

MARANA DOMESTIC WATER IMPROVEMENT DISTRICT
Official Board of Directors Meeting Minutes
August 8, 2011

The Board of Directors of the Marana Domestic Water Improvement District met in session at the Marana Domestic Water Improvement District Office 16560 West El Tiro Road Marana, Arizona at 4:00 P.M. on Monday, August 8.

1. Call to Order and Pledge of Allegiance

Vice-Chairman Mr. Sostarich called the meeting to order at 4:00 P.M.

Mr. Sostarich ask Ms. Walker to lead the Pledge of Allegiance.

2. Roll Call

Upon roll call, those present were as follows:

Board Members Present were;

Tony Sostarich, Vice Chairman
Don Peetoom
Michael Young
Gary Kendrick
Teresa Ball-Cummings, Chairman, absent

Staff Members present were;

System Manager, Sig Danielson
Clerk, L. Katy Walker

Two members of the Public present

3. Consent Items:

A. Approval of meeting minutes from the July 11, 2011 meeting.

It was moved by Mr. Kendrick, seconded by Mr. Young and carried unanimously that; **The minutes of the July 8, 2011 meeting of the Marana Domestic Water Improvement District shall be approved as presented/amended.**

4. System Manager's Report.

1. Mr. Danielson reported: We have not had any problems with the system since the last BOD meeting. We have had one service line leak on Placita Galaxia.
2. July billing included 140 late notices, which is average.
3. We did 2 shutoffs in July for nonpayment, which is lower than average.

Accounts Payable	\$ 39,385.09
Accounts Receivable	\$ 51,671.41
Balance	\$ 12,286.32

Good way to start a year.

MDWID Balances Brought Forward:

MDWID Balance at Pima County	\$ 88,267.73
WIFA Reserve Account	\$ 46,796.24
RD General Account	\$ 311.23
RD Reserve Account	\$ 14,405.70
RD O&M Account	\$ 9,287.11
RD Replacement Account	\$ 7,834.88
RD Bond Account	\$ 17,271.95
Bills Pending Balance	\$ 2,193.46

For FY 2010 – 2011 net profit \$33,545.60

5. Call for Public Comment (limit 3 minutes)

Mr. Sostarich: Limit 3 minutes, and be advised that we're gonna listen to you, we may not respond. Okay the first will be the Reverend R. W. Jeffries at 12865 N. Flintlock Rd.

Mr. Jeffries: Excuse me, that man signed his before I signed mine, let him go first.

Mr. Sostarich: Okay, Robert Walker, 10168 N. Avra Vista Dr., Marana.

Mr. Walker: I have nothing, I just came to the meeting.

Mr. Sostarich: Back to Reverend R. W. Jeffries.

Mr. Jeffries: Excuse me, I just wanted to be right.

Mr. Walker: Thank you, I appreciate it.

Mr. Jeffries: My comment is I want the record from one of these meetings straightened out. Somebody complained about Theresa assisting me with a problem that she was handling for me that had to be notarized.

Mr. Sostarich: You're speaking of Theresa Hicks, is that correct?

Mr. Jeffries: The young lady that (inaudible)

Mr. Sostarich: Yes that would be Theresa Hicks.

Mr. Jeffries: And they passed the comment that she was outside with me for 20 to 25 minutes, doing nothing but talking. Pardon me for being truthful about it, but that's way I'm saying it, okay?

Mr. Sostarich: Listening.

Mr. Jeffries: The person that said it is a (inaudible). We were outside the door no more than 5 minutes, because certain people were trying to listen to the conversation that I didn't want listening to it. She took care of it, came back in, notarized the paper work and I left. Now, somebody put stuff on the record against her for that, that's not right. She did no wrong. I've been with this water company when it was IM Water Company, when the original IM Water Company owners owned it and the second IM Water Company owned it and I have never had any problems, except with one person who was on the Board, and everybody else had problems with him in this water company, okay? I've had a conversation one time, with Mr. Sig and people broke their necks to listen to the conversation. So I ask him to step outside and he did and took care of the problem. I could go on about what's going on and I can prove every bit of it, okay? The only thing I want done, is I want that taken off the record against Theresa Hicks, cause she did nothing wrong.

Mr. Sostarich: So essentially, your testimony is

Mr. Jeffries: I want the record straightened out cause she didn't do anything wrong and I want it on the record that she didn't do anything wrong.

Mr. Sostarich: Okay.

Mr. Jeffries: I don't think I'm asking too much.

Mr. Sostarich: No, part of her job is dealing with the public.

Mr. Jeffries: That's right, and I don't want

Mr. Sostarich: That's understood.

Mr. Jeffries: And I don't want her cut for doing her job.

Mr. Sostarich: Oh she, the situation

Mr. Jeffries: And if you want to ask any more questions about it, talk to Mr. Sig, he knows, okay? Because I don't believe in cutting somebody's throat in public, I'm not

gonna let somebody cut somebody else's throat, using my name with it when they didn't do anything wrong. That's all I got to say and I appreciate you taking your time to listen.

Mr. Sostarich: You're not alone in your assessment here.

Mr. Jeffries: Well not due to the Board, not to Sig, not to you, everybody in the room, I have to leave, I have medical problems. And God Bless all of you and all of yours and have a safe one.

Mr. Sostarich: Thank you for showing up and sharing your views.

6. Discussion and possible action concerning WIFA grant program.

Mr. Danielson: We are still trying to work scheduling out with Mr. Rubin from Hughes, as far as Leak Detection Survey. I talked to him Thursday morning last week. He has got 9 field guys that do this work in the entire Nation. One of them blew out a knee on Monday. One of them had back surgery on Tuesday and the third one came down with pneumonia on Wednesday. He says I've only got 6 guys out there and he says we'll get it done. He says when's my drop dead date. I said you have to have it the work completed and billed before June 30th 2012. He says we'll get it done. So he just checked in with me to let me know that he hadn't forgot me, he does know about it and actually the longer we delay him and the more we learn about the RD Grant situation, may change some of our focus on what we're gonna have him do. That's all I've got to say.

Mr. Sostarich: Any questions for Sig on item 6?

7. Discussion and possible action concerning USDA-RD grant and loan program/application

Mr. Danielson: Talked to Jeff this morning. He says I was a little bit late getting it out to the tribes, their common period ends this Friday. I thought it ended about 2 weeks ago. He says I apologize for that. He says but as soon as I get any comments back from the tribes, or anything like that, He says they've got til Friday to do it. He says if I haven't seen anything by Wednesday of next week, He says I'll submit it to the powers that be and we'll see what they say for funding, so. And if that does come through, the majority of the pipelines here between Anway and Musket, El Tiro and Moore, all of that is gonna be replaced. The first time we did the leak detection survey, that's where we found the biggest leaks. If we're gonna replace that section of line under an RD Grant, I'm not gonna spend the WIFA grant money looking for a leak detection over there. We'll do it here and we'll incorporate the original South portion of the District and then as it grew North past

Mr. Young: Camino Tres Arroyos?

Mr. Danielson: No, the original South portion of the District was the 2 loops between Dubois and Culver and a couple of dead end lines that serviced about 6 lots North of Culver. That was the absolute original South portion of the District. Then they added more on as they went, so. If we don't do anything over here, we'll look at everything South of Culver Road on the other side

Mr. Young: That makes sense.

Mr. Danielson: That's all I have on item seven.

Mr. Sostarich: Anybody have any questions for Sig on item seven.

Mr. Young: I have a question. When we do get that grant money, how much is the total?

Mr. Danielson: Two-point-three-million.

Mr. Young: Is it gonna be broken up in different phases or is it gonna be a lump-sum deal or (inaudible)

Mr. Danielson: What we did on the first grant loan program and the last I talked with Jeff and we were throwing numbers around and this goes back about a year. It's two-point-three-million-dollars. He would put a million dollars of Colonia money against it, reducing it to one-point-three-million. And then do either a sixty, forty or a fifty-five, forty-five split. We would be responsible for forty to forty-five per cent of that one-point-three-million. Roughly a-half-a-million bucks. We would spend that first, and that would be a forty year loan. Then we would begin spending the grant money, as long as something was addressed in the Preliminary Engineering Report. Let's say we get to the end of what we initially planned, and we still got twenty-five thousand bucks left of grant money left out there or fifty-thousand dollars left in grant money out there. We can start adding more fire hydrants. We can do more valves, we can look at replacing more pipelines, that type of, that stuff. Although the focus is gonna be over here, you know, there is a pipeline that I know I would love to replace, because the doggone thing is schedule 20, it's a four-inch schedule 20 line. it runs from Sandy Street North to the end of Luther.

Mr. Kendrick: Is that AC?

Mr. Young: No.

Mr. Danielson: It is really thin, it is irrigation pipe, got a wall thickness of about like that. And don't think we are not really, really careful when we've had to do new service lines into that stuff.

Mr. Young: Now, I know it's been a while since we've all looked at the plans and all that. But all the water system, when we get done, is gonna be looped?

Mr. Danielson: No, no.

Mr. Young: Well if there's some extra money, maybe we need to look in to

Mr. Danielson: Well, yeah, we can look at finish looping. There's two areas that are probably, that have been addressed in the looping. One of those is over here which we're gonna replace the pipeline anyway, so that will take care of that non-looping issue there. Down on the McGinnis-Volk Easement, all the drawings show the pipeline runs through, it doesn't. At least, we've dug the entire width of the easement, about fifteen feet deep, and we've never found pipeline down there. So we'll address that. Two areas I'd like to finish the looping on, and these were pretty big money items, and one of them was, go South on Musket to Tres Arroyos, come across Tres Arroyos, come back up and tie in to the end of Saddle Club, coming North on Derringer to tie in to the end of Saddle Club. That was '04 dollars, I think we priced that out as somewhere around eighty-eight, ninety thousand dollars, in 04. The other area that we have not priced out is, to come here from the Kesicki property, which is North of Sandy Street. We've got a dead end line that runs say to here, then we've got another line that runs here, it runs here, then it runs back here. The idea is to connect those two.

Mr. Young: So we wouldn't have any problem if we have extra grant money?

Mr. Danielson: No, we'll find places to spend it, don't worry.

Mr. Sostarich: Are you finished, Sig?

Mr. Danielson: Yes.

Mr. Sostarich: Any more questions for Sig on item 7?

8. Discussion and possible action concerning Board of Directors Officer Elections

Mr. Sostarich: Before this meeting began, I was informed that the Chair had made a request, via Sig, to table this until next week, because she's had some serious medical issues and couldn't be here tonight and I believe one of her options was to have a special meeting that involves this. This is something that you are now apprised of and it's now open for discussion.

Mr. Young: Why do we have to have a special meeting? Can't we put it on the agenda for next months meeting?

Mr. Sostarich: Yes we can put it on the agenda for next month.

Mr. Young: I don't think we need to spend the money, you know, we just incorporate it for next monthly meeting.

Mr. Sostarich: I agree. Do you want to go ahead and discuss the subject now or do you want to table it?

Mr. Young: Well under her request, I think we should table it but I think it needs to be brought up at the next monthly meeting.

Mr. Sostarich: It does, if Heaven forbid, if she's physically unable to make it due to medical problems.

Mr. Kendrick: Then I think we should just go

Mr. Sostarich: Pursue the matter, do you others agree with that? Okay, so anybody want to make a movement? Would that be necessary, Sig, to make a movement ?

Mr. Danielson: Yeah go ahead and do it.

Mr. Sostarich: Okay, anybody want to make a movement?

Mr. Kendrick: I will go ahead and make a motion that we table item number 8 until next months meeting.

Mr. Sostarich: And does that movement include that if she's not here, that we go ahead and pursue anyway?

Mr. Kendrick: Correct, if at next months regular meeting, that she is not able to attend due to health reasons, that we go ahead and hold the elections.

Mr. Young: I second it.

4 Ayes 0 Opposed

Mr. Sostarich: Four have voted affirmative to the movement of tabling item number 8 and having the elections anyway, regardless if the Chair is not here at the next regular scheduled Board meeting.

Ms. Walker: Excuse me, Don, did you second it?

Mr. Peetoom: No, Mike did.

Ms. Walker: Okay, thank you.

9. Discussion and possible action concerning Emergency Response Plan

Mr. Sostarich: This is something that I've put on the agenda myself at the last meeting. And I want to share my thoughts with you on where I'm at because we'd talked about alternative fuels and all of this stuff before, right? I'm gonna make this as brief as possible. I talked with, first thing I found out is that it is impossible to convert a diesel engine without overhauling it. You have to lower the compression ratio, you have to drill the heads for spark plugs. It would be financially viable to convert our diesel generator engines to propane. It would also be economically viable to sell out generators, replace them with engines that would run on gasoline or propane. I have pursued the matter myself in my personal life. I found out that propane generators are available that can run on gas or propane. And I've also found out that a modern electronic PCU type vehicle, like a PT Cruiser can be modified to run on propane or gasoline, with a flip of a switch. What I've done to my El Camino is a Model T, compared what is available now. A flip of a switch. And if you run out of Propane, it automatically goes back to gasoline. Which brings up a subject of storing diesel fuel for the generators. I talked to Sig about this at the pre-agenda meeting. And he said that he had discussed this with one of the previous Board Chair members. And that they found out that if you get a diesel tank in here, the thought was five hundred gallons of diesel fuel. You would have to modify this

Mr. Young: Self-contained.

Mr. Sostarich: Well you would have to put a bed around it for catch purposes, to comply with OSHA. It's also known to be volatile in regular tank, you can't store diesel forever. And that's what today's presentation is all about. I want to share a quick history lesson with you, all right?

Mr. Kendrick: What's in the bag?

Mr. Sostarich: Well I'm about to show you.

Mr. Young: That's what's first.

Mr. Sostarich: Show and lie was one of my favorite subjects in school and I brought a model car here for you.

Mr. Young: It runs on propane?

Mr. Sostarich: This is just a model car kit. It's a body of a car, '57 Chrysler and of course, everybody knows what this is, right? Okay, here's the story, in 1957, the city of Tulsa, Oklahoma, decided to have a time capsule. They built a concrete vault right there in the middle of town somewhere and buried a '57 Chrysler. They loaded this car with items from 1957, newspapers, various and sundry items, footballs, whatever. But inside, was an ice chest that had a six-pack of beer in it. In 2007, they opened that vault up. They made a big ceremony. They got out there with a backhoe and dug this thing up and they found out that somewhere along the line that the concrete vault had sprung a leak and the car was a rust bucket coming out of it. Zero miles on the odometer donated by Bill Breck Dodge or somebody. The car was a rust bucket and they auctioned it off for a certain amount of money. The guy took it home and opened that ice chest and put the six-pack in his refrigerator. Took a can opener, once it was cold, and opened it up, cause they were tin cans then and found that the beer was still good. Fifty years, why? Because the beer is in a sealed can and it's pressurized. You crack open the seal and the pressure begins to escape in the form of bubbles so you all know that.

Mr. Young: Is that one of the beers?

Mr. Sostarich: No, just a sample to get you on the same page. My thoughts about the propane issue involve a long term storage for emergency fuel. My mindset is in emergency mode and preparing for this. Because if you watch the stock market, price of gold, the headlines, everything that's happening, you can't escape the reality that we're heading towards difficult times. You can't and my mindset is to keep, not just the District, but the customer base prepared. The solution that I came up with, realizing that it's not possible to convert our diesel generators to propane, is why just not put the diesel fuel in a propane tank and pressurize it and keep it capped for emergency use only. It can't go flat, there's no place for the vapors to go. You have the storage requirements for a propane tank are a lot less that they would be for a

liquid tank. Nobody has to know what's in that propane tank. Look out there in the yard, let's say, or wherever it's put, they'll see a propane tank, under pressure, I might add. The potential thief, if the anal excursion hits the high speed air circulator, wanted to break in here, they'll see a propane tank. They won't see this is diesel, gasoline, something they can steal, they'd leave it.

Mr. Young: It has to be placard though for the Fire Department.

Mr. Sostarich: Blue flame gas company, Americans. How many of those propane tanks out there in the District that people have for their homes?

Mr. Young: They're not over five hundred gallon.

Mr. Kendrick: And they're not diesel.

Mr. Sostarich: The goal here is to consider 500 gallons is what the originators were considering.

Mr. Young: No I understand where you're coming from. But the Fire Department has restrictions. You have to apply for any tanks, so they know, if there is a fire, what they're dealing with. That's the State Law. They got to identify the liquid that's in it.

Mr. Danielson: Okay, you got to put up placards.

Mr. Kendrick: Cause putting out a propane fire is much different than putting out a diesel fire.

Mr. Young: Exactly.

Mr. Sostarich: Yes Propane weighs, releases a gas, weighs one-point-five times the amount of air. if you rupture a tank, it will come out close to 200+ PSI, and at 60 degrees Fahrenheit, it weighs 4.4 pounds per gallon.

Mr. Young: How do we know you're not Bull-shitting?

Mr. Sostarich: I've invested, no seriously, toward this end, I've bought a Propane tank. I'm making the conversion. I got the kit on the way to convert my car to Propane. I've been working on the tank today, that's why my hands are this color. I'm bringing this up for your consideration.

Mr. Young: That's a good question. I don't know why you couldn't pressurize these little, doesn't need to be much.

Mr. Sostarich: That's correct. And to remove the fuel from the tank you just add air pressure. It's coming out of the down pipe, just like Propane would. But another thing I

wanted to discuss, share with you on this subject is, I already talked to Sig about this, but the subject of doing a test run of our emergency plan. My initial thoughts to Sig was to inform the public, that in a certain time frame, we're gonna initiate this plan. Shut the system down and run it, start it up on our emergency system. Sig disagreed with disrupting service. He thinks that would not be a good idea to do that. He does think, however that carrying our emergency plan, shutting off the juice and firing up the generators and opening valves and stuff could be done without disrupting the service. So all that leaves us to do, my concern is to make sure everybody out there has an emergency supply of their own in case something happens. The system, service is disrupted, like I said earlier, you know what hits the fan. So what I'm asking you to consider is, go ahead with Sig's idea, but inform the public in advance. Word the thing in such a fashion that they think the system would be down. They come to their own conclusion and say, here's our system, our system might be disrupted and they're telling us to have a weeks worth of water on hand because they're gonna attempt a test here. I don't know if we've ever done such a test, have we Sig?

Mr. Danielson: No we have not.

Mr. Sostarich: Okay, if we word it in such a fashion that we haven't done this test yet and we want to leave some room for error here, that you, the customer, wants to have a weeks supply of water on hand, just in case something goes wrong, a generator quits.

Mr. Kendrick: In case our system goes down.

Mr. Sostarich: Yeah, we don't have to disrupt the service, but if we do this in a, say that we're gonna run this test, between, let's say the last week of December, during a low period, when people aren't as thirsty as they are in the desert, gardens are laid up for the winter.

Mr. Young: Christmas and New Years is not a good time.

Mr. Danielson: First week of January or the second week of January.

Mr. Kendrick: Put it there, the letter, maybe it's possible that there's going to be a service interruption.

Mr. Sostarich: Yeah, be prepared for an disruption in service.

Mr. Kendrick: We're testing out our emergency plan, so be prepared.

Mr. Sostarich: Yes, that's exactly what I'm saying and that's

Mr. Peetoom: Tell them to get the big buckets.

Mr. Sostarich; Swimming pools, bathtubs, fifty-five gallon drums, your water bottles for drinking water.

Mr. Kendrick: I don't know about you guys, but I don't know how to start, if something did happen and we couldn't get Sig or Tony or anybody, I wouldn't know how to start those generators. I think it would be a good idea for each of the Board Members to know how to do that.

Mr. Sostarich: That's something else that needs to be considered and batted around here. I don't know if that's part of

Mr. Peetoom: Tony?

Mr. Sostarich: Yes.

Mr. Peetoom: I'll get the papers for you and make some copies for the Board Members.

Mr. Danielson: I'll make copies for the Board Members.

Mr. Sostarich: Is this in the manual that I've got that I forgot to bring tonight?

Mr. Peetoom: No

Mr. Young: These are above-ground valves (inaudible)

Mr. Peetoom: You'll need it too.

Mr. Sostarich: According to what Sig said, these are well-maintained. People come out and check, change all the bodily fluids and run them up and all that stuff.

Mr. Peetoom: Yeah.

Mr. Danielson: Yeah, we're due again this fall, to get it done.

Mr. Peetoom: They come out here and check the well and everything.

Mr. Kendrick: I think that would be a good idea for each one of us to know how to

Mr. Sostarich: I agree.

Mr. Kendrick: To be able to turn that on, to switch it over, if need be.

Mr. Sostarich: Not only is it a good idea, Gary, but it's also under the description, in the Water Board Bible, that a small system oftentimes, in a small system, the Board Members themselves are running, actually out there as Field Techs and all this other stuff. The only time I think that would happen if there's a National Emergency and something did happen to, I'm open-minded to that, I think it's a, I'm glad you brought it

up. That's all I have right now, but be advised that I spend a, probably more time than necessary dwelling on this. Some of my ideas may be outside your (inaudible) Like that car and that can. I know but if I

Mr. Young: It makes sense.

Mr. Danielson: If the Board would like, we could take five minutes, wander out to the generator, and I could show everybody how to start it up and switch it over.

Mr. Sostarich: Can we do that after the meeting?

Mr. Danielson: We can do that after the meeting.

Mr. Sostarich: Would it, I mean would it be legal, if we close the meeting, and we're still meeting out there?

Mr. Danielson: Uh.

Mr. Sostarich: We can file that under Administrative Details, cause that would be an Administrative Detail.

Mr. Kendrick: Yeah.

Mr. Young: We're working on the Emergency Response Plan.

Mr. Danielson: It could be under the Emergency Response Plan which is what we're on right now.

Mr. Young: Exactly.

Mr. Sostarich: Okay, does anybody want to follow Sig's suggestion, stop the clock, toddle out there, and see, have him give us a demonstration of running up the generator?

Mr. Kendrick: Sure, that sounds good.

Mr. Peetoom: We got both of them, or just the one?

Mr. Danielson: We've got one generator, we've got the big generator is at Culver, the smaller one is here.

Mr. Sostarich: We'll just be looking at the smaller one here then tonight?

Mr. Danielson: They're physically identical to one another.

Mr. Kendrick: To start them.

Mr. Danielson: The only difference between them is in the windings of the generator itself.

Mr. Kendrick: But what we would need to know is the same.

Mr. Danielson: What you need to know, they're identical.

Mr. Sostarich: Does anybody move that we stop the clock, walk outside, get a public demonstration of running up the generator?

Mr. Kendrick: Yeah, I'll make that motion.

Mr. Peetoom: I second it.

Mr. Young: I'm ready to toddle.

Mr. Sostarich: All in favor?

4 Ayes

0 Opposed

Mr. Sostarich: We're stopping the clock at 1640.

Mr. Sostarich: Okay, it's 1653, we're back, we had a successful demonstration of how the emergency generator here at the main well site works. The final thing I have to say on the Emergency Response Plan, is to advise you guys that it is possible to convert a modern electronic control unit vehicle to Propane or gasoline. I discussed this with Sig, to some, I mentioned it to Sig the other day when the subject of buying a new vehicle for the Water District came up. That's just something for you to consider in future thoughts, having dual fuel capability for emergency needs. And does anybody else have anything to say on item nine?

Mr. Kendrick: Just that to thank you for taking the time and resources to do what you've done.

Mr. Sostarich: You're welcome, matter of, I want to live. In order for me to live, neighbors have to live too.

10. Discussion and Possible action concerning Financial Assessment Sub-Committee

Mr. Peetoom: That's him.

Mr. Danielson: You mean you or Mike don't want to talk?

Mr. Young: Nope.

Mr. Danielson: Okay, you've got a copy of last years Budget, which is actually in your Board Packet. First thing is the Summary, our Net Profit based on the budget is 37,553, Net Profit based on Cash Flow is 33,545. The reason for the difference is basically how we handle payment for fringe benefits, payment for taxes, etc, etc. I'm doing it on a payroll year, verses we're behind or ahead on that kind of stuff. Also we did prepay a couple of things that will actually roll in to this budget year that we actually spent the money out in June, maybe. Operating Expenses, once again, probably our biggest single line items is salaries for the employees, salaries and fringe for the employees. Next biggest is power cost, or well, then you get in to Loan Repayment, then Power cost.

Mr. Sostarich: Excuse me, Sig, you are on this page, is that correct?

Mr. Danielson: I am on that page, correct, Operating Expenses.

Mr. Sostarich: Okay, thank you.

Mr. Danielson: Okay, look about a quarter of the way down, you see salaries of 131,151 and Fringes of 40,154. So, again, and this has always been the case, that the employees are the biggest cost item. The next biggest cost item is the Loan Repayment for WIFA, 71,198. And RD, 25,140. So that's a total of roughly 96, a little over ninety-six-thousand bucks for Loan Repayment. And then the biggest item otherwise is the Power. Okay we did have negative spending on Engineering. And that's because we paid Tom off for his Preliminary Engineering Report. The Clerk was slightly negative, and that's because Theresa doing it on overtime for the first part of the year, before we hired Katy. And the other negative is on Office Supplies, and that's why the Finance Sub-Committee, in planning out this years budget, threw all the supplies in to a general rather than, because we were almost 1600 under on Board Supplies and we were 800, just about 900 over on Office Supplies. We know very well, just the way we run the office, that the office is supporting the heck out of the Board with supplies. The only thing we charged for supplies, is, for instance, that new tape recorder set-up and that kind of stuff. But cases of paper, printer cartridges, etc., etc. etc., computer repair work, everything like that, all gets charged back to the office Okay, next page, Capital Expenditures, 0. And the last page just shows you where we got our revenue. Estimated Water Sales 466,674, Sales & Use Taxes 33,462, that's a pass-through. Residential Security Deposits, 3,750. Account Establishment Fees, 4,550 and New Customer Services, we did one for 750 bucks. That's all I have.

Mr. Sostarich: Any questions for Sig on item number 10?

Mr. Danielson: One other thing on item number ten. And it doesn't require, not under this budget, but under current years budget. I think we really need to strongly replacing the green Dodge. It's starting to leave people on the road left, right and sideways. It's in such bad shape that it's gonna take a few thousand dollars to get it.

Mr. Kendrick: I think it's ready for the junkyard.

Mr. Danielson: I think it needs to be sold for scrap. I think that's

Mr. Young: I think it needs to be mounted next to the window.

Mr. Danielson: Like that place over in Oklahoma.

Mr. Peetoom: Texas.

Mr. Danielson: Okay, I am going to start looking around for another, I prefer to have a Ford Ranger or a Dakota. I don't think an S10, because of my experience with Chevrolet products in this type of an environment, they just don't stand up.

Mr. Kendrick: What about taking the Dodge we have now and making that the new maintenance truck and getting a small inexpensive car for you guys to use to go to town?

Mr. Danielson: Well, the thing is, we like to use this one to run to town because we're hauling Chlorine back with it, hauling parts back and everything like that. We prefer to keep this truck as is. Even though it's an '03, '02, something like that, it's only got about 85,000 miles on it.

Mr. Kendrick: Okay.

Mr. Sostarich: It's brand new, as far as I'm concerned.

Mr. Danielson: Yeah.

Mr. Young: Just broke in.

Mr. Peetoom: We don't want to go through the

Mr. Sostarich: My newest car is an '04.

Mr. Peetoom: And we take it down through the, checking the stuff, it will be all scratched just like that green one.

Mr. Sostarich: That's what trucks are for.

Mr. Kendrick: Arizona pin-striping.

Mr. Danielson: Okay, that's all I've got, I will start looking for another truck.

Mr. Sostarich: I was under the delusion that that subject had already been agreed upon several months ago and budgeted and everything else.

Mr. Danielson: Yes, I just wanted to update.

11. Discussion and Possible action concerning Administrative Details

Ms. Walker: I would like to thank the Board for the office. I appreciate the offer to trade Tony offices. But after much thought and prayer, I believe this is the best solution for all concerned, but I appreciate it.

Mr. Kendrick: You don't have a can in there, do you?

Ms. Walker: I do not. Well I have a can in there, but it's for water.

Mr. Kendrick: Not used water.

Mr. Sostarich: Okay, anything from you, Sig?

Mr. Danielson: Yes, on Administrative Details, just to let the full Board know, I've let most of you know, we've decided to replace Theresa Hicks desk, which I bought at a Pima Community College auction for ten bucks over 10 years ago. And Katys desk, which I bought at the same auction for 7 bucks. We're gonna get some new furniture in here and it's scheduled for delivery tomorrow.

Mr. Kendrick: Where'd you go shopping at?

Mr. Danielson: Office Max.

Mr. Sostarich: Do you think the new desks will last as long as the old ones?

Mr. Danielson: Probably not.

Mr. Sostarich: I've found out that to be the case in my

Mr. Danielson: But they will look a lot better.

Mr. Young: You can't paint the old desks?

Mr. Kendrick: What's wrong with the old desks?

Mr. Peetoom: They're falling apart.

Mr. Danielson: They're falling apart, they've just been used so many, they

weren't in that good a shape when I bought them. That's all I have.

Ms. Walker: I have one more thing.

Mr. Sostarich: Yes.

Ms. Walker: I plan to take vacation to go back to Indiana, probably September 19th. Possible through October, well for 3 weeks. I haven't made my reservations yet, but that's sort of my plans. I have a Sister who is not well and I would like to go back and spend time.

Mr. Kendrick: That wouldn't interrupt the meetings at all, so.

Ms. Walker: But I might not get the minutes all done.

Mr. Sostarich: Well the 10th of October, which will be the second Monday, looks like Columbus Day, is that a Holiday?

Mr. Danielson: That is a Holiday.

Mr. Sostarich: So we would probably be

Mr. Danielson: So we would push it off till the 3rd Monday.

Mr. Sostarich: I was just about to say that, that would make it the 17th, which would give you a fat cushion.

Mr. Kendrick: I think she's talking about the week of the 12th, not getting the minutes done for that Board, that meeting, the 12th meeting.

Mr. Sostarich: She said she's gonna be leaving around the middle of September, the 19th.

Mr. Kendrick: Is that correct, you were worried about not getting the minutes done for the meeting on the 12th?

Ms. Walker: That's possible that I won't get those minutes done for the October meeting.

Mr. Kendrick: We have faith in you.

Ms. Walker: Pardon me.

Mr. Kendrick: We have faith in you.

Mr. Sostarich: Nobody reads them anyway.

Mr. Young: You have new desks.

Mr. Kendrick: Yeah really.

Mr. Sostarich: With the monitor turned away from the door, right?

Ms. Walker: Right.

Mr. Sostarich: Yeah.

12. Announcement of the next scheduled meeting.

The next scheduled meeting of the Marana Domestic Water Improvement District Board of Directors shall be on Monday, September 12, at 4:00 P.M., at The District Offices.

13. Adjournment

It was moved by Mr. Mr. Peetoom, seconded by Mr. Young and unanimously carried that; **This meeting of the Board of Directors of the Marana Domestic Water Improvement District shall be adjourned.**

The meeting was adjourned at 1707 P.M.

Minutes prepared by
L. Katy Walker
Clerk of the Board