

1                   **MEETING MINUTES OF REGULAR MEETING**  
2                               **Of The Board of Directors**  
3                   **Marana Domestic Water Improvement District**  
4                               **of Pima County, Arizona**

5  
6   January 12, 2009  
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9   The Board of Directors of the Marana Domestic Water Improvement  
10 District met in regular session in the Marana Domestic Water  
11 Improvement District Board Room, 16560 West El Tiro Road,  
12 Marana, Arizona at 7:00 p.m. on Monday, January 12, 2009.  
13

14   **1. Call to Order and Pledge of Allegiance**  
15

16   Mr. Preston:           “Good evening. This is the regular monthly meeting  
17                               of the Board of Directors of the Marana Domestic  
18                               Water Improvement District of Pima County; it's  
19                               January 12, 2009; it's 7:00 p.m. Pledge of  
20                               Allegiance.”  
21

22   The Pledge is said.  
23

24   **2. Roll Call**  
25

26   Upon roll call, those present were as follows:  
27

28   Board Members Present were:

29           Louis Preston, Chairman  
30           Luis Castaneda, Vice Chairman  
31           Don Peetoom  
32           Gary Kendrick

33   Board Member Teresa Ball-Cummings was absent  
34

35   Others present were:  
36

37           Lisa Sieglaff, Clerk of the Board  
38           Roger Frazier, Esq., Attorney for the District  
39           Wayne Smith  
40           Mark Wright  
41

1 **3. Consent items**

- 2 • Approval of December 1, 2008 Meeting Minutes  
3 • Approval of December 12, 2008 Meeting Minutes  
4

5 Mr. Castaneda: "I make the motion that we approve the Meeting  
6 Minutes of December 1, 2008 and December 12,  
7 2009."  
8

9 Mr. Kendrick: "I'll second it."  
10

11 Mr. Preston: "All in favor?"  
12

13 **AYE 4 NAY 0**  
14

15 **4. System Manager's Report**  
16

17 Mr. Preston: "Item 4, the System Manager's Report."  
18

19 Mr. Danielson:  
20

21 Mr. Castaneda: Mr. Danielson, on the charge of accounts, would  
22 you please explain exactly what the charges were  
23 for on the American Express cards?  
24

25 Mr. Danielson: "How about I get back with at the February meeting  
26 about the American Express charges?"  
27

28 Mr. Castaneda: "That will be fine. Thank you. That's all I have Mr.  
29 Chairman."  
30

31 Mr. Preston: "Are there any other questions? Hearing none the  
32 Chair wishes to make a motion for acceptance of  
33 the Manager's report."  
34

35 Mr. Castaneda: "Mr. Chairman, I make the motion that we accept  
36 the Manager's report."  
37

38 Mr. Kendrick: "I'll second that motion."  
39

40 Mr. Preston: "The motion has been made and seconded. All in  
41 favor?"

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**AYE 4 NAY 0**

Mr. Preston: "Okay. Item 5.

**5. Call for public comment**

Mr. Preston: "Is there any public comment? Did anyone fill out one of those little forms anybody?"

Mr. Peetoom: "Nobody."

Mr. Preston: "Hearing none we'll move on to item number 6."

Mr. Danielson: "Mr. Chairman? Mr. Martinez is here with us tonight and he is listed as Item number 10. Since we may be somewhat prolonged with our discussions with MW<sup>2</sup> if we could do Item 10 out of order and let Mr. Martinez get home his family. His presentation should be fifteen minutes at the most?"

Mr. Martinez: "Shorter than that."

Mr. Danielson: "Shorter than that."

Mr. Preston: "Okay, does anybody else have anything to say; do you agree with that?"

Mr. Preston: "Mr. Martinez, you have the floor."

Mr. Martinez: "Mr. Chairman and Members of the Board, my name is Thom Martinez and I am with Western Resources and we began work on the water master plan for the District about a month or so ago. And as part of the award of the contract we assured you that we would let you know the status what we are doing in the project. We had a meeting with Mr. Danielson and I think Don was there and one of the other members of the Board about a month ago to talk about the three-step process we are going to try to do in order to do the project. The first one was to

1 update the water base maps. And our goal is to  
2 have that done by the first Board meeting of the  
3 new year. We've done that so I am essentially  
4 delivering these to Sig, which are the water base  
5 maps that we drafted. Essentially what we've done  
6 is we've really looked at the sizes, not only the  
7 sizes, but the type of pipes which we had never  
8 gotten into detail; I don't think there was a lot of  
9 detail on that previously. So as part of our work,  
10 what we will do next is the staff has been collecting  
11 data regarding capacities and the well field and  
12 things of that nature so that we can update some of  
13 the capacity numbers when we do the master plan.  
14 When we do the master plan we'll be looking at  
15 what's the available storage and the booster well  
16 capacity. So sometimes what the report was a  
17 couple of years ago or whatever the well was when  
18 you drilled it, it changes over time. So what we are  
19 doing is getting a current updated number and I  
20 believe the staff has provided all of that information  
21 – or the majority of it as of the first of the year."  
22

23 Mr. Danielson: "I believe you had it actually before Christmas."  
24

25 Mr. Martinez: "Right. Obviously with the holidays and stuff we  
26 had some folks with some time off. What we've  
27 done in our next step is part of our evaluation  
28 process is we've got the pipelines down and we've  
29 begun to color code them by the types and sizes of  
30 pipes. (Indicates on map). What we are beginning  
31 to do is whatever is 8" class C and under PVC class  
32 200 we're putting in – depicting in one color so that  
33 we can really get towards an infrastructure, or a  
34 replacement phasing plan so we can look at some  
35 of the smaller things. We get a hydraulic model and  
36 figure out where the system will most efficient and  
37 to see what pipeline infrastructure would need to be  
38 replaced or what we would recommend – a  
39 replacement program. So this is the main system  
40 and this is the Culver system on the back. We still  
41 need to coordinate with staff on the revisions we've

1 made to the pipeline base maps and this might be  
2 reflected on these particular maps but at the end of  
3 the day what the basis for everything that we have  
4 is to look at all the infrastructure once we've got the  
5 pipes and all the other infrastructure components  
6 and what we're proposing to do or what has been  
7 discussed is to come up with our recommendations  
8 for discussion at the next meeting so we can look at  
9 all the numbers and sizes and get some of that stuff  
10 together so that at the meeting in March we can  
11 come with a final report for your acceptance. We  
12 can solicit your input so you're not – just come with  
13 some recommendations for the next meeting and  
14 then finalize the document and come up with our  
15 final recommendation at the meeting in March. So  
16 the thing was way less than 15 minutes, probably  
17 less than five, but that's where we are on the  
18 project. Like I said, we've been going on it for about  
19 five weeks now. So, that's where we are. I'll be  
20 happy to answer any questions that anybody may  
21 have on this."

22  
23 Mr. Kendrick: "I have a question. AC, that's asbestos concrete?"

24  
25 Mr. Martinez: "Yes, Sir."

26  
27 Mr. Kendrick: "Isn't that illegal? Is it supposed to be... ?"

28  
29 Mr. Martinez: "There is certainly a stigma that goes with the  
30 asbestos materials. Generally speaking, asbestos  
31 pipe – I believe the City of Phoenix did a study  
32 several years back and it lasted longer than any of  
33 the pipe that they had put in the ground there as far  
34 as water pipes go. The asbestos, when it gets air  
35 born, say if you're cutting or tapping it you have to  
36 have special respiratory equipment, but as far as  
37 just the asbestos pipe lines they are very common  
38 and they are not seen as a public health and safety  
39 risk. Asbestos pipe, if it was installed right, now  
40 there was a bunch of it that came in during certain  
41 periods that was probably not ... I think a lot of it

1 came from foreign countries at one point in time so  
2 there's been a lot of breaks in that. But the actual  
3 asbestos pipe that was installed correctly and put  
4 into the ground is known to the water industry as  
5 being a pretty good product. So as we get into this I  
6 think that the AC pipe that you have is relatively  
7 small, I think it's about four."

8  
9 Mr. Danielson: "Six and four inch."

10  
11 Mr. Martinez: "Six and four. Obviously the repairs that are going  
12 to be made are not going to be made with asbestos  
13 pipe. Number one because it's really almost  
14 impossible to get. But we will be looking and  
15 considering that. We will have, if we're going to do  
16 any repairs or taps on an asbestos line, making  
17 sure that additional money is put in there so that it  
18 can be properly disposed of because you're going  
19 to run into some other things with the public and the  
20 health and safety rules."

21  
22 Mr. Kendrick: "Don't we need to make sure that whoever is going  
23 to work on it has the respirators and all that stuff."

24  
25 Mr. Martinez: "Correct. Especially if you are cutting it or anything  
26 that would make it air born."

27  
28 Mr. Danielson: "For the Board's information, we have one tap into  
29 an AC line since I've been here and we hired Louie  
30 of Southwest Water Main Tap to do it because he's  
31 got all the equipment and he knew he was coming  
32 out to tap AC pipe so he brought everything that he  
33 had to have."

34  
35 Mr. Preston: "Does anybody have any more questions of Mr.  
36 Martinez?"

37  
38 Mr. Martinez: "Okay. With that being said, thank you for having  
39 me here tonight."

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41 Mr. Danielson: "Thank you Mr. Chairman."

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Mr. Preston: "You're welcome Sir. Item number 6."

**6. Discussion and possible action pursuant to A.R.S. § 38-431.03 concerning contract negotiations with MW<sup>2</sup>**

Mr. Preston: "Mr. Frazier, do you want to start please?"

Mr. Frazier: "Well sure. Mr. Owen has provided me with a draft of a proposed agreement. He worked on this today and we've gone back and forth a few times. I've only been able to really look at it while sitting here tonight but ... first of all may I ask, do you have a copy of the proposed agreement with the little red markings on it?"

Mr. Preston: "Yes."

Mr. Frazier: "Okay. I would just like to briefly go through this and compare it to the earlier Agreements and point out the changes and also I think this is a very early draft. If there are any questions – I have a few questions – as we go along, nobody is glued to this, this is not the final draft, but I think it's a good place to start. As you can see the – what I asked Mr. Owen to do was to prepare a new agreement so instead of having a second addendum, a second amended contract or whatever, we can have a new agreement because in essence I think the other one lapsed – whether it was last month or a year ago last month – I do believe it lapsed – it could be ratified and extended if you want to but I think this would be just a good and easier to follow if there was a new agreement and that's why I suggested a new agreement. In part A on page 1 there it says in A; the old contract said 107 lots so that's been revised to say 73 lots. And let me just ask Mr. Owen if I may, how many lots have already been sold?"

Mr. Owen: "Five."

1  
2 Mr. Frazier: "And are those included in the 73?"  
3  
4 Mr. Owen: "No."  
5  
6 Mr. Frazier: "Okay, so ... "  
7  
8 Mr. Owen: "MW<sup>2</sup> only had 78 lots total. The 107 lots in the  
9 original subdivision included 19 lots on the far west  
10 side and 10 lots on the east side which were never  
11 acquired. So that left them with the 78."  
12  
13 Mr. Frazier: "The five homes that were already sold, are people  
14 living in those now?"  
15  
16 Mr. Smith: "Just two right now."  
17  
18 Mr. Frazier: "Okay. And they are receiving water?"  
19  
20 Mr. Smith: "Yes."  
21  
22 Mr. Frazier: "So, even if this new contract – basically takes the  
23 place of any prior ones don't we want to somehow  
24 involved those first five?"  
25  
26 Mr. Owen: "What we've done is to increase the ... we've  
27 divided the total cost by the 73 lots."  
28  
29 Mr. Frazier: "Right. Do you see what I'm saying..."  
30  
31 Mr. Owen: (inaudible) "We want to get the job done and thus  
32 the 73 lots."  
33  
34 Mr. Frazier: "As far as those five lots are concerned, the District  
35 is providing water. Does everybody understand  
36 what is going on with those first five? You are  
37 providing water that customers will be paying you  
38 and that's not governed by the prior agreement at  
39 all, right? It won't be?"  
40

1 Mr. Owen: "It doesn't matter really at this stage because the  
2 water meters and things are put in and they are  
3 paying for the water they are using, the pay MDWID  
4 for the water, they've got the water service on. I  
5 mean it's just like the old Agreement, it just rolls on.  
6 So I don't think there's an issue there personally."  
7

8 Mr. Frazier: "I don't know either. I bring it up because I wasn't  
9 sure what was going on with those."  
10

11 Mr. Owen: "We discussed it previously to a great degree and I  
12 think everyone's agreed that it's the same for the 73  
13 lots that we have left. That would go to MDWID."  
14

15 Mr. Frazier: "Okay. Number 4, the new provision that says that  
16 this will replace any prior agreements and will be  
17 null and void whether they are in force or not. It  
18 doesn't really matter it just means that neither side  
19 will be looking to those documents after this."  
20

21 Mr. Owen: "And you're right. It certainly does clean the thing  
22 up and there's no question about the precedents or  
23 how it works or the standing of any of the previous  
24 documents."  
25

26 Mr. Frazier: "Okay. Paragraph five there indicates that MW<sup>2</sup>  
27 wants to defer construction of the well until the 60<sup>th</sup>  
28 dwelling is constructed. When we had our meeting  
29 last week, and I sent you a letter about that, we  
30 didn't talk about that. So I don't know if the Board  
31 has questions about that or not. But that was in the  
32 proposal that you sent in October... "  
33

34 Mr. Owen: "Yes."  
35

36 Mr. Frazier: "... and then when we met last week it was no  
37 particular number that was... well it was 20, 30, 60  
38 but I understand what you are saying... "  
39

40 Mr. Owen: "Well the only reason why we didn't reach  
41 agreement is because I think the Board did not want

1 to assume any responsibility for constructing a well.  
2 So we went and turned it around so that MW<sup>2</sup> is the  
3 one responsible for it now. And that's what we were  
4 talking about then and that's what we've done right  
5 now. We've remade it so that the Board doesn't  
6 have to do anything."  
7

8 Mr. Frazier: "Well, all right. I personally don't have a problem  
9 with whether that's a good number or not, I just  
10 wanted to point out that that had not been  
11 discussed last week with the Board Members. So I  
12 just pointed that out. Do you have a question?"  
13

14 Mr. Castaneda: "Mr. Chairman, if I may?"  
15

16 Mr. Preston: "Yes."  
17

18 Mr. Castaneda: "Roger I think as long as we have a timeframe I  
19 think would we not be covered if they built 20  
20 houses within the five years, or if they only got five  
21 more built in the five years then the contract would  
22 still be a binding contract that they would still be  
23 responsible for the \$325,000.00"  
24

25 Mr. Frazier: "No. The way this is going to come out, let's just  
26 take the five houses for example. And you'll see on  
27 page 10, Mr. Owen correct me if I'm wrong along  
28 the way here, on page 2 it shows that there will be  
29 \$4,452.00 set aside for each sale. So just for  
30 discussion purposes let's call it \$5,000.00. And  
31 suppose they sell five more homes, so that's  
32 \$25,000.00 and five years goes by and that's it.  
33 Then there are other clauses that say the District  
34 will keep that money, I mean unless they build a  
35 well, the District will keep that money and their  
36 obligation to build a well at that time would pass but  
37 you'd have five homes and \$25,000.00 to use as  
38 you so wish. So you wouldn't have a new well, I  
39 mean, you'd have five more homes on the system  
40 but you could use that money for whatever purpose  
41 you saw fit and still continue to service those

1 homes. Does that make sense? Does that make  
2 sense to you?"  
3  
4 Mr. Owen: "Yeah, we've been through this before. I agree with  
5 that. That would mean that there would not be that  
6 many people on the system at that point, but that's  
7 not the intent of MW<sup>2</sup> obviously. Their intent is to  
8 get the thing filled out as soon as possible."  
9  
10 Mr. Frazier: "Right. And the discussion that I was just having is  
11 what concerned the Board before. If MW<sup>2</sup> went  
12 bankrupt, if it was a Chapter 11 or just folded  
13 altogether, or this did not go forward. Anyway, you  
14 want to look at what the circumstances would be.  
15 And that's not the intent, that's not the preferred  
16 outcome it a back up. Do you understand what I am  
17 saying? "  
18  
19 Mr. Castaneda: "Mr. Chairman?"  
20  
21 Mr. Preston: "Yes."  
22  
23 Mr. Castaneda: "Mr. Owen I think that's where the breakdown really  
24 was. If we could just get MW<sup>2</sup> to give us that  
25 assurance; I know that it's just a piece of paper but  
26 if we had that intent that one way or the other this  
27 would be fulfilled within five years that we would be  
28 comfortable with this. Is there any way that you  
29 guys... "  
30  
31 Mr. Owen: "Well if you recall, back in October we offered to  
32 give you all of the lots, which certainly MW<sup>2</sup> didn't  
33 want to do that but it was a way of showing good  
34 faith. I mean we had a discussion last week at  
35 Roger's office to go through these things and I  
36 thought it was all settled. I mean, you know we  
37 know that, we all know that we've done our best in  
38 terms of trying to say what we can do and what we  
39 can't do. And at this point all the other avenues are  
40 being rejected. The only thing we can do is just  
41 raise the monetary limit and do it that way which I

1 thought was agreeable to everybody. Those papers  
2 at the meeting were to thrash out and determine... I  
3 mean, I thought that was the select Committee's job  
4 was do go and evaluate these things. That was a  
5 big thing by the way, giving... making available all  
6 that real estate. I mean that was a substantial  
7 amount of money and so this... we took that out and  
8 raised the value because the value of the  
9 contribution for each lot with the idea of going  
10 forward. These people are just waiting to start on  
11 this larger house which is needing to be constructed  
12 within the next few months and it'll be the start of  
13 many more out there. We don't think it will take that  
14 long to do it. Five years is... but it will still be time  
15 enough to get it done."

16  
17 Mr. Smith: "May I say something?"

18  
19 Mr. Preston: "Yes."

20  
21 Mr. Smith: "Also if we do go away this agreement passes with  
22 the land. So it's not like it will go away ever. Say  
23 somebody else took it over they'd still have to abide  
24 by these provisions. I guess your question is will  
25 the well eventually be built? And the answer is yes.  
26 And the only caveat I can see to that is the five  
27 years. If we can't do it in five years then we might  
28 need to get an extension to that."

29  
30 Mr. Frazier: "We did talk this through a lot last week and what  
31 I'm doing now is trying to make sure that the written  
32 proposal is carrying out the general thoughts that  
33 we talked about last week and to make sure that the  
34 language in the Agreement follows that. The 60  
35 dwellings wasn't talked about so I wanted to talk  
36 and discuss that."

37  
38 Mr. Smith: "And the only thing that does is make it more  
39 onerous on us instead of waiting for 73 to do it."  
40

1 Mr. Frazier: "And Mr. Castaneda had raised the question, if you  
2 didn't perform would they still get the whole  
3 \$365,000.00, or \$325,000.00 or whatever it was and  
4 the answer to that was no."  
5  
6 Mr. Smith: "Well we would finish it at some point."  
7  
8 Mr. Frazier: "And where is the provision in here that shows this  
9 goes with the land?"  
10  
11 Mr. Owen: "Well all of the Agreements go with the land. That's  
12 why we had all those assignments. I mean there's  
13 a whole sheaf of documents behind this that are  
14 now null and void that really I thought was quite  
15 valuable in the sense that they track the history of  
16 the thing. And everything's been faithfully carried  
17 out so that there's an assignment from every person  
18 that's owned it. And if you want me to I can even  
19 make it explicit that it runs with the land. We can  
20 even say that in an additional paragraph. That's  
21 what's done normally with these things once they're  
22 signed and recorded against the property. I mean  
23 its... "  
24  
25 Mr. Frazier: "Right."  
26  
27 Mr. Owen: "That's what we do. That's what we did last time  
28 and we'll do it again."  
29  
30 Mr. Frazier: "Yeah, I think that's a good idea. What you're  
31 saying is you think it would be better to have really a  
32 second amendment to the prior one and not starting  
33 with a new one?"  
34  
35 Mr. Owen: "Well I've got it here. It's really short and sweet. It's  
36 just one page and it was ... "  
37  
38 Mr. Preston: "Mr. Smith had just make a statement that when  
39 you buy property you buy all of the package that  
40 goes with it."  
41

1 Mr. Smith: "Yes."  
2  
3 Mr. Preston: "Which is what you guys did. But then you didn't do  
4 anything with the package."  
5  
6 Mr. Smith: "Well yeah, we have. We've done quite a lot of it  
7 actually."  
8  
9 Mr. Preston: "Well we expected you to do it after we signed the  
10 20 houses instead of the thirty that you people could  
11 go ahead and start the well. But you didn't do that.  
12 So that was in the package when you purchased it  
13 and then we gave you that extra 20 houses, but you  
14 didn't do anything with that either."  
15  
16 Mr. Owen: "With all due respect Mr. Chairman, they have spent  
17 a lot of money on the subdivision. I mean a huge  
18 amount of money. It's not like nothing is being  
19 done. I mean they've developed all of the  
20 subdivision; they've put all the dry utilities, they've  
21 done all the paving and all the water system with  
22 the exception of the well. They would have put the  
23 well in too but the way the economic – the way the  
24 subdivision was worked out financially it just meant  
25 that the didn't have those funds readily available at  
26 the time. It isn't to say they won't be available, but  
27 they are not available just right now. But they will be  
28 available as the subdivision gets going. And they  
29 want to finish it out. They don't want to walk away  
30 from it. They're going to lose millions over this.  
31 This isn't something that is very comfortable to  
32 them. I think we've been over this before actually.  
33 It's not a palatable prospect, I mean, if it was going  
34 to be a ... if it was an easy throw away thing we  
35 wouldn't have been here. What is it nine months  
36 since we started this application process? We've  
37 had many meetings with you. We've come back  
38 over and over again. No one wants to give up on  
39 this thing. I mean no one does. There's just too  
40 much money involved."  
41

1 Mr. Smith: "I think that this going with the land... this ultimately  
2 going along with the land is probably the key. That  
3 way it's locked in. That way it will always be there."  
4  
5 Mr. Castaneda: "Mr. Chairman?"  
6  
7 Mr. Owen: "It always has been."  
8  
9 Mr. Smith: "Well not the \$4,457.00; money, you know, each  
10 dollars per lot that's the difference in the old one."  
11  
12 Mr. Preston: "The Chair recognizes Mr. Castaneda."  
13  
14 Mr. Castaneda: "Mr. Frazier, would you agree that our realty lawyer  
15 that we hired to review these documents would say  
16 the same thing, that once a piece of parcel has a  
17 'contract' on it that it's going to be carried over to a  
18 new owner that acquires it? Willingly or  
19 unwillingly?"  
20  
21 Mr. Frazier: "No, I don't think it necessarily does. I don't know if  
22 that's true. It's only going to be binding on  
23 homebuyers if it's recorded before they purchased it  
24 and... or made a part of their agreement. I think if I  
25 understand what you are saying is there some way  
26 to bind each homebuyer to it or... "  
27  
28 Mr. Castaneda: "Let's say, for lack of better words, that something  
29 does happen to MW<sup>2</sup> and they no longer own the  
30 development and Mr. Kendrick decides he sees a  
31 good opportunity over there to buy a piece of  
32 property, can I go to Mr. Kendrick and enforce this  
33 document on to him if it's a recorded document with  
34 the County?"  
35  
36 Mr. Frazier: "I don't know."  
37  
38 Mr. Owen: "The answer is that I would have to make a small  
39 modification to it for that to be so but we didn't  
40 intend for that to be the case. What I would have to  
41 do would be to list out the actual lots under which it

1 would be affected and then when it's recorded  
2 against that property the Recorder has every single  
3 lot in the subdivision that's affected and we can  
4 easily do that. We do it all the time."  
5  
6 Mr. Castaneda: "Mr. Chairman?"  
7  
8 Mr. Preston: "Go ahead."  
9  
10 Mr. Castaneda: "I think that's what our concerns were to have the  
11 District covered by that. That's what our main intent  
12 was for this final Agreement was to make sure that  
13 what we are signing or what we will eventually sign  
14 will be done with and dealt with all at once."  
15  
16 Mr. Owen: "I can easily do that."  
17  
18 Mr. Castaneda: "Mr. Chairman?"  
19  
20 Mr. Smith: "I might add, that was the original intent and it  
21 should be in there."  
22  
23 Mr. Castaneda: "And Mr. Chairman, I think that was our concern at  
24 our last meeting when we went to Mr. Frazier's  
25 office and your counsel was there as well. Because  
26 I really would have preferred that the lawyers go  
27 together and got that correct verbiage done so  
28 when we did go the County and record it that it was  
29 a legal document and a binding document. I didn't  
30 feel comfortable going back to my constituents and  
31 saying we did the right thing, we covered the District  
32 in every way that we possibly could."  
33  
34 Mr. Frazier: "That should suffice. Well, okay. My side is this.  
35 That's a good concern and that can be resolved. I  
36 know that MW<sup>2</sup> wants to get this going and I think  
37 the best way is what we're doing right now, going  
38 through these provision and I think this is the place  
39 to ask because without everybody together we can't  
40 talk about it."  
41

1 Mr. Castaneda: "Right."  
2  
3 Mr. Preston: "Mr. Frazier? Would it not be better if you  
4 negotiated with MW<sup>2</sup>'s attorney and when you  
5 attorneys agree on something we know as you are  
6 representing us it's going to be protecting us and be  
7 fair to both sides. We're talking to Mr. Owen and  
8 we're talking to Mr. Smith and we're not going  
9 between the right people. The ones who are really  
10 making the final verbiage of it would be you and Mr.  
11 Thompson and that would really solve it. And then  
12 you could bring that back to the Board and we  
13 would know that you agreed to this on behalf of us.  
14 Then the Board has to say yes or no. Would that  
15 make things a little easier?"  
16  
17 Mr. Frazier: "That would be easy because I have some  
18 questions in here I thought that Mr. Owen could  
19 explain that to you now in case we want to discuss it  
20 later or if there are questions about it that you get  
21 those questions answered."  
22  
23 Mr. Preston: "I'm just trying to think of a faster way to..."  
24  
25 Mr. Owen: "Mr. Thompson has reviewed everything I've written  
26 and made comment on it. So I should just ... we've  
27 toyed with his suggestions here tonight, we did  
28 decide that the final draft would be distributed to  
29 each attorney like we've always done. I think that's  
30 okay Mr. Chairman. Because then each attorney will  
31 have the chance to look at it."  
32  
33 Mr. Frazier: "I don't have that many more things for tonight but  
34 there's just a couple. Can we go through a couple  
35 more?"  
36  
37 Mr. Owen: "Yeah, sure."  
38  
39 Mr. Frazier: "In section C, I guess its C... "  
40  
41 Mr. Preston: "What page is that on?"

1  
2 Mr. Frazier: "I guess it would be on page 2. It's C (1) (e), the  
3 one that begins: 'Sell the completed system'. In red  
4 you have real property may be conveyed in the form  
5 of easements."  
6  
7 Mr. Owen: "Yes. Well that was more or less agreed to. We  
8 gave them the easement years ago, put it in their  
9 name and they've really got it."  
10  
11 Mr. Frazier: "Okay. And then under the new C (2)(f) that we  
12 have on page 3, 'MDWID may consider upgrading  
13 the IM well with construction of a new water well at  
14 the IM site with a capacity exceeding'... I don't  
15 know what that means."  
16  
17 Mr. Owen: "It doesn't mean anything right now. It just means in  
18 the future when we get around to it we can look into  
19 it. That's solely up to them."  
20  
21 Mr. Frazier: "Mr. Chairman, it's the things like that, the amount  
22 of money the time frames, that I want to make sure  
23 that the Board is happy about. The individual  
24 details we can continue to work out in the language  
25 here but ... and one other thing we can continue to  
26 discuss is whether to do a new Agreement or just  
27 go with your Addendum with the terms that would  
28 be set forth in the Addendum. So Mr. Chairman  
29 having done that, unless the Board has questions I  
30 think we should move forward."  
31  
32 Mr. Kendrick: "Mr. Chairman?"  
33  
34 Mr. Preston: "Yes."  
35  
36 Mr. Kendrick: "When was the first house sold? You say you've  
37 got five sold now. When was the first one sold?"  
38  
39 Mr. Owen: "A year now."  
40  
41 Mr. Danielson: "Pretty close, a year and a half to two years."

1 Mr. Owen: "Yes."  
2  
3 Mr. Kendrick: "So in a year and a half you've only sold five lots?"  
4  
5 Mr. Peetoom: "Well the market dropped real bad."  
6  
7 Mr. Smith: "It shut down for about a year."  
8  
9 Mr. Peetoom: "Right. And it's going to take a long time to get it  
10 back up again."  
11  
12 Mr. Smith: "But we won't be shut down again for approval. The  
13 new flood plain overlaps Gladden Farms. We had to  
14 revamp everything. It's not like they warn you when  
15 you come in and say, okay we're going to re-do all  
16 your flood plains. It's just like here it is. We already  
17 missed the construction of all of them,  
18 notwithstanding the economic turn down."  
19  
20 Mr. Peetoom: "So what's in the flood plain now?"  
21  
22 Mr. Smith: "Pardon me?"  
23  
24 Mr. Peetoom: "How many is in the flood plain?"  
25  
26 Mr. Owen: "There's not many now."  
27  
28 Mr. Smith: "'Six."  
29  
30 Mr. Owen: "But each one has to be evaluated on a case by  
31 case basis in terms of local issues shall I say.  
32 Water flow, elevation and so on. And during that  
33 period of time the subdivision was being finished.  
34 Understand that. I mean we were still doing the  
35 water system last year. During that time the lots  
36 were sold they were pre-sales. It wasn't like they  
37 were sold and, if you know what I mean. The  
38 subdivision was just being finished and right now we  
39 still have some issues with the County just getting  
40 the assurances lifted on the first few lots. On the  
41 first Phase I should say. So it's been a pretty long,

1 difficult process and made more so by the  
2 uncertainty on this water situation with MDWID. So  
3 we just want to tackle one problem at a time and try  
4 and get to an even place where we can move  
5 forward quickly. That's their plan. It's to be able to  
6 move forward without any impediment. And this  
7 has been a huge impediment this year on the  
8 subdivision being finished. "  
9  
10 Mr. Preston: "Mr. Frazier, where do we leave this now. Where do  
11 we leave it? What are we going to do from this  
12 point on?"  
13  
14 Mr. Frazier: "Get the contract language, which language that I  
15 feel is proper and submit that to the Subcommittee -  
16 the Subcommittee is yourself and Mr. Castaneda -  
17 and once you are happy with that bring it to the  
18 Board for a vote. I get the impression though that  
19 they don't want to wait until the next regular meeting  
20 so..."  
21  
22 Mr. Owen: "We can get it down to Mr. Thompson to review it so  
23 I would say that we should get that done and then  
24 get it to Lou and Luis to look at again."  
25  
26 Mr. Preston: "Now if you people come to an agreement you have  
27 to give it to your attorney for his okay, right?"  
28  
29 Mr. Smith: "Yeah."  
30  
31 Mr. Preston: "And then we have Roger's okay that's fine. But  
32 what happens if it goes to your attorney and then he  
33 doesn't like this and he doesn't like that?"  
34  
35 Mr. Owen: "If he took it we might have one or two minor things  
36 but that could be done within an hour. I mean it's  
37 never been a big issue. He's – everything I've  
38 written he's made some very, very minor  
39 suggestions. Not even mandating them, just  
40 suggestions and we've incorporated it and we've  
41 moved on within the hour. It's not like it's been a

1 wholesale re-write or concept changes or paragraph  
2 changes, or sentence changes. You know it hasn't  
3 been like that. I mean I feel quite comfortable  
4 working with everybody and I think Roger feels  
5 comfortable. We can just trade stuff back and forth  
6 until we get it right. And I think we can do that. And  
7 this is a – don't forget, I had to re-write the whole  
8 document today virtually. It wasn't actually an easy  
9 job."  
10  
11 Mr. Frazier: "I thought they had it on word processors."  
12  
13 Mr. Owen: "I couldn't just work on it all day. You know, I mean  
14 I could work on it now and again as I got the  
15 opportunity but finally I got the thing over to Roger  
16 and we discussed it briefly. I don't think it's difficult  
17 at all. Do you Roger?"  
18  
19 Mr. Frazier: "No, and that's true. I just asked them to do that."  
20  
21 Mr. Preston: "So do you mind working with Mike Owen on this  
22 and then he has to confront his attorney?"  
23  
24 Mr. Frazier: "No, that's not a problem at all. My only problem is  
25 making sure that the general concepts are what the  
26 Board wants. If it's just what the Committee wants  
27 then we still don't know it's going to be like or if it's  
28 going to be approved. Which is why we wanted  
29 discuss it here in a general meeting tonight to make  
30 sure that we are on the right track."  
31  
32 Mr. Owen: "Well Lou, would you like to have another meeting  
33 in Roger's office?"  
34  
35 Mr. Preston: "It would be alright with me, I mean I don't care,  
36 yeah."  
37  
38 Mr. Owen: "Well why don't we produce it Roger and get it  
39 pulled together and have a select committee  
40 meeting?"  
41

1 Mr. Peetoom: "Then they can bring it back to the Board."  
2  
3 Mr. Owen: "Well I think they can speak for the Board really. I  
4 mean they can say look, we think this is okay and  
5 then the Board can vote on it."  
6  
7 Mr. Preston: "That's alright with me."  
8  
9 Mr. Castaneda: "Mr. Chairman, the only problem that I have is I  
10 have a prior commitment and I leave Thursday and I  
11 won't be back until Monday. I'll be in Nevada. If we  
12 can do it Wednesday that would be fine and then  
13 we could hold a special meeting, schedule a special  
14 meeting for January the 19<sup>th</sup> to pass this and I'm for  
15 that."  
16  
17 Mr. Smith: "Mark and I are going to see our attorney in the  
18 morning."  
19  
20 Mr. Owen: "I'll see him in the afternoon about 3:00 would you?"  
21  
22 Mr. Frazier: "I can't do it Wednesday late afternoon. 3:00?  
23 Yeah, I can probably get something else moved.  
24 So let's plan on 3:00 on Wednesday. Is that all  
25 right? And you mentioned a special meeting on the  
26 19<sup>th</sup>, that's a week from tonight."  
27  
28 Mr. Castaneda: "Right. I'll be back from Nevada. So is that all right  
29 with you folks to get this done on the 19<sup>th</sup>? I really  
30 appreciate the time and effort you put into this Mike.  
31 This is where we were going... "  
32  
33 Mr. Owen: "It's pretty close. I mean really it's only a couple of  
34 words on my part to incorporate. I just have to add  
35 the lots in and then make it run with the and it can  
36 be recorded and when it's recorded it will be against  
37 all those lots."  
38  
39 Mr. Castaneda: "And I think that's what we were looking for."  
40  
41 Mr. Owen: "It's a regular thing. It's just like some CC&R's."

1  
2 Mr. Preston: "When was that meeting?"  
3  
4 Mr. Castaneda: "On January 14<sup>th</sup> at Roger's office."  
5  
6 Mr. Preston: "Okay. That's at 3:00?"  
7  
8 Mr. Castaneda: "Yes."  
9  
10 Mr. Preston: "3:00 on January 14<sup>th</sup>."  
11  
12 Mr. Castaneda: "Mr. Chairman?"  
13  
14 Mr. Preston: "Yes."  
15  
16 Mr. Castaneda: "I'll make a motion at this time that we hold our  
17 discussion with MW<sup>2</sup> at this time and have a special  
18 meeting on January 19<sup>th</sup>? Can we do a 6:00  
19 meeting. Is that okay to be on the Agenda?"  
20  
21 Mr. Preston: "Is that agreeable with all Board Members?"  
22  
23 Mr. Castaneda: "For January the 19<sup>th</sup>, to meet on January 19<sup>th</sup> at  
24 6:00 p.m. here in the Board room."  
25  
26 Mr. Preston: "I second it. It's been made and seconded. All in  
27 favor?"  
28 **AYE 5 NAY 0 ABSTENTIONS 0**  
29  
30 Mr. Peetoom: "Sig, will you check with Teresa Cummings and see  
31 if she can make it at 6:00?"  
32  
33 Mr. Danielson: "Will do."  
34  
35 Mr. Peetoom: "Thank you."  
36  
37 Mr. Castaneda: "That is it. Thank you for working so hard. We look  
38 forward to finally getting the last little changes in  
39 and then we can meet again. Are you going to stay  
40 for Cottonwood?"  
41

1 Mr. Owen: "Yes."

2

3 [Board goes 10-minute recess.]

4

5 Unknown: "Are we going to number 11?"

6

7 Mr. Peetoom: "No, we don't have to, we can just go to number  
8 10."

9

10 Mr. Frazier: "Mr. Chairman?"

11

12 Mr. Preston: "Yes, Sir."

13

14 Mr. Frazier: "One thing that Mr. Owen and I discussed during  
15 the break was that meeting on Wednesday we  
16 would prefer to do that at his office which is at 6303  
17 E. Tanque Verde Rd., Suite 101. That's at 3:00  
18 p.m. this coming Wednesday. That is so I can still  
19 make my 4:00, which is just down the street."

20

21 Mr. Preston: "It is now 8:20 and we are back in our usual  
22 meeting for the month. We are going to table items  
23 7, 8, 9, and 10 to a future date."

24

25 Mr. Castaneda: "Mr. Chairman?"

26

27 Mr. Preston: "Yes."

28

29 Mr. Castaneda: "That would be 7, 8 and 9 only. We're going to 10."

30

31 Mr. Preston: "Okay, number 11."

32

33 **11. Discussion and possible action concerning application for**  
34 **CDBG Grant**

35

36 Mr. Preston: "That has to do with Mr. Martinez as well?"

37

38 Mr. Danielson: "No, Sir. That would be me. That would fall under  
39 my responsibility to apply for a CDBG grant. We've  
40 applied for two grants; one for a security system  
41 and one for infrastructure upgrades. We applied for

1 one last year; it was denied. We applied for one the  
2 year before and it was denied. I just want the  
3 Board's okay to go back and let's just look at the  
4 infrastructure upgrades since that would tie in with  
5 the master plan and request \$50,000.00 from the  
6 Community Block Grant Development Program to  
7 look at starting to replace some main lines. And  
8 that grant application by the way, is due February  
9 6<sup>th</sup> which is before the next regular Board meeting.  
10 So all I need Board authorization to pursue it."  
11

12 Mr. Preston: "Does that CDBG - is that money that we have to  
13 pay back?"  
14

15 Mr. Danielson: "No, Sir. There normally is some type of a matching  
16 fund to it. We would normally be expected to put up  
17 10% of whatever the total grant request amount is.  
18 But that also does not mean that we can't scale it  
19 back if it's too much for our liking. Mr. Poulan is  
20 very good to work with on that."  
21

22 Mr. Preston: "Okay, now, do we want to table item 11? Or do we  
23 want to carry through with it?"  
24

25 Mr. Danielson: "Sir, if you table it it's gone for this year. In years  
26 past the Board has instructed me to make the grant  
27 application and then brought it up after the fact for  
28 Board approval."  
29

30 Mr. Preston: "Does anybody else on the Board have any  
31 questions on that?"  
32

33 Mr. Kendrick: "Yeah. It depends on how much we have to pay  
34 back and how much we have to come up with first."  
35

36 Mr. Danielson: "Pay back – there is none. It's all H.U.D. money.  
37 But they may require a local match of some sort.  
38 We normally try to tell them that we'll do the  
39 engineering, we'll do the legal for the easements,  
40 we'll do the contract administration, we'll do the  
41 construction management, etc."

1  
2 Mr. Kendrick: "Mr. Chairman?"  
3  
4 Mr. Preston: "Yes."  
5  
6 Mr. Danielson: "It has to be turned in no later than 4:00 p.m.  
7 February 6<sup>th</sup>. And they date stamp them."  
8  
9 Mr. Preston: "Now if don't get that done by the 6<sup>th</sup>, I mean it's no  
10 detriment we can do it again next year, right?"  
11  
12 Mr. Danielson: "Yes. It would be just waiting a year. What we'd  
13 like to do is if they would approve us for \$50,000.00  
14 depending on what Mr. Martinez' final  
15 recommendation is, right now I have one area that I  
16 can very easily spend \$50,000.00 on tearing up  
17 some line and putting some new stuff in."  
18  
19 Mr. Kendrick: "Mr. Chairman?"  
20  
21 Mr. Preston: "Yes, Sir."  
22  
23 Mr. Kendrick: "It's due the 6<sup>th</sup>; we've still got two or three weeks  
24 left to do that if we wanted to table it we could  
25 because we're going to have a meeting next  
26 Monday anyway. Because we're going to have  
27 more than one more meeting anyway this month."  
28  
29 Mr. Preston: "Well, what you're saying is you think we should  
30 table it for a week?"  
31  
32 Mr. Kendrick: "Well, we can."  
33  
34 Mr. Preston: "Yeah."  
35  
36 Mr. Peetoom: "I'd like to get it started and get the paperwork and  
37 see if we're approved or not approved."  
38  
39 Mr. Castaneda: "Mr. Chairman?"  
40  
41 Mr. Preston: "Yes."

1  
2 Mr. Castaneda: "With all due respect to Board Member Peetoom, I  
3 don't think that they would tell us right away. When  
4 do they make the award for the grants?"  
5  
6 Mr. Danielson: "July or August. And then money is available after  
7 October 1<sup>st</sup>. But you have to have the application in  
8 by February 6<sup>th</sup>."  
9  
10 Mr. Castaneda: "Mr. Chairman, if I may, I think it's a good idea, it's  
11 something that needs to be done for the sake of the  
12 District. If we get it awarded or not. But what I  
13 would like to see is more Board participation in the  
14 development of this. I think it's only beneficial to my  
15 colleagues that we are involved in that process so  
16 we know what it takes for the System Manager to  
17 write some kind of a document that just says... I'm  
18 very well aware of Mr. \_\_\_\_\_ and I have  
19 done some CDBG talking already back and forth.  
20 So, appreciate that Mr. \_\_\_\_\_ is a great  
21 man to work for but I just think it's beneficial to my  
22 colleagues to get involved in that process so they  
23 know what is involved in doing grant writing and  
24 what else is necessary in that aspect."  
25  
26 Mr. Preston: "So you would like to have a special meeting on  
27 this?"  
28  
29 Mr. Castaneda: "Well my thought Mr. Chairman would be that  
30 maybe we form a subcommittee; I think Mr.  
31 Kendrick would probably be willing to sit down and  
32 learning this process of forming this piece of paper  
33 which is very essential to this Board because not  
34 only do we do it for CDBG but we also do it with  
35 WIFA, we do it with other organizations that those  
36 grants may arise and at least we know on this  
37 Board what it takes to make these pieces of paper.  
38 They're not as easy – I mean it's easier said than  
39 done to write one that will be approved. There's a  
40 lot things that go along with the grant writing that... "  
41

1 Mr. Preston: "And that's what you say we need to know?"  
2  
3 Mr. Castaneda: "I think it's beneficial to my colleagues that we see  
4 what the process is. So I mean forming a  
5 subcommittee to work with it."  
6  
7 Mr. Preston: "Would you want to work on that subcommittee with  
8 Gary?"  
9  
10 Mr. Castaneda: "I can. I know Mr. \_\_\_\_\_."  
11  
12 Mr. Preston: "Gary, would you like to be on that subcommittee?"  
13  
14 Mr. Kendrick: "Yeah. That will be alright."  
15  
16 Mr. Preston: "So then you will ... "  
17  
18 Mr. Castaneda: "Would you like me to make a motion Mr.  
19 Chairman?"  
20  
21 Mr. Preston: "Yes."  
22  
23 Mr. Castaneda: "I'll make the motion that Mr. Kendrick and I be  
24 appointed to a subcommittee to run and be involved  
25 in the application for the CDBG grant for  
26 infrastructure work to be done with the grant of  
27 \$50,000.00."  
28  
29 Mr. Kendrick: "I'll second that."  
30  
31 Mr. Preston: "The motion's been made and seconded. All in  
32 favor?"

33  
34 **AYE 3 NAY 1 ABSTENTIONS 0**

35  
36 Mr. Preston: "Okay. Item 12."  
37

38 **12. Discussion and possible action concerning Cottonwood**  
39 **Ranch Phasing Plan**  
40

1 Mr. Danielson: "Mr. Chairman, that one again I included. When we  
2 annexed Cottonwood Ranch into the District at the  
3 November 2006 Board meeting we did make a  
4 request at that time. The Cooper brothers had told  
5 us at that time that they would probably phase that  
6 subdivision in and do it in phases. The Board of  
7 Directors at that time, actually it was Mr. Narum who  
8 was the Vice Chairman who requested that we  
9 review the phasing plan and so they have provided  
10 me with this phasing plan. I spoke briefly about it  
11 last month at our Board meeting under basically  
12 Administrative Details and to me it looks very good.  
13 They are building the farthest away first and then  
14 working back toward the main part of our water  
15 system. So I would recommend that the Board  
16 approve the phasing plan."  
17

18 Mr. Castaneda: "Mr. Chairman?"  
19

20 Mr. Preston: "Yes, Mr. Castaneda?"  
21

22 Mr. Castaneda: "And that would be the outlined dark blue on our  
23 diagram?"  
24

25 Mr. Danielson: "It would start here, then here and then work toward  
26 the middle."  
27

28 Mr. Preston: "Well it doesn't make any difference to us where he  
29 starts?"  
30

31 Mr. Danielson: "No."  
32

33 Mr. Castaneda: "Mr. Chairman?"  
34

35 Mr. Preston: "Yes."  
36

37 Mr. Castaneda: "I would make the motion that we accept the  
38 approved first phasing plan of the Cottonwood  
39 Estates – subdivision phasing plan."  
40

41 Mr. Kendrick: "I'll second that."

1  
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41

Mr. Preston: "Motion has been made and seconded that we accept the plan as printed. All in favor."

**AYE 4 NAY 0 ABSTENTIONS 0**

Mr. Preston: "Hearing none, so moved."

Mr. Danielson: [inaudible comment]

Mr. Owen: "I might add if I may Mr. Chairman that Pima County Transportation and Development Services have approved it and also DEQ ... we've also sat down with them and they've also approved it. So it's being well thought out. There are reasons for doing that way but it's just... it's well thought out and it enables us to be able to build the thing reasonably economically and so we can sell, because the Cooper brothers want to start in on it the middle of the year; the middle this coming year so that the first phase will be ready for 2010. And to that end we've already drilled the well, as you know, and we are getting plans – we'll be submitting plans for the remainder of the well and the pumping system. They're going to put a new pump in at the Culver pump station, another large pump, we want to raise the capacity of that pump station to about 1400 to 1500 GPM and also buy an engine generator so you'll have the use of that down there – a large one. So we're going to do that and generally bring the Culver system up to full capacity and this project will see to it that that's done as well as putting in some major pipelines through the District which eliminates the pressure to the north half of the Culver system substantially. We'll be putting 12" water mains in and they will improve the distribution for the District. Okay, that's it. I'm going to leave if it's okay. I will see you all on Wednesday afternoon."

Mr. Castaneda: "Thank you Mike, thanks for coming."

1 Mr. Preston: "Okay, so we will move on to 13."  
2

3 **13. Discussion and possible action concerning**  
4 **Intergovernmental Agreements for recall elections**  
5

6 Mr. Preston: "Mr. Frazier, can you give us some legal skinny on  
7 it?"  
8

9 Mr. Frazier: "The County provides this Agreement to pay for two  
10 recall elections and I've reviewed the Agreements  
11 and the Agreements are fine. All the Statutes are  
12 fine. And actually, these are charges they will make  
13 to the District for the elections. I can answer any  
14 question you have but basically they are going to  
15 charge you to hold these elections and they have to,  
16 they have to hold them because – I don't even know  
17 the background, but apparently recall petitions have  
18 been filed and now there's going to be elections.  
19 According to all of the authorities in there we have  
20 to go ahead and pay those fees."  
21

22 Mr. Castaneda: "Mr. Chairman?"  
23

24 Mr. Preston: "Yes, Mr. Castaneda."  
25

26 Mr. Castaneda: "I will make the motion at this time. These are  
27 pretty much just housekeeping. It's obvious that –  
28 and I don't think this is just partial to the recall  
29 elections, I believe that this is to all the elections  
30 that pertain to the District. This Intergovernmental  
31 Agreement is in regards to the recall because they  
32 are coming up, but I am sure that we do them on a  
33 continuous four-year basis being that there is an  
34 election done for the District so we have to enter  
35 into these Agreements every time there is an  
36 election. Be it recall or a regular election. So I will  
37 make the motion at this time that we authorize the  
38 Chair to sign the Agreements. We can't get out of  
39 them, you know. I mean the canvassing is done by  
40 the Pima County Board of Supervisors and we  
41 cannot overlook our own election because of the

1 legalities that are involved in that as well. You know  
2 we cannot canvas our own elections and we cannot  
3 because that would be impartial because we could  
4 pick who we wanted to sit on the Board and we  
5 can't do that as a government entity. So I make the  
6 motion that we instruct the Chairman of the Board to  
7 sign the Intergovernmental Agreements with Pima  
8 County."  
9

10 Mr. Kendrick: "I'll second that motion."  
11

12 Mr. Preston: "The motion has been made and seconded, all in  
13 favor?"  
14

15 **AYE 4 OPPOSED 0 ABSTENTIONS 0**  
16

17 Mr. Preston: "Hearing none I will get with Madam Clerk on who  
18 to talk to about what we should be doing."  
19

20 Ms. Sieglaff: "May I respond to that Mr. Chairman?"  
21

22 Mr. Preston: "Yes."  
23

24 Ms. Sieglaff: "There are two separate IGA agreements. One is  
25 with the Board of Supervisors and the other is with  
26 the Recorder's Office. So, even though they may  
27 look similar we have to have three original copies of  
28 each document and the just need to be signed by  
29 the Chair. So I just want to point that there are two  
30 different IGA's here."  
31

32 Mr. Castaneda: "So they both need to be signed then?"  
33

34 Ms. Sieglaff: "You can do a friendly amendment to your motion."  
35

36 Mr. Castaneda: "Okay. Then I will make an amendment to my  
37 motion that both Intergovernmental Agreements be  
38 signed, one with the County and one with Ms.  
39 Rodriguez' office at the County Recorder."  
40

1 Ms. Sieglaff: "Mr. Chairman, for your information, I do have all  
2 the information and I have been in close contact  
3 with the people at the Board of Elections and Brad  
4 Nelson. Basically, I've had occasion to speak to all  
5 of the people that are directly involved from the  
6 County with these recall elections. Sara Ballentine  
7 and other people whose names I can't remember at  
8 the moment. So we're covering the basis on that."  
9

10 Mr. Frazier: "I don't know if that's accurate that you need to sign  
11 one of these for all elections, but for these recalls  
12 they more than likely are required."  
13

14 Mr. Castaneda: "Mr. Chairman, may I?"  
15

16 Mr. Preston: "Go ahead."  
17

18 Mr. Castaneda: "I believe that on a general election or primary  
19 election, however we deal with our elections, like in  
20 2010 Lou and I will be up for election. So we have  
21 to enter into that Agreement so that it can be  
22 recorded legally I believe Roger. I do believe that  
23 we have to go into agreement that that election is  
24 going to take place and how it's done because there  
25 are some fees that are incurred."  
26

27 Mr. Frazier: "A lot of times those are done in combination with  
28 general elections."  
29

30 Mr. Castaneda: "And so the recall will also be done with the primary  
31 election. They don't just hold... if there's a recall  
32 they don't just say, okay in May we'll throw an  
33 election. It has to be in conjunction with another  
34 election."  
35

36 Mr. Frazier: "But when I got this about three weeks and  
37 reviewed it and it's in proper form. Do you want me  
38 to... do you want to send those to me later to sign  
39 or do you want me to wait here?"  
40

1 Ms. Sieglaff: "Lou and Luis are going to be going to Roger's  
2 office Wednesday, correct?"  
3  
4 Mr. Preston: "Yes."  
5  
6 Ms. Sieglaff: "We need three copies but I didn't make them until  
7 knew that we were going to be signing them as they  
8 were. So what we can do is have you take them  
9 down and have Roger sign them while you're there.  
10 And then I can get them back. Because Sara  
11 Ballentine, who is the 'head' lady there, wanted to  
12 come out and pick them up tomorrow. So either  
13 that or in the morning I can make the three copies; I  
14 don't want to hold up the meeting right now because  
15 this is quite voluminous here, all these pages to  
16 make two more copies. But in the morning if you  
17 guys can come down and sign them I'll make the  
18 copies and then I'll have call Sara and tell her that  
19 they are going to be there in a couple of days and  
20 then Wednesday you can have Roger sign them."  
21  
22 Mr. Preston: "Okay."  
23  
24 Ms. Sieglaff: "Is that okay with you Roger?"  
25  
26 Mr. Frazier: "Works for me. If she insists that they be done  
27 tomorrow call and we'll see what we can do.  
28 Although they are not coming to my office they are  
29 coming to Mr. Owen's office. And after they sign  
30 them can you fax them to me so I can just look them  
31 over again? And after they're signed can you fax  
32 them to me?"  
33  
34 Ms. Sieglaff: "I thought I faxed them to you already."  
35  
36 Mr. Frazier: "You did, but I'd like to see them again. So, unless  
37 the Board has anything further for me tonight I will  
38 ask to be excused."  
39  
40 Mr. Preston: "Yes. Thank you Roger. Good night."  
41

1 Mr. Preston: "Item 14."

2

3 **14. Discussion and possible action concerning credit card**  
4 **payments**

5

6 Mr. Danielson: "I would like to have the Board table this one until  
7 February. I talked to Patti Davidson of the  
8 Treasurer's Office on Friday morning and I've been  
9 trading a couple of e-mails with a – I believe it's  
10 Debbie Haddock. Haddock is the right last name  
11 and I'm not sure of the first name on what is  
12 available as far as debit card payments, automatic  
13 transfers, electronic transfers to the customer's  
14 account to ours and apparently this is a real hot  
15 subject according to Patti with the entire County so  
16 there – I'm on the list to be contacted so possibly by  
17 February I'll have additional information."

18

19 Mr. Preston: "But do we want this? Credit cards?"

20

21 Mr. Danielson: "That's what I want to do is find out all the facts and  
22 figures. Right now I would say credit cards, no way  
23 because the credit card companies will want 3% of  
24 the bill."

25

26 Mr. Preston: "Well that would kill it right there."

27

28 Mr. Danielson: "That kills that right there. Now if we can do  
29 electronic payments and/or debit card payments for  
30 a more reasonable sum..."

31

32 Mr. Preston: "Like 1%?"

33

34 Mr. Danielson: "I was hoping for ½%."

35

36 Mr. Castaneda: "Mr. Chairman? I just pulled that number out of a  
37 hat."

38

39 Mr. Danielson: "Yeah. I don't know what the proper number is  
40 either. But at least let me get more facts and I'll

1                   come back to the Board next month and we can  
2                   make an informed decision."  
3  
4   Mr. Preston:    "Okay."  
5  
6   Mr. Kendrick:   "Mr. Chairman, I'd like to say something."  
7  
8   Mr. Preston:    "Yes."  
9  
10   Mr. Kendrick:   "Even now if we do accept the credit card payments  
11                   or whatever couldn't we charge the customer that  
12                   3% as a service charge to do a credit card  
13                   payment?"  
14  
15   Mr. Danielson:  "We could but you would have to make a provision  
16                   for that on the Rate Structure. We would have to  
17                   revise the Rate Structure so that that was printed on  
18                   there. And that requires a public hearing. But that  
19                   doesn't mean that we can't do it."  
20  
21   Mr. Preston:    "Well I think we should leave it alone."  
22  
23   Mr. Danielson:  "Yep. Okay."  
24  
25   Mr. Preston:    "Okay that was 14. Item 15."  
26  
27   **15. Discussion and possible action concerning publication of**  
28   **an MDWID newsletter**  
29  
30   Mr. Preston:    "Do we have any explanation or any questions to be  
31                   asked on that?"  
32  
33   Mr. Kendrick:   "Mr. Chairman?"  
34  
35   Mr. Preston:    "Yes."  
36  
37   Mr. Kendrick:   "I would like to see a newsletter, if not every month  
38                   quarterly. We could do it in office and save a lot of  
39                   money. I know it's pretty expensive to go out to  
40                   Alphagraphics or wherever to do that. And I'm sure  
41                   we could figure out something to do in house

1 concerning the newsletter. I think our customers  
2 would appreciate knowing what's going on and I  
3 think doing it in house would save a lot of money.  
4 But I don't know – when can we discuss this, does  
5 this have to wait until the new budget in June or  
6 July?"

7

8 Mr. Preston: "Yes."

9

10 Mr. Kendrick: "So I think we should table this until the new  
11 budget."

12

13 Mr. Preston: "Okay, we can do that. That's what will have to be  
14 done because the money isn't allocated for it."

15

16 Mr. Castaneda: "Mr. Chairman?"

17

18 Mr. Preston: "Yes."

19

20 Mr. Castaneda: "Board Member Kendrick? If I may make a motion  
21 at this time; I am in agreement with my colleagues  
22 at this time that it should be tabled. My only main  
23 concern is that a newsletter, which was not  
24 budgeted for, has already gone out to the public and  
25 I just want to make sure and stress to my  
26 colleagues that that not happen again unless it is an  
27 expense that not just one of the Board Members  
28 chooses to do so. With all due respect, the Chair at  
29 the time, Mr. Peetoom, was well aware that this was  
30 not a budgeted item and it still went out. Madam  
31 Vice-Chair at the time, Ms. Ball-Cummings, knew  
32 that it was not a budgeted item and it still went out. I  
33 understand the concern and I would be very willing  
34 to say let's do the newsletter but when we do come  
35 up to this point again I would like it to be a more  
36 structured thing. You know, we have an editor or a  
37 Board Member that overviews that and with the  
38 Board's consent can say that this is not...  
39 unfortunately in the past when I have received  
40 newsletters I've gotten newsletters that a lot of the  
41 Board Members are soap boxing. You know they

1 stand on their soapbox and preach the gospel and  
2 this is the way it was today and the evil twins came  
3 in last week and they created havoc. That's not  
4 important to the people of our District. It should be  
5 important, pertinent stuff that pertains to the people  
6 of this District. I'll make the motion that another  
7 newsletter does not go out until further approval by  
8 this governing Board. No more. That was a  
9 \$100.00 expense that we took a hit on that wasn't  
10 budgeted for."

11  
12 Mr. Preston: "You're right; absolutely right. The Board Chairman  
13 knew was definitely in violation and didn't do  
14 anything about it. I would like to see a newsletter as  
15 well, but on the other hand it's got to have some  
16 backbone. And it's got to have guidelines so that I  
17 understand it and I would like it to go through me  
18 before it is printed. And I'm certainly going to okay  
19 it if it's in the best interest of the District. Does that  
20 answer your question Mr. Kendrick?"

21  
22 Mr. Kendrick: "Yes."

23  
24 Mr. Preston: "So we will table that. Okay. Item 16."

25  
26 **16. Discussion and possible action concerning administrative**  
27 **details**

28  
29 Mr. Castaneda: "Mr. Chairman, I just have a few things that I would  
30 like to bring up at this juncture of the meeting if I  
31 may?"

32  
33 Mr. Preston: "Yes, sir."

34  
35 Mr. Castaneda: "Included into our packets was a letter sent to our  
36 Clerk from a Mr. McNamara from the Explorer  
37 Newspaper and I would just like to ask our Madam  
38 Clerk a few questions. Madam Clerk, he sent you  
39 this request on December 17<sup>th</sup> and in his request he  
40 recites the Arizona Revised Statute §39-21 through  
41 §39-21.03 of the Arizona Public Records Law. He

1 asked for number 1, complaints or grievances and  
2 related – and I really want to stress this – and  
3 related documents filed against Board Members  
4 and the water Rate Structure for the District  
5 customers. In reviewing what was sent out Ms.  
6 Sieglaff it's very accurate to almost what he asked  
7 but I did notice that the related documents, which  
8 were unfortunately very one sided, were not offered  
9 to him. There were outcomes to those complaints  
10 that were related documents that were not sent to  
11 this person. It's very important for a governing  
12 Board to comply with all of these statutes that are  
13 governed to us by law. And when a person  
14 requesting public information, especially a reporter  
15 for a newspaper, you would want to know that the  
16 accurate story would come out, or the accurate  
17 facts would come out. And I feel that we dropped  
18 the ball here. If he has just wanted the grievances,  
19 he would have stated that he just wanted the  
20 grievances. But he stated he wanted complaints  
21 and/or grievances and the latest documents. There  
22 were outcomes to each of these documents and  
23 none of those were filed with him. I know that I  
24 filed, as being a Chair to one of those grievances, I  
25 filed my response to them to the person that was...  
26 who filed the grievance and everyone that was  
27 determined necessary for that and it just didn't get  
28 out. We need to be... do you know why these  
29 documents were not offered to Mr. McNamara?  
30 Why weren't the outcomes offered to him? He  
31 asked for them?"

32  
33 Ms. Sieglaff: "These are the documents that Mr. Danielson  
34 presented to me with regard to his letter and I didn't  
35 question him, I just sent what he gave me. The  
36 Rate Structure and then these other documents that  
37 the... the grievances."

38  
39 Mr. Castaneda: "Mr. Chairman?"

40  
41 Mr. Preston: "Yes."

1  
2 Mr. Castaneda: "Mr. Danielson why would you neglect to give the  
3 outcomes of those complaints, or those grievances?  
4 Those were related documents. He specifically  
5 wrote here in his request: Number 1, complaints  
6 and/or grievances and related – and I don't know  
7 how I can stress this enough – and related  
8 documents filed against a Board Member. There  
9 were outcomes to the complaint. Did you just forget  
10 about them or did you not feel that they were related  
11 documents that should have been handed over to  
12 them?"  
13  
14 Mr. Danielson: "It started – I received a telephone call from Mr.  
15 McNamara and he stated grievances and he did not  
16 reference related documents."  
17  
18 Mr. Castaneda: "Well he faxed us a paper... "  
19  
20 Mr. Danielson: "I realize that and whether I read over the top of it or  
21 not, but our telephone conversation was specifically  
22 concerning he wanted to see any grievances that  
23 were filed and he didn't say anything more about  
24 related documents. I told him that those had... that  
25 all grievances had been acted upon by the Board  
26 and had been resolved."  
27  
28 Mr. Preston: "That didn't bother you that you only sent half of the  
29 story? That don't mean anything to me."  
30  
31 Mr. Danielson: "Sir, I'm going by the telephone conversation I had  
32 with the man."  
33  
34 Mr. Castaneda: "Mr. Chairman? You are aware Mr. Danielson,  
35 right, that in accordance with Statutes he had to  
36 request this stuff in writing to us?"  
37  
38 Mr. Danielson: "Correct."  
39  
40 Mr. Castaneda: "So... "  
41

1 Mr. Danielson: "And I told him that."  
2  
3 Mr. Castaneda: "Besides the phone call you knew that this piece of  
4 paper was coming down the line, right?"  
5  
6 Mr. Danielson: "I was told that it came in, yes."  
7  
8 Mr. Castaneda: "So then you just handed it over to Lisa and then it  
9 was dealt with by Lisa, or how was..."  
10  
11 Mr. Danielson: "I handed it to Lisa and I said here are the copies, I  
12 said he asked for the grievances I had. I told her I  
13 says to her, find the grievances. I said I know that's  
14 what he's requesting. I didn't go any further than  
15 that as far as related documents or anything like  
16 that. I saw it came from the Explorer, I looked at it, I  
17 handed it to Lisa and I said here, take care of it."  
18  
19 Mr. Castaneda: "I have a few more things that I'd just like to say."  
20  
21 Mr. Preston: "Yes."  
22  
23 Mr. Castaneda: "One more thing that I would like to clarify is I was  
24 made aware today that audio recordings have been  
25 asked for from this governing Board."  
26  
27 Mr. Danielson: "Yes."  
28  
29 Mr. Castaneda: "You are aware, Mr. Danielson, that in November  
30 this Board took action so that we would no longer  
31 be selling an audiotape of our meetings. And I want  
32 to clarify something real quick because I understand  
33 that under Arizona Revised Statutes we cannot  
34 preclude anyone from coming in here with a tape  
35 recorder and recording us themselves. And  
36 everyone is aware that we have a monthly meeting  
37 and it is posted, which Ms. Sieglaff does a very  
38 good job of getting it out there in the public for  
39 people to view, and to know that we are here and  
40 meeting together. Anyone is allowed to bring in a  
41 tape recorder and record it if they would so like an

1 audio recording of... even more so, Arizona  
2 Revised Statutes also allows for them to bring in a  
3 video camera and they could videotape us if they so  
4 choose to. It has the audio, it has the video, it has  
5 the whole nine yards, at their own expense and not  
6 at the expense of the District. This Board took  
7 action in November that no more audiotapes would  
8 be allowed to be sold from this District. Now, I  
9 understand that there are some employees that  
10 have requested audiotapes from us. And at this  
11 point I'm going to make a motion at this time that  
12 the Chair instruct our wonderful Clerk to write a  
13 letter to the gentleman, or gentlemen, or  
14 gentlewoman, whoever requested any audiotapes  
15 from this governing Board, and you can refer Ms.  
16 Sieglaff to Arizona Revised Statutes if they would  
17 like to come to a public meeting it is open to the  
18 public, they can video tape us, audio record us,  
19 however they would like to do so, but this governing  
20 Board has already taken action that we will not,  
21 again, we will not sell our audiotapes. Our  
22 audiotapes are for our purposes to transcribe them.  
23 We've also made a motion prior to that of having  
24 our tapes destroyed three days afterwards because  
25 in Arizona Revised Statutes you have to produce a  
26 transcribed version of our Minutes within three days.  
27 So I will ask the Chair to address Ms. Sieglaff, or  
28 address these people or whoever it may be with a  
29 letter saying we are very sorry but the Board does  
30 not sell audiotapes anymore. You are more than  
31 welcome to have a transcribed version of whatever  
32 you are asking for. We would be delighted to have it  
33 for you and give it to you, but no longer do we sell  
34 audiotapes. And I make that into a motion."

35  
36 Mr. Kendrick: "I'll second that."

37  
38 Mr. Preston: "A motion has been made and seconded that the  
39 Madam Clerk will write the letters to the individuals  
40 of concern that we do not sell tapes from this office  
41 any more. Discussion? Does anybody have any

1 discussion? Okay, Mr. Danielson wants to say  
2 something."  
3  
4 Mr. Danielson: "That entire discussion happened at the December  
5 meeting Sir."  
6  
7 Mr. Preston: "I don't remember that."  
8  
9 Mr. Danielson: "It's right here. December 8<sup>th</sup>. I just wanted to  
10 clarify that point."  
11  
12 Mr. Castaneda: "Mr. Chairman, if I may? On November the 10<sup>th</sup> of  
13 2008 on page 17, on line 3, or on line 8: 'The  
14 motion has been made and seconded. If we'd like  
15 to discuss it, I'd like to make a motion that we stop  
16 giving out audio recordings.' And we went into a  
17 lengthy discussion on page ... and in that same  
18 meeting we had a discussion if we were going to do  
19 audiotapes that they would be \$25.00 per tape.  
20 Because that would cover our cost of having to  
21 send them to the ... "  
22  
23 Mr. Danielson: "I was not at that meeting, Sir, but I do remember  
24 reading it in the Meeting Minutes. But I did not  
25 know whether..."  
26  
27 Mr. Castaneda: "And in that meeting of November the 10<sup>th</sup> of '08' on  
28 page 19 of those Minutes which have already been  
29 passed Ms. Sieglaff says:  
30  
31 'Yes I did and we stopped to discuss it. No  
32 more tapes. Mr. Preston: No more tapes.  
33 Ms. Payne, no more tapes, Mr. Peetoom, no  
34 more tapes, okay then, no more tapes.'  
35  
36 That was the Board decision that we have no more  
37 tapes."  
38  
39 Mr. Danielson: "That was on November what?"  
40  
41 Mr. Castaneda: "On November the 10<sup>th</sup> of 2008."

1  
2 Mr. Danielson: "Page 19?"  
3  
4 Ms. Sieglaff: "Yes."  
5  
6 Mr. Castaneda: "The motion was made, it was all voted on there  
7 was no more tapes. Now if they would like to come  
8 and tape us, that's fine we're open to that; we're  
9 here."  
10  
11 Mr. Kendrick: "Mr. Chairman?"  
12  
13 Mr. Preston: "Yes?"  
14  
15 Mr. Kendrick: "So how do we go about getting the money back  
16 that we spent today duplicating those tapes?"  
17  
18 Mr. Preston: "I think, Mr. Kendrick, we should let that go for a  
19 future date."  
20  
21 Ms. Sieglaff: "I'm sorry, what did you say Mr. Preston?"  
22  
23 Mr. Preston: "I said we'd let that go for a future date. How we're  
24 going to handle it."  
25  
26 Mr. Danielson: "You did not read it. If you continue on with the  
27 reading there is some comments on legal research,  
28 etc. on the next page. So... "  
29  
30 Mr. Castaneda: "And if you read even further, Mr. Danielson, the  
31 legal question was, do we have to provide  
32 audiotapes? Arizona Revised Statutes only states  
33 that we have to have a written transcript."  
34  
35 Mr. Danielson: "Yes."  
36  
37 Mr. Castaneda: "But also... "  
38  
39 Mr. Danielson: "To me that policy went into effect as it was  
40 referenced in the November meeting in December."  
41

1 Mr. Castaneda: "I think she referenced it and she did look it up and  
2 there is no where in the Statutes that says we have  
3 to have an audio recording."  
4  
5 Mr. Danielson: "What did you tell me?"  
6  
7 Ms. Sieglaff: "Or. Either the transcripts or recordings."  
8  
9 Mr. Danielson: "Okay."  
10  
11 Mr. Sieglaff: "Either a written or a recording of the meeting."  
12  
13 Mr. Danielson: "So I guess the question is, when the request was  
14 made what was official? The tape or the draft  
15 Meeting Minutes?"  
16  
17 Mr. Castaneda: "There is a motion and it's been seconded that we  
18 send a letter out... "  
19  
20 Mr. Preston: "Send a letter out. You have all the info to put into  
21 that letter Madam Clerk?"  
22  
23 Ms. Sieglaff: "Yes, I do."  
24  
25 Mr. Preston: "All in favor that we have Madam Clerk write a letter  
26 to the employees notifying them that there are no  
27 more tapes."  
28  
29 **AYE 4 NAY 0 ABSTENTION 0**  
30  
31 Ms. Sieglaff: "Mr. Chairman?"  
32  
33 Mr. Preston: "Yes?"  
34  
35 Ms. Sieglaff: "Should I let them know in the letter that they can  
36 buy copies of the written transcripts?"  
37  
38 Mr. Preston: "Yes they can. That's open to the public."  
39  
40 Ms. Sieglaff: "Okay."  
41

1 Mr. Preston: "But the written Minutes, if they want to have copies  
2 made they can buy them, but the originals don't  
3 leave the office."  
4

5 Ms. Sieglaff: "Oh, no! And the charge is \$.25 per page?"  
6

7 Mr. Preston: "Yes. Okay."  
8

9 Mr. Castaneda: "Mr. Chairman, I just have one more thing. I want to  
10 apologize to my colleagues for bringing this up  
11 under Administrative Details. I did not want to do it  
12 this way; it's one of the hardest things that I've had  
13 to face to bring up to my colleagues at this time.  
14 The District has gone through a lot of up's and  
15 down's through the years. We've been existence  
16 since 2000 and it's been a difficult road. You know?  
17 And we've had some good up's and we've gotten to  
18 form the District, we have these two wonderful  
19 buildings and so on and so forth to show that since  
20 it's existence what the Board's has been doing on  
21 behalf of the District. The concerns that I am about  
22 to address right now are very painful for me. It  
23 concerns that the newsletter that went out; it  
24 concerns that our employees have a lack of  
25 leadership. All of these things I'm saying are  
26 backing what I am about to do. It pains me that I  
27 have to make this motion if it's seconded or not, you  
28 know, that's fine, but I have to do this for the sake of  
29 myself, the sake of what I think of where the District  
30 is going – where it's headed; where we're at right  
31 now. And I'm going to make this into the motion  
32 now so that if someone seconds it we can discuss it  
33 further in detail. Like it said, it does pain me, it does  
34 pain me that I have to do this but for my own sanity  
35 and the sanity of a lot of people in this District that  
36 look upon this governing Board to look out for the  
37 best interest of them, and I'm talking about  
38 everyone's family that lives here. The article in the  
39 newspaper a month ago bothers me. It bothered me  
40 a lot that it would be – it wasn't a bad article, but it  
41 was an article that did not shine light on everything.

1 I think the Manager dropped the ball with the  
2 request and I think it's because the way this  
3 governing Board was prior – you know, the prior  
4 Board before us gave Mr. Danielson the right to  
5 handle a lot. They piled his plate. They piled his  
6 plate so high that when anything did go wrong it  
7 was thrown back on his plate again. So, sometimes  
8 I think maybe it was unfair to him, or maybe it was  
9 his choice to take on those responsibilities. I don't  
10 know. But at this time I'm going to make the motion  
11 that we end our employment with our System  
12 Manager."

13  
14 Mr. Preston: "I second the motion."

15  
16 Mr. Castaneda: "Now it's up for discussion. I really would like to  
17 hear what my colleagues have to say about it."

18  
19 Mr. Preston: "Mr. Kendrick, do you have anything to say?"

20  
21 Mr. Kendrick: "You know, I'm the new guy on the Board.  
22 Unfortunately what I've seen so far today, what I  
23 requested, I wasn't able to get the whole employee  
24 files today. I've seen that the employees, I mean,  
25 don't clock in and out for lunch; they clock in late or  
26 very early, either/or. It's not an on time thing. I  
27 requested the employee files to just check on the  
28 DMV or MVD records and I was only given two files  
29 which one of them was up to date, the other was  
30 not. I don't know about the other three employees."

31  
32 Mr. Danielson: "They can be provided to you."

33  
34 Mr. Kendrick: "It seemed to me at the time Mr. Danielson, all you  
35 had in the other three were applications that they  
36 had filled out to begin with."

37  
38 Mr. Preston: "I've been here for a while. I've known Mr.  
39 Danielson for years. I've found him not to always  
40 be on the top shelf. Lies was just one of them. I  
41 have a lot more things, but that's enough for me to

1 go along with the termination. And with that I will  
2 hold a vote."  
3  
4 Mr. Castaneda: "I think the former Chairman has something to say."  
5  
6 Mr. Preston: "Mr. Peetoom, did you have anything so say?"  
7  
8 Mr. Peetoom: "No. Okay, with that we will make a vote... "  
9  
10 Mr. Kendrick: "Mr. Chairman? Instead of it coming to this, Mr.  
11 Chairman can we give him the option to resign  
12 instead of terminating?"  
13  
14 Mr. Preston: "Yes, we can do that. But right now we will take a  
15 vote as to whether to terminate Mr. Danielson or  
16 keep him on in his position. A yes vote is to  
17 terminate, a no vote keeps him here. All in favor for  
18 terminating?"  
19  
20 Mr. Preston: "Madam Clerk, would you kindly call the role for this  
21 vote?"  
22  
23 Ms. Sieglaff: "Mr. Peetoom are you in favor?"  
24  
25 Mr. Peetoom: "No."  
26  
27 Ms. Sieglaff: "Mr. Kendrick, are you in favor?"  
28  
29 Mr. Kendrick: "Yes."  
30  
31 Ms. Sieglaff: "Mr. Castaneda made the motion. Mr. Preston  
32 seconded it. So it's passed."  
33  
34 Mr. Preston: "Yeah. With that Mr. Danielson, as of this time at  
35 21 after 9:00 you are terminated. We will give you  
36 the option to resign."  
37  
38 Mr. Danielson: "I will consider that."  
39  
40 Mr. Preston: "We need your answer now."  
41

1 Mr. Danielson: "I'd like to have 24 hours to think about it, at least  
2 sleep on it and discuss it with my wife."  
3  
4 Mr. Preston: "Well, unfortunately, if you don't want to tell us now  
5 we will terminate you. You are terminated as of  
6 9:21 today. You are terminated. If you want the  
7 option you're going to have to tell us now or it stays  
8 a termination."  
9  
10 Mr. Danielson: "Leave it as a termination then Sir."  
11  
12 Mr. Preston: "Okay. You are formally terminated at this time.  
13 You will turn in your keys, credit cards and all other  
14 company property. Tonight as we leave this  
15 meeting room you will remove all your personal  
16 property to take with you."  
17  
18 Mr. Danielson: "Okay."  
19  
20 Mr. Preston: "So all your company property gets turned in right  
21 now."  
22  
23 Mr. Danielson: "The company property is all here."  
24  
25 Mr. Preston: "Okay."  
26  
27 Mr. Danielson: "The only thing that I take with me is my keys."  
28  
29 Mr. Preston: "What are you taking? What did you...  
30  
31 Mr. Danielson: "My keys."  
32  
33 Mr. Preston: "Oh, not the keys to the buildings; not the company  
34 keys?"  
35  
36 Mr. Danielson: "The only thing that I ever had that belongs to the  
37 District is the keys."  
38  
39 Mr. Preston: "Okay. Do you have a cell phone?"  
40  
41 Mr. Danielson: "Yes."

1 Mr. Preston: "Turn that in as well."  
2  
3 Mr. Danielson: "When can I expect to receive my vacation pay?"  
4  
5 Mr. Preston: "You can negotiate that."  
6  
7 Mr. Danielson: "I won't negotiate it. What's by law is owed to me is  
8 132 hours."  
9  
10 Mr. Preston: "132 hours?"  
11  
12 Mr. Danielson: "Yes."  
13  
14 Mr. Preston: "I will see that you get the check for 132 hours."  
15  
16 Mr. Danielson: "I will check that in ... you can check that with Ms.  
17 Hicks tomorrow. It's in the annual leave book."  
18  
19 Mr. Preston: "Sig, whatever you have coming to you, you will get.  
20 So with that I'll collect your company telephone,  
21 your company credit cards and also the keys."  
22  
23 Mr. Danielson: "Okay. I was thinking we'd do it after the meeting."  
24

25 **18. Announcement of the next scheduled meeting**

26  
27 Mr. Castaneda: "Mr. Chairman? I will make the motion that we  
28 adjourn this meeting until January 19<sup>th</sup> at 6:00 p.m."  
29  
30 Ms. Sieglaff: "Second?"  
31  
32 Mr. Kendrick: "I'll second that."  
33  
34 Ms. Sieglaff: "All in favor?"  
35

36 **AYE 4 NAY 0 ABSTENTIONS**

37  
38 **19. Adjournment**

39  
40 Ms. Sieglaff: "The meeting is adjourned at 9:25 p.m."  
41

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2  
3  
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5  
6

Minutes prepared by

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Lisa M. Sieglaff  
Clerk of the Board of Directors