

1 Ms. Cummings: Present.
2
3 Ms. Sieglaff: Mr. Lou Preston?
4
5 Mr. Preston: Here.
6
7 Ms. Sieglaff: Mr. Luis Castaneda?
8
9 Mr. Castaneda: Here.
10
11 Ms. Sieglaff: I'm Lisa Sieglaff, the Clerk of the Board of Directors;
12 Mr. Vonn Jones our, Interim System Manager is
13 here; Mr. Wes Addison the Accountant for the
14 District is here and we have three guests in the
15 audience.
16
17 **3. Consent Items**
18 • **Approval of January 9, 2009 Meeting Minutes**
19 • **Approval of January 12, 2009 Meeting Minutes**
20 • **Approval of January 15, 2009 Meeting Minutes**
21 • **Approval of January 19, 2009 Meeting Minutes**
22
23 Mr. Preston: We've all received the January 9th, January 12th,
24 January 15th and 16.¹ Is there anybody that has any
25 problems with anything on the Minutes?
26
27 Mr. Kendrick: Mr. Chairman?
28
29 Mr. Preston: Mr. Gary.
30
31 Mr. Kendrick: On the January 9th and 19th I would like to take a
32 look at them. Right Now I haven't had a chance to
33 look at them yet. There's some stuff on there that I
34 would like to go over; January 19 and January 9th.
35 But the 15th and the 12th are okay.
36
37 Ms. Cummings: Mr. Chairman?
38
39 Mr. Preston: Ms. Ball-Cummings.

¹ The date of the Minutes was actually January 19th

1
2 Ms. Cummings: I would like to table all of them. There are some
3 things on there that I would like to review. I haven't
4 really had a chance to go over them and I would like
5 to listen to the tapes and ... because there's a lot of
6 corrections and additions that need to be made.
7 And on the 19th and the 15th on the first page there
8 were not any Board Members' names that were
9 there. There was just a list and Roger Frazier and
10 Vonn and yourself.

11
12 Mr. Preston: Have you filed them with the Clerk?

13
14 Ms. Sieglaff: No. Which ones were you talking about Teresa?

15
16 Ms. Cummings: The 15th and the 19th.

17
18 Ms. Sieglaff: I put upon taking of the roll call all members were
19 present as were Roger Frazier, Ms. Sieglaff and
20 Vonn Jones.

21
22 Ms. Cummings: Yeah but normally you ought to put Board Members
23 present were me, Lou, Luis, Gary and Don
24 Peetoom...

25
26 Ms. Sieglaff: I was trying to hurry up and get them done.

27
28 Ms. Cummings: Yeah, but you know the Board Members should all
29 be listed by their name. So I think we should table
30 all of them and bring them up at the next meeting. I
31 make that a motion please.

32
33 Mr. Kendrick: I'll second that.

34
35 Mr. Preston: The motion has been made and seconded that the
36 Minutes be corrected as per Ms. Ball-Cummings.
37 All in favor?

38
39 **AYE** **5** **NAY** **0** **ABSTENTIONS** **0**

40
41 Ms. Cummings: Thank you Mr. Chairman.

1 Ms. Sieglaff: May I ask a question?
2
3 Mr. Preston: Yes.
4
5 Ms. Sieglaff: You said that they be corrected as per Ms. Ball-
6 Cummings. You mean you want them to say all the
7 Board Members?
8
9 Mr. Preston: I don't see any problem with it but if she does...
10
11 Ms. Sieglaff: Okay, that's all we're talking about at the moment
12 until we bring them back up at another meeting?
13
14 Mr. Preston: Yes.
15
16 Mr. Kendrick: I'm not going to approve them because I would like
17 to listen to the tapes.
18
19 Mr. Preston: Have you made arrangements to listen to the tapes
20 yet?
21
22 Mr. Kendrick: Not yet.
23
24 Mr. Preston: You will have that by the next Board meeting?
25
26 Mr. Kendrick: Yes.
27
28 Ms. Sieglaff: But they have to listen to them here, right?
29
30 Mr. Preston: Yes.
31
32 Ms. Sieglaff: They can't take them out of the building?
33
34 Mr. Preston: No. Item number 3 we will table until the next Board
35 meeting in March. The System Manager's report
36 Vonn?
37
38 **4. System Manager's Report**
39
40 Mr. Jones: Yes and you know I've been gone most of the time
41 but I guess I've made a little progress. And right

1 now we're working on something that started at
2 Metro Water. Metro Water is doing a - they are
3 being backed by a Multi-Family Housing Association
4 because of their rates and Metro Water District is a
5 District [59-70]. ... and they have a website and
6 other places where you can look up information.
7
8 Mr. Preston: I think we need to discuss that.
9
10 Mr. Jones: [84-95]
11
12 Mr. Preston: Did we get a draft from Wes?
13
14 Mr. Jones: I don't know [96]
15
16 Mr. Castaneda: Mr. Chairman?
17
18 Mr. Preston: Yes.
19
20 Mr. Castaneda: Mr. Jones said that the Legislature is looking at
21 House Bill 2167. Should we all call our
22 representatives and tell them that we are not happy
23 with this House Bill and that they should reconsider
24 this House Bill?
25
26 Mr. Jones: Yeah...
27
28 Mr. Castaneda: Or that they should reconsider this house Bill?
29
30 Mr. Jones: You can tell them you are opposed to it. And I will,
31 if you would like I will make up a form letter and
32 [101 for the signatures [103-104].
33
34 Ms. Cummings: Mr. Chairman? Mr. Jones would you please state
35 again what you were saying about a House Bill?
36
37 Mr. Jones: It says how Districts are able to set the rates for
38 homes, schools, businesses and that sort of thing.
39 And they are going through a lot of litigation,
40 especially with homeowners, schools, businesses

1 and that sort of thing. Does anybody have any
2 questions?
3
4 Mr. Castaneda: Mr. Chairman?
5
6 Mr. Preston: Mr. Castaneda.
7
8 Mr. Castaneda: Just one more question and I don't know if this
9 question is appropriate for Mr. Jones or if it's
10 appropriate for Mr. Addison. But I noticed in our
11 C.O.A.'s that Mr. Peetoom ended up getting a check
12 for \$300.00 and something... "
13
14 Mr. Peetoom: \$315.00.
15
16 Mr. Castaneda: \$315.00. That is correct. What is ...
17
18 Mr. Peetoom: Petty cash [122-127]
19
20 Mr. Kendrick: Mr. Chairman?
21
22 Mr. Preston: Gary.
23
24 Mr. Kendrick: We pay Brinks and we're paying them \$306.00 a
25 month. Aren't they supposed to bring our change?
26 Don't they do that? Bring change?
27
28 Mr. Castaneda: Oh they do that; they bring change.
29
30 Mr. Kendrick: I believe also that if we want they can do that.
31
32 Ms. Sieglaff: Mr. Chairman, may I comment on that?
33
34 Mr. Preston: Yes.
35
36 Ms. Sieglaff: There is an extra charge for that; for them to bring
37 us change. They charge extra for that and that's
38 the reason it's not being done.
39
40 Mr. Preston: [133] Mr. Peetoom would explain that again?
41

1 Mr. Peetoom: Yes.
2
3 Mr. Preston Would you explain that again? I don't quite
4 understand. You get money from petty cash and go
5 down and get change from the bank?
6
7 Mr. Peetoom: They make it where I can go to the bank for petty
8 cash. I bring it back on my way from the Post
9 Office. I go to the Post Office every day.[136-139]]
10
11 Mr. Preston: That's irrelevant to what I want to know. I don't
12 understand why you can get paid...
13
14 Mr. Peetoom: I don't.
15
16 Mr. Preston: Well it says on the sheet here that you got \$315.00.
17
18 Mr. Jones: [141]
19
20 Mr. Peetoom: They give me a check for petty cash and I bring it
21 back to either him or Theresa. They count
22 everything to make sure it's all there. They can see
23 if it's being reimbursed or [147-150]
24
25 Mr. Preston: Okay. They [150-151] Okay, Mr. Vonn do you want
26 to explain it?
27
28 Mr. Addison: Yes.[152]
29
30 Mr. Castaneda: Mr. Chairman?
31
32 Mr. Preston: Mr. Castaneda.
33
34 Mr. Castaneda: I can understand that he doesn't get any money but
35 for someone that comes out of the public and wants
36 to review our C.O.A.'s and they see a check to Mr.
37 Peetoom for \$315.00 – it just makes it look a little
38 weird. Do you understand what I'm saying Mr.
39 Addison? There's got to be a way of getting change
40 for something without making it look – or seem to
41 appear that we're giving Mr. Peetoom a check.

1 Mr. Addison: You could write it to cash [159-169]. Do you have
2 any other questions?
3
4 Mr. Castaneda: I believe that's all I have right now.
5
6 Mr. Preston: Okay.
7
8 Mr. Castaneda: I just would like to know from Lou, would it not be,
9 and I know that Mr. Jones is working on it and other
10 forms that we do not have in place right now to track
11 [170] I can recall coming in here two weeks ago and
12 the drawer was \$5.00 short. [174] and I know Mr.
13 Jones has been here long enough to know that we
14 are charging individuals for faxes or for copying of
15 documents that they bring to the office, we charge
16 them for that but we don't ring it up in our cash
17 register, we put it in a cup. [180] That's why we
18 made so many of the changes that we made. We
19 need to put these policies in place to where five or
20 ten or fifteen dollars is added up in a proper manner
21 instead of today the drawer is short five dollars or ...
22 we need proper documentation because further
23 down the road it could be thirty dollars and
24 miraculously I don't know where we come up with
25 thirty dollars but it's popped back up in the drawer.
26 Whatever we need to do I think it's a good idea for
27 this governing body to put in to place what to do.
28 [185].
29
30 Mr. Addison: Well petty cash is just that. Petty cash.
31
32 Mr. Castaneda: No, I'm talking about the drawer too.
33
34 Mr. Addison: Well you can have that too. But the problem with it
35 is that without having tight controls over it but to
36 secure the minimal amount of money is going to
37 have to be – turn out to be or not to be [190] instead
38 of the record keeping [191-199].
39
40 Ms. Sieglaff: Mr. Chairman may I make a quick comment?
41

1 Mr. Preston: Madam Clerk.
2
3 Ms. Sieglaff: The reason why the drawer was five dollars short
4 was because when Theresa was counting the
5 \$100.00 bank for the following day she didn't have
6 change all she had was twenties. So the drawer
7 wasn't really short she would have gotten change
8 and put the five dollars back in there, however, she
9 didn't come to work that day. So when I counted
10 the bank up in the morning it was only \$95.00. I
11 didn't find out until the next day when she came to
12 work why it was short. But I did look in the little cup
13 in her drawer and there was a roll of quarters and
14 there were dimes in the drawer so I took the dimes
15 out of there and put the quarters in there to make
16 the \$100.00. But it actually wasn't missing.
17
18 Mr. Castaneda: I appreciate that. But there have been policies
19 already in place way before this. Who knows that
20 the five dollars was somewhere else? You could
21 have known that the five dollars was somewhere
22 else [209]. This is the point that I'm getting at.
23 There's no slack of what was being done. So we
24 wouldn't find out until after today, meanwhile this
25 could have been going on for years now and it's no
26 track of what's been going and what's not been
27 going on properly in that office. That's all I have to
28 say.
29
30 Mr. Preston: Okay. Does anybody have any questions? Okay,
31 hearing none we'll move on.
32
33 Mr. Addison: Mr. Chairman?
34
35 Mr. Preston: Yes.
36
37 Mr. Addison: I noticed you have a very long program tonight.
38 Something has just come up and I need to get back
39 to town. I'm wondering do you have anything in
40 particular that you wanted me to [220]
41

1 Mr. Preston: If there any more questions that we have to consult
2 you I can call you tomorrow.

3

4 Mr. Addison: Okay. Is it okay if I go now?

5

6 Mr. Preston: Yeah. Thank you very much for appearing.

7

8 Mr. Preston: Okay. We'll go to item 5.

9

10 **5. Call for public comment**

11

12 Mr. Preston: I have a comment here from Mr. Foy Brown. Mr.
13 Brown you have the floor.

14

15 Mr. Brown: I want to know why they let Sig go.

16

17 Mr. Preston: That is something that will have to be answered in
18 the future. There are so many hearings going on
19 now so that [238]. Does that satisfy you Sir?

20

21 Mr. Brown: No.

22

23 Mr. Preston: No? It doesn't? Well, I can't tell you any more than
24 that. Are there any other comments? Thom?

25

26 Mr. Martinez: Mr. Chairman and Members of the Board. I noticed
27 that I wasn't on the Agenda for tonight. I just want
28 to say that I am prepared to update you on the
29 Master Plan. [249]

30

31 Mr. Preston: We'll make some room for you. Go ahead. You
32 have the floor now.

33

34 Mr. Martinez: Should I do it right now?

35

36 Mr. Preston: Yeah, sure.

37

38 Mr. Martinez: [241] I brought my triangle holder with me. This is
39 Shawn _____. Mr. Chairman and
40 Members of the Board my name is Thom Martinez
41 and I would like to thank you for letting me have the

1 floor. I understand you are wanting an update on
2 how the master plan is going [247]
3
4 Mr. Castaneda: Would you like to get together with Mr. Jones and
5 Mr. Perry some time in the next month [337]
6
7 Mr. Martinez: [338]
8
9 Mr. Preston: [344]
10
11 Mr. Jones: [346]
12
13 Mr. Preston: How about Wednesday of next week?
14
15 Mr. Martinez: That will not work for me.
16
17 Mr. Preston: How about Thursday?
18
19 Mr. Martinez: Thursday of next week looks good to me.
20
21 Mr. Preston: [348] What time?
22
23 Brief recess from 7:40 to 7:55 p.m.
24
25 Mr. Preston: Is it turned on Lisa?
26
27 Ms. Sieglaff: Yes.
28
29 Mr. Preston: Okay. We're back in session again at 7:55. We will
30 go to item 6.
31
32 **6. Discussion and possible action regarding attorney's letter**
33 **regarding audit**
34
35 Mr. Preston: Okay. Mr. Addison you have the floor.
36
37 Mr. Addison: Do you want to go over the audit or do you want to
38 go over the letter that you wrote about the contents
39 of the audit?
40
41 Mr. Preston: We can go over the letter if you'd like...

1
2 Mr. Castaneda: I have it down as an Agenda item but if you want to
3 go over the audit we'll go over that first and ...
4
5 Mr. Preston: Okay.
6
7 Mr. Addison: In looking at the audit for last year – the year
8 beginning at January 2007. In general the District is
9 in pretty good shape as it was last year for the two
10 years previous. Last year and the year before.
11 Accounts receivable \$24,000.00 that was down by
12 \$4,000.00. Pages 2 and three are the revenue and
13 expenses. Revenue was down \$5,000.00 from the
14 previous year. Almost all operating expenses were
15 up by \$25,000.00. Professional fees were up
16 \$1,000.00. Depreciation is excluded, as it is a non-
17 cash item. In 2007 the operating income was
18 \$96,000.00. After debt services there is a
19 \$47,000.00 decrease. In looking at it what peaks
20 my interest is cell phone usage for personal calls.
21 I.R.S. will not allow personal calls; they can't be
22 used as b business expenses. It's an issue that
23 I.R.S. looks at closely, and credit card use for
24 personal items is another area that they scrutinize
25 pretty closely. It's not a matter of whether they were
26 reimbursed or not, it's just not a good policy to have
27 your credit cards used for personal purchases. As
28 far as the timing of the audit and the lateness of the
29 audit, we sent out our engagement letter in June. I
30 don't know when it was signed and returned.
31
32 Ms. Sieglaff: I think that was in December.
33
34 Mr. Addison: Yes, it was before the end of the year. And then
35 we still didn't have all of the information that we
36 needed to complete the audit because one of our
37 requirements is to review all of the Meeting Minutes
38 for the year. I didn't get them until the first week in
39 January.
40

1 Mr. Preston: Making a long short, what was the end figure of the
2 year; whether it be plus or minus? This is company
3 business.
4
5 Mr. Addison: The County's depreciation is on track.
6
7 Mr. Preston: Well you've got to count depreciation.
8
9 Mr. Addison: If you count depreciation you lost \$141,000.00.
10
11 Mr. Preston: We lost?
12
13 Mr. Addison: If you don't count depreciation you made
14 \$17,000.00.
15
16 Mr. Preston: So that's the actual figure?
17
18 Mr. Addison: That's the figure that you're working with. As far as
19 from a budget standpoint dealing with cash you're
20 looking at \$17,000.00. But, like I said, for the year
21 2007 it was \$47,000.00.
22
23 Mr. Preston: Does anybody have any questions?
24
25 Mr. Jones: [inaudible]
26
27 Mr. Preston: I've been informed that we have to – and you can
28 chime in and tell me if I'm wrong – we have to
29 operate in the deficit until 2013.
30
31 Mr. Jones: Is that through the WIFA?
32
33 Mr. Preston: I believe it is, yeah.
34
35 Mr. Addison: I'm not sure about that. I mean you'll operate in a
36 negative as long as the depreciation holds up. You
37 will always operate in a deficit. [inaudible] Your
38 ability to fund is about \$150,000.00 a year.
39 [inaudible] And in the past where the money came
40 from, they were loans from WIFA and the RD
41 account.

1
2 Mr. Preston: The last time you were here last year you advised
3 us that the way we were gong we'd be bankrupt in
4 five years.
5
6 Mr. Addison: Yeah.
7
8 Mr. Preston: Are we still heading in the same direction?
9
10 Mr. Addison: You have a decrease in your current assets, which
11 are basically cash and receivables of \$30,000.00.
12 So you made up about 25% of what you had in the
13 way of permanent assets. [inaudible] It gets paid
14 on the same schedule.
15
16 Mr. Preston: So we're progressing?
17
18 Mr. Addison: Well down the road as far as going broke or do you
19 mean...
20
21 Mr. Preston: No. What's coming out of the deficit?
22
23 Mr. Addison: The thing that you're doing right now is you are
24 taking the approach that [inaudible] \$80,000.00. if
25 the revenue has changed. If all the other stuff stays
26 the same that will give you about \$97,999.00 in
27 income prior to depreciation.
28
29 Mr. Preston: Does anybody else have any questions?
30
31 Mr. Castaneda: Mr. Chairman I do. Are you still saying that we're
32 overspending out of our office?
33
34 Mr. Addison: I would say if you have \$80,000.00 out of the cost of
35 [inaudible] the last year then you're in good shape.
36
37 Mr. Castaneda: Thank you Mr. Addison.
38
39 Mr. Addison: The Board needs to vote on this audit and then I
40 have an engagement letter which needs to – put
41 that on letterhead and send it to my office.

1 Mr. Castaneda: Mr. Chairman, with that I make the motion that we
2 accept Mr. Addison's audit for fiscal year ending
3 2008.
4

5 Mr. Preston: The motion has been made and seconded.
6 Everybody in favor say aye.
7

8 **AYE 5 NAY 0 ABSTENTIONS 0**
9

10 Mr. Addison: I finished the audit in early January. I don't operate
11 that way. I don't believe we're performing a service
12 for you. The only thing that we're getting out of this
13 is here we are seven months down the line. There's
14 no reason for us to not be able to [inaudible] on your
15 expenses since September because we're still in
16 the process of where we have to file the statements
17 with Pima County, which we have to do, but we
18 already did it. The October deadline that they have
19 – there is no reason for not being able to do that
20 within the time period. I do apologize that this
21 happened that it wasn't that way but I wasn't quite
22 sure how to do it.
23

24 Mr. Preston: Mr. Kendrick?
25

26 Mr. Kendrick: Well I think the reason it was not done was because
27 you didn't get all of the information when you should
28 have gotten it.
29

30 Mr. Castaneda: I want to thank you Sir. You did a good job and
31 thank you for waiting. Thank you for your patience.
32 This was caused by - obviously, we were dropping
33 the ball on this end. We recognize that it is not your
34 fault. If we knew we'd have been on that person to
35 get it to you and we're sorry. But we will be more
36 on top of things like that. We'll be glad to see that it
37 will not happen again.
38

39 Mr. Addison: What about the engagement letter?
40

1 Mr. Preston: You can come back and get copies of that
2 tomorrow. Okay, we'll go to item number 7.

3

4 **7. Discussion and possible action regarding seminar**
5 **on document retention and destruction**

6

7 Mr. Preston: We have form from Madam Clerk about a seminar.
8 Would you like to explain what this seminar is
9 about?

10

11 Ms. Sieglaff: There are specific laws about retaining records and
12 we have records everywhere in this water District.
13 We have them over there by a well, we have some
14 outside in the garage, we have records in here in
15 file cabinets and I thought if we only had one
16 meeting a month, I could start working on getting
17 these records lined up as the ones that we can
18 destruct and the ones that we have to keep
19 because certain ones you have to keep three years,
20 some for seven years and some you have to keep
21 for ten years. And then certain ones you can never
22 get rid of. I know ten years is anything having to do
23 with the government. And some that we must keep
24 forever like the Meeting Minutes. But they might
25 have changed the laws since I knew what they
26 were. So that why I thought it probably would be
27 beneficial to the District if I was to go to this, and not
28 only go to this but start working on a project to get
29 rid of the paperwork that we have that we don't
30 need. But I wouldn't undertake that project without
31 having accurate data.

32

33 Mr. Preston: The Chair would like to entertain a motion to send
34 Madam Clerk to this seminar. The cost is \$349.00
35 and I personally believe it will be money well spent
36 due to the fact that we do not have to keep as many
37 records as we have and we need to now what we
38 can through away and what we have to keep. The
39 Chair will entertain that motion please?

40

1 Mr. Castaneda: I'll second the motion that we give Lisa the \$349.00
2 to attend the seminar on Document Retention and
3 Destruction. You'll have to take specific notes.
4

5 Ms. Sieglaff: No, they give you a book.
6

7 Mr. Castaneda: Where is this going to be, what Sheraton?
8

9 Ms. Sieglaff: This is Tucson. 5161 E. Grant Rd. It's in a little
10 plaza that you can drive through.
11

12 Mr. Preston: It's in Tucson anyway?
13

14 Ms. Sieglaff: Yes.
15

16 Mr. Preston: It's not too far.
17

18 Ms. Sieglaff: No. No traveling, no expenses, no hotel, nothing
19 like that.
20

21 Mr. Preston: Okay has the motion been seconded?
22

23 Ms. Sieglaff: Luis did.
24

25 Mr. Preston: You made the motion right?
26

27 Mr. Castaneda: No, you made the motion and I seconded it.
28

29 Mr. Preston: Okay. The motion's been made and seconded that
30 we send Madam Clerk to the seminar for the
31 Lorman Education Services; all in favor by saying
32 aye?
33

34 **AYE 4 NAY 1 ABSTENTIONS 0**
35

36 Mr. Jones: I think that's a good move. I talked to Theresa and
37 she should order some boxes and she can organize
38 some of those records and put them in boxes and
39 put 'destruction' on each one.
40

1 Mr. Preston: Can we put a hold on that until after Madam Clerk
2 comes out of the class?
3

4 Mr. Jones: Yes. And she's going to come back to us and let us
5 know what we need to keep and what we can
6 destruct. And she's going to mark all the boxes and
7 some of them can be stored and some destroyed.
8 Some of them she can take out of those folders and
9 condense them.
10

11 Ms. Sieglaff: Out of the notebooks you mean?
12

13 Mr. Jones: Yes.
14

15 Mr. Jones: So we have to sort them and decide what to take
16 out of them.
17

18 Ms. Sieglaff: Yes. We have a lot of notebooks.
19

20 Mr. Jones: Too many notebooks.
21

22 Ms. Sieglaff: And just for the record, the seminar is this coming
23 Friday.
24

25 Mr. Preston: Have you signed up for it yet?
26

27 Ms. Sieglaff: Well no, I had to wait for this meeting. But we'll do it
28 tomorrow.
29

30 Mr. Preston: Okay. Do we have a shredder that can handle it?
31

32 Ms. Sieglaff: There's a company that will – if you have a lot of
33 confidential documents that you need destroyed
34 they will come with a truck and pick it up and shred
35 it right there. They back the truck up and there's a
36 giant shredder in the truck and they just throw the
37 boxes of paper in and shred it and that's a done
38 deal.
39

40 Ms. Cummings: How much does that cost Lisa?
41

1 Ms. Sieglaff: I don't know because I didn't know this was going to
2 come up. But I'll find out. I'll put it right on my to-do
3 list.
4

5
6

7 Mr. Preston: Whatever it's going to cost, if it's within reason, it
8 would be better in the long run in this situation.
9 Okay.
10

11 **8. Discussion and possible action regarding job descriptions**

12

13 **9. Discussion and possible action regarding forms for**
14 **accounting of cash**

15

16 **10. Discussion and possible action regarding by-laws**

17

18 Mr. Preston: Because of the hour I would like to table items 8
19 and 9 and 10 also. Can we get a motion?
20

21 Mr. Castaneda: I'll make the motion that we table 8, 9, and 10 for a
22 future meeting.
23

24 Mr. Kendrick: I second it.
25

26 Mr. Preston: The motion's been made and seconded that we
27 table items 8, 9 and 10; all in favor?
28

29 **AYE 5 NAY 0 ABSTENTIONS 0**

30

31 Mr. Preston: Okay. We move down to item number 11.
32

33 **11. Discussion and possible action regarding letter from**
34 **attorney concerning Board payments**

35

36 Mr. Preston: Mr. Frazier had to leave. Does everybody have that
37 letter from Mr. Frazier?
38

39 Ms. Cummings: Yes.
40

1 Mr. Preston: We can act on this later then that the payments for
2 this meeting will not be paid. It will show up on the
3 meeting that we had in January.
4

5 Mr. Castaneda: Mr. Chairman?
6

7 Mr. Preston: Mr. Castaneda?
8

9 Mr. Castaneda: I will make the motion that we instruct our Clerk to
10 take all our names down tonight in regards to our
11 fifth meeting in January and we all agreed to
12 relinquish our pay for that meeting.
13

14 Ms. Cummings: [Barely audible comments regarding the fact that
15 she had only attended four meetings in January and
16 should get paid for this meeting. Mr. Preston
17 agreed.]
18

19 Mr. Preston: I second that motion. According to Mr. Frazier he
20 didn't care whether we reimburse the \$75.00 for
21 every Member or we had this meeting tonight and
22 nobody got paid. It didn't make any difference to
23 him. We need to have a letter signed that we will
24 not be getting paid for this meeting.
25

26 Ms. Sieglaff: Mr. Chairman may I ask a question?
27

28 Mr. Preston: Yes.
29

30 Ms. Sieglaff: Just to clarify, Ms. Ball-Cummings was only at four
31 meetings last month so we she will get paid for
32 tonight.
33

34 Mr. Preston: Will you have those letters ready for the meeting
35 next month?
36

37 Ms. Sieglaff: I can do it tomorrow.
38

39 Mr. Preston: Okay. You can do then tomorrow and then we can
40 all stop in and sign the letter.
41

1 Ms. Sieglaff: Do you want five separate letters or we can do just
2 one letter?

3
4 Mr. Preston: He stated individual letters. He must have some
5 reason for that but basically it would just be a matter
6 of changing the heading. Okay. I'd appreciate it if
7 you'd take care of that tomorrow. Okay, we'll move
8 on to item 12.

9
10 **12. Discussion and possible action regarding letter from**
11 **attorney concerning the termination of Sigfrid Danielson**

12
13 Mr. Preston: Okay. Madam Clerk?

14
15 Ms. Sieglaff: Yes Sir?

16
17 Mr. Preston: Would you be a person on the Committee?

18
19 Ms. Sieglaff: Yes Sir.

20
21 Mr. Preston: Okay. Mr. Gary, will you be a member of that
22 Committee?

23
24 Mr. Kendrick: Yeah.

25
26 Mr. Preston: Mr. Peetoom, will you be a member of that
27 Committee?

28
29 Mr. Peetoom: This has to go outside of the District.

30
31 Mr. Preston: Who told you that? It does not have to go out of the
32 District. You better talk to Mr. Frazier, or I'll call him.

33
34 Mr. Castaneda: Mr. Chairman, maybe you could clarify that you've
35 already spoken to Mr. Frazier about it and according
36 to the Personnel Policy that's in effect you could
37 have an *ad hoc* committee with two Board Members
38 and the Clerk.

39
40 Mr. Preston: I spoke to Mr. Frazier in length about this and I told
41 him whom I had in mind for the committee and he

1 advised me that that was a good choice. So I will
2 talk to him again tomorrow and I'll verify that and
3 after I verify that Madam Clerk you can send a letter
4 to each Member of the Board.

5
6 Mr. Castaneda: Mr. Chairman?

7
8 Mr. Preston: Mr. Castaneda.

9
10 Mr. Castaneda: Will they do it amongst themselves to decide who
11 will be Chair or will you appoint a Chairman?

12
13 Mr. Preston: Madam Clerk will be Chair and Mr. Gary and Mr.
14 Peetoom will be fact finders. Okay, does anybody
15 else have anything on item 12? Hearing none, we'll
16 move on to item 13.

17
18 **13. Discussion and possible action regarding appointment of**
19 **a Grievance Committee**

20
21 Mr. Preston: Does anybody have any discussion on item 13?

22
23 Ms. Cummings: Mr. Chairman I do I believe, if I remember correctly,
24 only Board Members are allowed to sit on a
25 grievance committee. Clerks, employees and such
26 are not allowed to do that. You can check with the
27 attorney. The way I understand it from all the
28 grievances that we've had before that we're not
29 allowed to do that.

30
31 Mr. Preston: Ms. Ball-Cummings you were on the Committee that
32 Lisa was on. She was Chairman of the Committee
33 and you took it away and you did it yourself.

34
35 Ms. Cummings: [inaudible]

36
37 Mr. Preston: I'm talking right into your ear so...

38
39 Ms. Cummings: I was appointed to the Committee...I'm not
40 being...and Teresa took it away? I don't
41 understand what you are talking about.

1 Mr. Preston: She was the Chairman and you stepped and said
2 'I'll take care of it.'
3
4 Ms. Cummings: You said Chairman of the Committee?
5
6 Mr. Castaneda: Excuse me. I've read the policy and it's in the policy
7 that we're still on because we have not...
8
9 Ms. Cummings: Exactly.
10
11 Mr. Castaneda: ... changed it yet. It says in there that the policy
12 shall be the Clerk and two Board Members. And I
13 do believe Ms. Sieglaff is our Clerk. Am I right
14 Ma'am?
15
16 Ms. Sieglaff: I was about 30 seconds ago.
17
18 Mr. Castaneda: Okay. Well then you still are. I suggest that if
19 anyone has any doubt, use the Personnel Policy
20 Manual and read where it says two Board Members
21 and the Clerk.
22
23 Mr. Preston: Okay. Does anyone else have anything on this? Is
24 that the end of the discussion on item number 15?
25
26 Unknown: Yes.
27
28 Mr. Preston: Okay we'll move on to item 14.
29
30 **14. Discussion and possible action concerning administrative**
31 **details**
32
33 Ms. Sieglaff: Vonn do you have anything?
34
35 Mr. Jones: No.
36
37 Mr. Preston: It has been talked with me about the audit of having
38 an independent auditor for the preceding years on
39 the – from Mr. Addison. An independent audit will
40 be taken and go back at least six years and have

1 them checked over. Has anybody got any input on
2 that?

3
4 Mr. Peetoom: How much is it going to cost? Is it in the budget?

5
6 Mr. Preston: It probably will be by the time we get to it. There's
7 nothing saying that it's not in there now.

8
9 Mr. Castaneda: Mr. Chairman?

10
11 Mr. Preston: Go ahead.

12
13 Mr. Castaneda: I know this a financial concern with Mr. Peetoom.
14 And it's in the budget just like our newsletter for
15 November was. This probably is in the same place
16 for that budget item. Mr. Chairman, I do believe that
17 we need it just for piece of mind. I'm going to make
18 the motion that we have an independent auditor
19 outside of our auditor to come in and review our
20 books.

21
22 Mr. Preston: I second that motion. The motion's been made and
23 seconded; all in favor?

24
25 **AYE 3 NAY 2 ABSTENTIONS 0**

26
27 Mr. Preston: If we're going to do it we'll go after it and find out the
28 cost. There's no person. It wasn't necessary to find
29 out how much it was going to cost. But we now
30 have a 3 to 2 vote that we're going to have it so we
31 can check it. Do you have input on that Mr. Jones?

32
33 Mr. Jones: You should have found out the cost because it
34 could be way more than you expect to be. Once
35 you voted on it don't you have to do it anyway?

36
37 Mr. Preston: Well when we look into it we'll have more of an idea
38 on whether it's worthwhile.

39
40 Mr. Jones: [inaudible]

41

1 Mr. Preston: But that would only be common knowledge Mr.
2 Jones. To find out what it's going to cost before we
3 find any time for that. Mr. Castaneda, would you
4 look into that?
5
6 Mr. Castaneda: Yes and I can bring it back at our next meeting of
7 what the cost is, the detail of what the person is
8 going to be looking for. I don't believe that it would
9 be a \$20,000.00 thing. They're going to be doing
10 an audit to assess the situation about any
11 misappropriation of funds, any irregularities. It
12 wouldn't be an actual audit that they would be
13 doing. But I will look into to that and bring that up at
14 the next meeting.
15
16 Mr. Preston: It would be more of an investigative thing than an
17 audit.
18
19 Mr. Jones: [inaudible]
20
21 Mr. Preston: I've asked for quite some time now about a balance
22 brought forward. But it should be in our records.
23
24 Mr. Jones: What you want is basically the ending balance from
25 the previous month.
26
27 Mr. Preston: Yes. I've looked back in all the records we have.
28 There was never ever a balance brought forward.
29
30 Mr. Jones: [inaudible]
31
32 Mr. Jones: I think down the road yes, but I think this is that t
33 should be that an audit should come first.
34
35 Mr. Castaneda: What software are we using right now Mr. Jones?
36
37 Mr. Jones: I don't know but it should reflect a balance brought
38 forward.
39
40 Mr. Castaneda: Is it older version of software?
41

1 Mr. Jones: It might be an updated version.
2
3 Mr. Castaneda: What would you recommend. What kind of software
4 is out there?
5
6 Mr. Jones: Some of the best software that I've run into belongs
7 to a homeowners' association.
8
9 Mr. Kendrick: Mr. Chairman?
10
11 Mr. Preston: Mr. Gary.
12
13 Mr. Kendrick: I would like to make a motion on the internal audit.
14 Okay, we've got to vote on it.
15
16 Mr. Preston: There were a couple of words that I didn't get.
17
18 Mr. Kendrick: I would like to see a vote to the Board Members on
19 the internal audit. If we accept it we can find out
20 how much it's going to cost and then we can decide
21 depending on the cost.
22
23 Mr. Preston: How much it would be.
24
25 Ms. Sieglaff: Mr. Chairman?
26
27 Mr. Preston: Yes.
28
29 Ms. Sieglaff: Are we amending the motion that was already
30 passed?
31
32 Mr. Preston: Yes, we did vote to do it but also we're going to
33 have a secondary vote due to the fact that we need
34 to find out how much it's going to cost.
35
36 Ms. Sieglaff: Okay. I just wanted to clear that up for the record.
37
38 Mr. Castaneda: The motion has been made with a friendly
39 amendment to discuss it as we continue to possible
40 action.
41

1 Ms. Sieglaff: Thank you Mr. Castaneda.
2
3 Mr. Preston: Item number 15.
4
5 **15. Announcement of next scheduled meeting**
6
7 Mr. Preston: The next meeting will be March the 9th.
8
9 Mr. Castaneda: Are we not having one on the 16th? I mean we've
10 got to get on Personnel Policy. We don't even have
11 that Personnel Policy. You know we've been
12 getting on that Personnel Policy way too long.
13
14 Ms. Cummings: I wasn't aware of that.
15
16 Mr. Jones: Mr. Chairman?
17
18 Mr. Preston: Yes Mr. Vonn.
19
20 Mr. Jones: Wasn't the attorney going to look over that?
21
22 Mr. Kendrick: It's got to be typed up first.
23
24 Mr. Castaneda: I want to do the by-laws and stuff too. This
25 governing body has been doing whatever they want
26 for too way too long and we need to start putting
27 some structure into this.
28
29 Mr. Preston: Okay. We can have a meeting on the 16th okay. Is
30 February 16th good for everybody?
31
32 Mr. Peetoom: I don't know you. I don't know whether I'm going to
33 be at the doctors or what.
34
35 Ms. Cummings: And I won't know. It depends how my husband is.
36
37 Mr. Preston: Okay. So the next meeting is to be February 16th at
38 7:00 p.m.
39
40 Mr. Jones: If we're going to have another meeting if you want
41 me to _____???

1 Mr. Preston: Yeah, I'll get with you on that. Okay, does anybody
2 else have anything?

3

4 **16. Adjournment**

5

6 Mr. Preston: The meeting is adjourned at 8:45 p.m.

7

8

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Minutes prepared by

24

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27

Lisa M. Sieglaff
Clerk of the Board of Directors