 20% and the grant/loan is probably going to be closer to 50-50. The more the grant the more difficult the funding. Most states are not going to be funded. Jan asked about RECD being funded by block grants. He said he did not think so as there is a lot of Congressional opposition. He discussed many

possibilities on how to get funds. Such as pay-back and doing the project in phases. That means receiving the funding on a yearly basis. The interest rates at 4 1/2%. He said to keep moving forward and to solicit community support.

a-Sunrise Engineering-Possible approval and signing of contract for Phase One Project - Discussion and possible decision on easements not obtained for Phase One-Has all the easements except for Kerr and Williams. Final bill for Babcock is \$4110. Mr. Gillis next to the smokestack wants 2 connection and not financial consideration for his easements. Johnnye made a motion to authorize changes to be made in obtaining the easements. Walt seconded and it passed. Jan thought that the Board should pay 1/2 to Sunrise now and the other 1/2 when the grant/loan was received. If it was not received to negotiate payment at that time. The Board liked that idea. Sunrise asked that \$6000 be left open for construction costs. Sunrise was asking for \$20,000 + \$1293 (construction to date) with monthly payments for balance. Stated that it might be 16-18 months before RECD available. They wanted to be paid within a year and could be interest free. After that interest would start on December 5, 1996. Retroactive-that Gene objected to strongly. Kent said that he would rethink that. It was finally decided to go with Jan's suggestion. Rita made a motion to accept contract from Sunrise. Walt seconded and it passed.

c-Approval of payment to Bob Babcock for balance of easements obtained-Walt made a motion to pay Mr. Babcock \$4110 for easements obtained. Rita seconded and it passed.

d-Mr. Baker ref: water meter at approx. MP-173-Frank talked to Mr. Baker about his meter and he left to go back to Phoenix.

e-Jim Brown-Oak Hills-Discussion and Possible Decision on resolving line extension agreement-Jim preferred to go with his attorneys agreement. Gene came up with an agreement between Jim and Bert dated 5-17-94. It was an agreement to provide water to his 18 lots. Rita wanted to go back to the original verbal agreement. The well is not paid for. There is \$15,000 still owed Mr. Agee. Bert told of the agreement for the well. Jim dropped the price of the well to \$25,000. \$15,000 going directly to Mr. Agee and \$10,000 going to him. Walt said there was an obstruction in the well. Rita made a motion to pay Mr. Agee \$15,000 and Jim \$10,000 for the well in lieu of line extension, contingency on receiving CAP money. If the money is not received at that time to renegotiate at that time. Time limit of April 1, 1996. Walt seconded and it passed.

f-Discussion and possible decision on "Engagement Letter" from Squire Sander and Dempsey as Bond Council-Rita thinks that the community is not receptive to any bond elections. Wants special meeting on how to plan on how to proceed. The District must have a bond election before RECD will commit to any funding. Bond Council will help the District through all the paper work and research. There was further discussion. Walt made a motion to retain them as the Districts Bond Council. Rita seconded and it passed.

g-Discuss and implementing commercial water rates-Gene asked the Board to consider commercial rates. Some commercial rates are higher in some places and lower in others. Johnnye made a motion not to implement commercial rates.

Walt seconded and it passed.

h-Discussion and possible change of security deposit policy-Jan said she was having problems with determining how much to charge for the security deposit. She has to figure the yearly average usage manually. The Board directed her if she was unable to come up with an average to just charge the customer \$150.

7. NEW BUSINESS-A-Acceptance of Resignation letter from Jan Littler-Walt made a motion to accept the resignation of Jan with great regret. Johnye seconded and it passed.

8. COMMENTS-a-Public-None.

b-Board-Rita asked the Board to ~~restrict~~ ^{Limit (75)} the time for each item on the agenda as the meeting were entirely too long.

There was a motion to adjourn.