

MARANA DOMESTIC WATER IMPROVEMENT DISTRICT
Official Board of Directors Meeting Minutes
November 21, 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, November 21.

1. Call to Order and Pledge of Allegiance

Chairman Mr. Sostarich called the meeting to order at 4:03 P.M.

Mr. Sostarich ask Mr. Kendrick to lead the Pledge of Allegiance.

2. Roll Call

Upon roll call, those present were as follows:

Board Members Present were;

Tony Sostarich, Chairman

Gary Kendrick, Vice-Chairman

Don Peetoom

Michael Young

Teresa Ball-Cummings, Absent (Note: arrived at 4:20 P.M.)

Staff Members present were;

System Manager, Sig Danielson

Clerk, L. Katy Walker

No members of the Public present

3. Consent Items:

A. Approval of meeting minutes from the October 17, 2011 meeting

It was moved by Mr. Kendrick, seconded by Mr. Sostarich and carried unanimously that; **The minutes of the October 17, 2011 meeting of the Marana Domestic Water Improvement District shall be approved as presented/amended.**

4 Ayes 0 Opposed

4. System Manager's Report.

1. Mr. Danielson reported: We've not had any major problems with the system since the last BOD meeting. We have had 3 service line leaks over the last 10 day period. One on Volk Ave. one in the easement back here, I

believe it was Flintlock, Springfield, another one over here at Puma Blacktail easements.

2. I had a meeting with Immigration and Customs Enforcement on October 28,. They have completed their review and have issued us a letter citing procedural errors for not completing the I-9 Form at the time of hire for 2 different employees.
3. October billing included 159 late notices, which is higher than average.
4. We did 4 shutoffs in October for nonpayment, which is lower than average.

Accounts Payable	\$ 37,138.45	
Accounts Receivable	\$ 42,584.83	
Balance	\$ 5,446.38	
MDWID Balances Brought Forward:		
MDWID Balance at Pima County	\$ 116,369.46	
WIFA Reserve Account	\$ 49,720.91	
RD General Account	\$ 314.69	RD
Reserve Account	\$ 14,434.55	
RD O&M Account	\$ 9,305.71	
RD Replacement Account	\$ 7,850.58	
RD Bond Account	\$ 23,592.94	
Bills Pending Balance	\$ 3,471.95	

That concludes the Managers Report

Mr. Kendrick: Mr. Danielson, on the Immigration and Customs, you got the letter stating that, what was that again?

Mr. Danielson: They sited us for procedural errors fr not filling out the I-9s at time of hire for 2 current employees.

Mr. Kendrick: What's the what are they going to do, slap on the wrist?

Mr. Danielson: That's it, we're done.

Mr. Sostarich: The Is weren't dotted and the Ts weren't crossed.

Mr. Kendrick: Yeah, did you ever figure out how this came about?

Mr. Danielson: One of them was mine at the time of hire, I turned everything over to, at the time Vonna Wesala was our Board Clerk, I gave her a copy of my drivers license, Social Security card, and my Passport. I filled the I-9 out and handed it to her and that's exactly how it existed in the file, just as I had handed it to her, she didn't bother to fill out the bottom half. At the time of Theresa Hicks hiring, Roxanne had filled out all the other Employees that we had over the period of time except for Theresa. She hadn't filled that

out so I filled Theresa's out and signed it as the Authorized Company Rep. Theresa signed mine as the Authorized Company Rep.

Mr. Kendrick: So we're all good.

Mr. Danielson: We're all good.

Mr. Sostarich: It's history.

Mr. Danielson: It's history.

Mr. Young: How many years do they go back to do this?

Mr. Danielson: Employees who had been active for anytime during the past 24 months. They checked Don Perry's but not Lisa's because Lisa fell just outside the time period.

Mr. Young: So when you were terminated, you had to re-apply, is that where they caught the immigration thing?

Mr. Danielson: No.

Mr. Young: So we're going back 10 years ago?

Mr. Danielson: Uh-huh.

Mr. Young: They just caught it now?

Mr. Danielson: Uh-huh.

Mr. Kendrick: He was re-instated when he was fired, so there was no change.

Mr. Danielson: Yeah there was no change in status.

Mr. Young: Should we site him for being so late on doing their job?

Mr. Sostarich: We should be glad they're off our back, is what we should be.

5. Call for Public Comment (limit 3 minutes)

Public is not present.

6. Discussion and possible action concerning Audited Financial Statement

Mr. Addison: Thank you for having me here, I appreciate it. In front of you, each of you have a copy of the audit. So basically we can go into a little of detail or a lot of detail. Normally what people would like to hear is a little detail rather than a lot. Overall it's

much better this year than last year. Actually what's been going on for the last 3 or 4 years, for the most part. So you're headed back for the right direction. Cash was up by about 45,000 over a year ago. Receivables are up by about 8000 which is a little, probably something to take a look at, whether you take the collections are being taken care of the way they're supposed to.

Mr. Kendrick: What page are you on?

Mr. Addison: This is on page 2. So this year at almost 66,000 in trade receivables, the second line down, and a year ago it was around 57,000. So that either pertains to an increase in service, I don't think there was a lot of that going on, or a lack of collection on some outstanding receivables. So I would check a little bit, see what's going on in the collection process, just to try to get that on a little bit better under control. The rest of the items in the asset section are pretty much in line where they were last year, not much in the way of change at all. For the liabilities and the fund equity down below, a year accounts payable was \$10,000, that's dropped down to 550, which that's a great decrease in the amount of money that you owe people. The other liabilities are pretty much the same as the year before. The note dropped down by about 40, that's your normal 40,000, that's your normal payment decrease in the principal amount of the notes payable that you have. So that's right in line with where it's supposed to be. If you go to page 3, on page 3, this is where we normally show profit the year, profit-loss-statement, in the nonprofit realm it's a statement of revenues and basically there with the charges for services, that was down by about \$5,000 from the year before. It's not a huge amount, but it is a decrease in gross revenues. Operating expenses, they were all headed in the right direction. Employee compensation dropped down about \$6,000. Operational expenses were up by about 8, utilities were up by about 4. Insurance premiums dropped down by about 5000. The consulting and professional fees, this is the biggest one it was \$40,000 the year before. So there's \$28,000, that's almost exclusively related to the fees for the attorneys. The attorneys were involved with everything in the past.

Mr. Kendrick: It dropped 16,000 or 12?

Mr. Addison: 28,000, from 40 down to 12. General administrative expenses went up by about 9. Depreciation went down and Board expenses stayed about the same expenses stayed about the same. Then your interest expense and these other operating income items were about the same. So what I look at is, I try to look at the net loss before depreciation. Basically gives you the handle on where you are with the actual operation of the business itself without taking into consideration what's happening with the wear and tear of the equipment. It's just how you really operating the business. In 2010 you turned about \$104,000 profit and in 2009 it was 93. It was 11,000 better than the year before.

Mr. Sostarich: 2010, 100 and what profit, above and beyond cost?

Mr. Addison: Yeah, 104.

Mr. Sostarich: That sounds good to me, I'm not an accountant, but.

Mr. Addison: Yeah, that's good.

Mr. Sostarich: And the year before it was

Mr. Addison: 93, so you're coming up again. What had happened was about 4 years ago, you were actually doing really well. 104,000 is good, but you were doing in the same range, probably a little bit better. Then we had all that infighting that was going and the profit, because of so much in the way fees or cost being spent on the attorneys, all of a sudden we started eating up, you guys started eating up all the reserves you had in the way of cash and the net profit started going down because of that. Now you're headed back up. Even in 2009, was that the recall here?

Mr. Danielson: 2009, it was 08,09.

Mr. Addison: So there were additional costs in 2009 for the special election and attorney fees at the beginning of the year and those are basically washed out at this point. So you're starting to get back up to where you were, or where you should have been like 3, 4 years ago. So things are coming around, headed in the right direction.

Mr. Sostarich: It sounds fantastic to me. I mean to me a \$110,000 is a fantastic sum of money.

Ms. Ball-Cummings: Excuse me.

Mr. Sostarich: You're saying that's a profit for the year 2002

Mr. Addison: A profit before depreciation. Your depreciation drops it down to a loss, but depreciation is wear and tear and the reality, with a regular business what would happen is, if you were having wear and tear on a building and it was going down after the end of 40 years. Your building may not be worth as much because of all the wear and tear that has occurred and the depreciation would make sense. You, as the owner would have to put the money back in. Normally what has been happening here is when the system starts breaking down, you go out and you get a grant for a long term loan. Hopefully some kind of a grant to repair the system. So it's not like in a regular business where you look at that wear and tear on they system, in say 20 years, we're gonna have to come up with four million dollars out of our pocket to do that. So we should be setting monies aside out of the depreciation to cover.

Mr. Sostarich: The last time you was here you described about depreciation, let's say compared to a vehicle, a new vehicle would depreciate, last years model would be worth less than a new one. That's what you mean when you say depreciation.

Mr. Addison; Well it's more along the lines of, let's say when you put in the tank. The tank has a life. In accounting terms, the life is a little more conservative than what you will actually get out of it. So we can look at the tank and say it's good for 40 years. If that tank is taken care of it's going to be around for longer than 40 years.

Mr. Sostarich: Yeah.

Mr. Addison: But for accounting purposes we have to say at the end of 40 years it's worth nothing. It's survived, it's gone through its useful life, it's worth nothing to you. Now you're gonna have to replace it. So, what the depreciation is saying is, we want to make an adjustment to the expenses for the wear and tear on your system cost. And we're going to decrease your profit by that amount. So that you take that into consideration when you're looking at whether you're making money or not or whether you need to increase your fees in order to build up a cash reserve that will allow you to pay for the replacement of your system in a number of years. Does that make sense, Tony?

Mr. Young: They're allowing you to set aside money for the replacement.

Mr. Addison: Well it's not so much that you set aside money, but what you're doing is you're taking the wasting of your physical items, your physical infrastructure and recognizing that is going down in value and usefulness to you.

Mr. Sostarich: I think I understand what you're trying to say, I'm just trying to compare it to the way I see the system, as I understand it. This is like a 40 year-old car that has depreciated at a point where now all of a sudden it's becoming valuable just because of its vintage, regardless of its condition.

Mr. Addison: Right, as you do buy a car, it's like you were saying, as you do buy a car, you know that it's gonna be worth, the minute you drive it off the lot, it's going to be worth \$5000 less than before, then each year thereafter, it's worth less and less. That is depreciation. That's basically looking at an asset that you've purchased and saying that it's not going to be worth as much next year as it is this year and in 20 years, it's not going to be worth anything.

Mr. Sostarich; Except to the owner who's getting the use out of it.

Mr. Addison: That's right.

Mr. Sostarich: And that's where we're at with this worn out, obsolete tired system.

Mr. Addison: Yes.

Mr. Sostarich: That's the only place where our ideas are meeting with you.

Mr. Addison: And it's just for accounting purposes you need to address, you need to come up with some kind of structure for addressing that issue of wear and tear on your

system and a lot of time you get into what is the useful life of it. So, in accounting terms, we may say the tank is only good for 40 years, say may be able to get 60 years out of that tank. So a lot of it just comes down to the estimate of what that useful life actually is. But anyway so we had about \$135,000 of depreciation in the current year. So when you look at page 3 and you go down to where it says a loss of \$32,000, that is the net loss after the depreciation has been added in. The depreciation was \$136,000. But with the problem with that is that, again, it doesn't how well you're, if you look at the loss, it doesn't tell you how well you're operating the system. You know, whether you are functioning efficiently with it. It is an item that needs to be kept in mind, because again it does address the issue that your system is going down in value. At some point in time, will need to be replaced. But from an operational standpoint, you need to take that out to really look at it and see how you're doing. The other thing, if you go the very last page, the last page is a schedule of, it's called Statement of Functional Expenses. What that does, it takes all your operating costs and it breaks them down between Administrative and Operations. And when we're looking at total cost of \$514,000 and \$132,000 of that is Administrative, that's letting you know that only about 25% of your Operational Budget is associated with Administration. So, that's a pretty good number. I mean if not-for-profits try to keep it around 10%.

Mr. Kendrick: For non-profit?

Mr. Addison: For non-profits.

Mr. Kendrick: We are non-profit.

Mr. Addison: Well you're non-profit, but you're really, you're actually a Governmental Entity, you're a Governmentally sponsored Entity. So, even though you're not for profit, it's more than that. So having 25% is not a bad administrative cost associated with the operation with the overall business. So I think you should be happy with that actually. And I didn't look back at the prior years to see what that was running but I know that it, just intuitively, I know that it's running higher than, or it was running higher than the 25%. So that just gives you a basic overview of what's going on. If there's anything specific in here that you would like to talk about, I would be happy to. There are footnotes, you guys at your leisure, should go through and basically read the whole thing, the footnotes do give you a lot of information about the debt structure and how the debt will be paid off over the next few years, and equipment and things that you have. So there is, there's a lot in hear and it is informative, so like I said, I would defiantly take the time at some point to just read through and familiarize yourself with it.

Mr. Sostarich: Okay so now, in other words, you have given us a homework assignment.

Mr. Addison: Yes I am, every year, it's the same assignment.

Mr. Sostarich: Well it's worthy of, I mean, you went to all this effort we should, if nothing else, out of respect.

Mr. Addison: Well more than that, it's educational. It lays out the financial workings of the District.

Mr. Sostarich: And besides, an education in learning something new and outside of ones forte is always an endeavor worth pursuing. Well the last time that you came here you had said a lot of these things and some of it stuck with me. The value, I mean, I went home and told my wife about your outline essentially and it was defiantly educational. So essentially, based on page 2 then, you want us to look at item number 2, trade accounts and receivable.

Mr. Addison: It's a little bit higher than it's run in the last few years.

Mr. Sostarich: In other words, we need to be more particular in collecting from those who are not paying their bills, that sort of thing?

Mr. Addison: Yeah.

Mr. Kendrick: Well there's only an outstanding owe of like \$3000, \$3,471, that's all customers owe us.

Mr. Addison: No.

Mr. Kendrick: No, is that not?

Mr. Addison: The second line, 65,736.

Mr. Kendrick: That's what customers still owe?

Mr. Addison: That's the one month, so one month of revenue plus anything that hasn't been collected. A year ago, your revenue outstanding has been pretty flat, a year ago it was 57,000, so we're looking at \$8,000 more than a year ago, which should not be directly related to 1 months worth of revenue. Maybe a small amount of it but probably not much of that. So that 8,000 has to represent, has to be uncollected accounts. So either some stuff is getting stale or there may be some bad debts in there that we should have written off but haven't at this point, maybe some collection procedures need to be put in place. It's \$8,000, it's not huge in relationship to the entire budget and everything but it's still \$8,000.

Mr. Sostarich: We had 1 customer that came in here that we essentially forgave the debt because something unspeakable or unthinkable had happened on his property. The meter read such a high figure that it would have showed up on this end as a loss but it didn't. I believe we just regarded that as something unbillable essentially. Now would

something like that be caught up in this?

Mr. Addison: It could but it would have had to have been unresolved by June 30th. And then related to some activity prior to June 30th.

Mr. Danielson: I believe one of the things that we're seeing here, and I'm going to ask you this question. We have had a lot more foreclosures, people walking away from water bills, landlords walking away from water bills. I'm not going to rent the place because I can't afford to pay the outstanding water bill that the tenant left, etc. Could that be it?

Mr. Addison: That could be it.

Mr. Danielson: Even though it doesn't show necessarily on the bills pending balance, because after about 4 months, we figure, or as soon as we found out hey, it is foreclosed, they walk away on a \$300 water bill, here they are foreclosing on the home, we'll never get the money.

Mr. Young: Can you file a lean on the property?

Mr. Kendrick: I bet you can.

Mr. Danielson: We can file a lean if we know if it's going in foreclosure. Then normally we end up standing in line and sometimes we get some money. Normally it's a threat to somebody who isn't in foreclosure.

Mr. Young: If they put the property up for sale.

Mr. Sostarich: May I say something? Last week this issue was covered and correct me if I'm wrong. Oftentimes, in times in a case like this, he would often be the last in line and it would really be more expense than we would get out of it. Is that correct?

Mr. Danielson: That is correct, we would be the last in line.

Mr. Young: But if it's being foreclosed against and if you're on the lien, then all the liens have to be paid.

Mr. Kendrick: That's right.

Mr. Danielson: Yeah but we put a lien against the current owner of the property, once they foreclose against the owner we can't put a lien on.

Mr. Addison: You can only put the lien into effect prior to the foreclosure. Once the foreclosure occurs what happens then is, technically what happens is, there's a bid that goes on for the purchase of the property,

and the banks come in and they bid what their debt is. You, having another lien would have to come in and say, okay we're going to cover the debt of the bank in order to acquire this property to try to recoup our lien and you can't do that.

Mr. Young: Why?

Mr. Addison: Well you can but then you own a bunch of properties that you don't want.

Mr. Sostarich: Excuse me, what I found out in personal experience in cases like this if you file a lien against somebody like this, you might get 35 cents a month if the courts rule against the fellow that's been foreclosed on, and he's spread so thin that what you get wouldn't even be worth a postage to send it. And this has happened in my experience.

Mr. Addison: Well the lien, you wouldn't necessary put a lien on a foreclosed property. You could always take them to Small Claims Court and try to get a judgment against them in Small Claims Court. But again then you are accruing the cost associated with the attorney to file the claim and then to pursue it. And if the people leave town, it's hard to go after the assets. It's really difficult.

Mr. Young: I don't understand, if we're a County Entity. I don't know anybody that's gotten away with anything against the County.

Ms. Ball-Cummings: No. that's true, that's correct. I mean it should pursued.

Mr. Addison: Yeah well

Mr. Sostarich: All that over a \$25 water bill.

Mr. Young: No, multiply it.

Mr. Kendrick: We're not talking about \$25, we're talking about \$8,000.

Mr. Sostarich: Yeah but that \$8,000 is spread out over several accounts here, right? And how much is the maximum account might be \$100, 50, 500?

Mr. Danielson: 400, 450 maybe.

Mr. Addison: I think you have 2 different groups that you're looking at. One is the foreclosure group and the other one is landlords or people who decide that they're just not going to rent out the properties anymore and shut it down. Those people you could defiantly put a lien on their property. You could also take them to Small Claims Court.

You could also, at a minimum, make a list, so that if that property ever does come back up and need water service, you haven't forgotten that, you know, they have dollar amounts that have to be paid before they can get water service. So you have more leverage against those people. The ones that have gone into foreclosure and walked away from the property, it's a little more difficult. You're not gonna get the property. The reason that you put a lien is to actually get the property. You aren't going to be able to get that.

Mr. Young: Well it's my understanding that if a new owner comes in and buys it, that they would have to pay the back utilities, is part of the purchase of the property, all liens against the property.

Mr. Addison: You could check with the, I think that probably the best way to handle that would be to check with your attorney.

Mr. Young: Yeah.

Mr. Sostarich: If the title search group of the purchaser is doing their job, then they will call back all these debts, back taxes and all this stuff up and present it to the prospective buyer. But if they're not that resourceful, then the buyer will buy the place, and the next thing he knows is there is Sheriff's Deputy nailing something to his door, like a back tax lien, and this has happened here in this neighborhood before too.

Mr. Kendrick: I wish a lot of those flip this house, and sell this house and stuff, and a lot of the places after they go in auction and buy that property they have to pay all the back taxes, all the back mortgages, the utilities and everything.

Mr. Sostarich: It can get ugly. A joyous thing for a newly-wed young couple can turn in to a nightmare.

Mr. Young: As long as they pay their water bill.

Ms. Ball-Cummings: You got to do something, am I correct?

Mr. Sostarich: That's part of the nightmare.

Ms. Ball-Cummings: I mean something has to be done if you want to fix this.

Mr. Kendrick: To the landlords.

Ms. Ball-Cummings: It's not something to joke about.

Mr. Addison: What I recommend is check with the attorney, the Board's attorney, find out what the cost would be to do that and that will give you more information on whether you want to pursue that.

Mr. Sostarich: Another debt to incur.

Mr. Kendrick: Yeah but we're not talking about just \$8000, we're talking about \$65,000, right?

Mr. Addison: No, only 8.

Mr. Kendrick: Only \$8000, okay. For past water bills and stuff?

Mr. Addison: Right.

Mr. Kendrick: What's the other 50

Mr. Addison: 57 of that is just the last months rent, or the last months water fees that haven't been paid. You bill as of the end of the month, so we recognize revenue for that previous month, it just hasn't been

Mr. Kendrick: So between \$8000 and \$34071, there's 4000 because landlords running out and foreclosures, those pending, the ones we're keeping a record of, of bills pending, \$3471.95 on the managers report?

Mr. Addison: Yeah, probably so.

Mr. Young: I'm trying to get it in my head, if somebody's buying the land, and they gotta pay the back taxes, Pima County Taxes, and we're a county entity, it seems to me they should be paying the water since we're an entity, if they're collecting the back taxes on the property.

Mr. Young: I guess we need to do some homework on this.

Ms. Ball-Cummings: Well, yeah.

Mr. Sostarich: Well here's your assignment (inaudible) I don't know how to ask this question, so bear with me. Based upon what we've learned so far about what was brought up, about what Sig said, about it's not worth it to go after this. If we didn't purse this, \$8000, what would that do with our standing, if we decided that this is too much to go after, even calling the lawyers gonna add to this fee here, what if we did nothing. This is an extreme situation here but it's a question worthy of consideration.

Mr. Addison: If you did nothing, what would happen is that you would show a loss of \$8000.

Ms. Ball-Cummings: Yeah, I mean, that's a loss.

Mr. Kendrick: This would grow every year?

Mr. Addison: No.

Mr. Kendrick: This would be zeroed out next year?

Mr. Addison: It would be zeroed out, that 8000 would be zeroed out.

Mr. Sostarich: So we would lose \$8000, in a world where we had a hundred and something thousand dollars profit?

Mr. Addison: Yeah.

Mr. Sostarich: So on this hand we got, I believe, \$110000 profit, that you meant profit, and we've got an \$8000 loss on the other hand.

Mr. Addison: It would drop down to 100.

Mr. Sostarich: \$102000 profit. Okay so well, that's

Mr. Young: Figure it out percentage wise.

Mr. Addison: But again, you still have the opportunity to, at a minimum, go against the guys that have not had their property foreclosed.

Mr. Kendrick: Especially the landlords, if it's foreclosures, then it's gonna be pretty much, it's a done deal. The landlords, cheapskate landlords, that still own the property and are still trying to rent these things out, we can go after.

Mr. Sostarich: Until you realize who these people are

Mr. Kendrick: I don't care who they are, they still owe money.

Ms. Ball-Cummings: That's not the point. The point is is that if I didn't pay my water bill, which I did this month, then the next month If I didn't pay it again, I'd be shut off.

Mr. Sostarich: Yeah.

Ms. Ball-Cummings: So therefore we need to collect the money somehow or another.

Mr. Sostarich: I'm not disagreeing with that, I agree with that.

Ms. Ball-Cummings: It's not going to be outrageous in attorney fees, it's not going to be outrageous in fines as far as us. It's just a little process you have to do. And if you go to Small Claims Court and you do the best you can, or other sources, then so be it. I mean, it sounds like to me that you're just not

Mr. Young: We just need to do some

Mr. Sostarich: I'm just looking at a worse case scenario. I agree with you 100%.

Mr. Kendrick: He was just asking what if.

Ms. Ball-Cummings: The what if is a loss to our water company, simple as that.

Mr. Sostarich: Yeah.

Ms. Ball-Cummings: We don't need the loss.

Mr. Sostarich: I agree with that.

Ms. Ball-Cummings: I mean, you know, we've got infrastructure to consider here.

Mr. Kendrick: We don't necessarily have to get the lawyers involved yet.

Mr. Young: No exactly.

Ms. Ball-Cummings: You can just go door-to-door and, you know, continue putting notes on their doors. I mean makes sense to me.

Mr. Sostarich: I agree with that. I agree with the procedures that we are using and everything you are suggesting.

Ms. Ball-Cummings: I mean, it's \$8000 that we can put in the infrastructure.

Mr. Sostarich: Yeah, yeah. I'm not saying let's sweep it under the carpet.

Ms. Ball-Cummings: Let's say everybody do their homework, you know, blah, blah, blah.

Mr. Kendrick: Nobody's disagreeing with that.

Ms. Ball-Cummings: Because it's important.

Mr. Addison: The other thing might be whether policies and procedures have been followed in relationship to service.

Ms. Ball-Cummings: Exactly, thank you.

Mr. Addison: So the the extent that things have gotten a little bit more lenient, because of how bad things are right now. I mean nobody wants to shut off somebody's water.

Mr. Kendrick: Yeah.

Mr. Young: Exactly.

Mr. Addison: And we don't go out and do that so next thing though, is that you have to look at from the standpoint of ,at a minimum maybe regardless of whether you are going to do it or not, maybe you still need to issue the notices, you know, try to follow through on those and then make a decision.

Mr. Young: How about if the property has been foreclosed against, you go and pull the meter, and then whoever the new owner of the property, when they come in to get the meter, that is added on to the meter.

Ms. Ball-Cummings: We can do that.

Mr. Kendrick: Do we not on foreclosed property go, take that meter and then that new customer has to pay for a new meter installation and all that stuff.

Mr. Danielson: Normally we know a property has been foreclosed when some Realtor calls us and they say we're representing XYZ bank on the foreclosure at 10130 N Avra Vista and we'd like the water turned on so that we can clean the place up and show it. That's normally when we know that a house has been foreclosed on. We know that it is vacant.

Mr. Kendrick: Couldn't you at that point say well this is a new customer and he's going to have to pay for installation.

Mr. Danielson: Normally what I will do, I will tell the Realtor, or Theresa will tell her there's an outstanding balance of \$150 or \$200 or something like that on that account that needs to be paid and about a third to half the time, we'll get a check in the mail. Oftentimes the Realtor will say, hey wait a second, that outstanding bill is the previous owners, you go after him. About half the time, third to half the time, we'll get a check from the Realtor.

Mr. Kendrick: Well what I'm saying is a new customer that buys a piece of land has to pay for that meter to be dug up, put in, you know, it's quite expensive, right, what \$6000?

Mr. Danielson: Depends on whether you're hooking up to existing infrastructure or if it's new infrastructure.

Mr. Kendrick: Well this would be new, existing infrastructure.

Mr. Danielson: Existing infrastructure costs them a little over 1000 bucks to hook up.

Mr. Kendrick: Okay couldn't we make them pay that, the new people, cause they're gonna put that in their loan?

Mr. Danielson: Well that is to cover the cost of meter installation.

Mr. Sostarich: There's something that might be a good idea to bring up at this time that I've seen that is along the lines that we're discussing. And that's the renter that wracks up a big bill and leaves the property in the middle of the night and moves to another place in the District and now he's using his child's name for the water bill.

Mr. Danielson: We watch that real close, we went through a bout of that the first year or two that we were running the District. One of Teresa's neighbors was one of the worst ones, it went from the grandmothers name, to the husbands name to the wifes name, to a grand daughters name, back to a daughters name and everything like that. We finally ended up, the son stepped in and threw everybody off and has since built a new house there. And he paid all the back water bills for all 3 pieces of property that were on that corner and it was, but no we had said no, sorry, and we had shut it off long before he stepped in.

Ms. Ball-Cummings: Which Teresa are you talking about?

Mr. Danielson: You.

Ms. Ball-Cummings: Well why don't you specify Teresa in the Board room, that you're specifying?

Mr. Danielson: I nodded toward you.

Ms. Ball-Cummings: I wasn't paying attention.

Mr. Sostarich: In other words, you're aware of these tactics?

Mr. Danielson: I am well aware of these tactics.

Ms. Ball-Cummings: I mean they just try to do it to try to, you know, get away with it, simple as that.

Mr. Sostarich: I grew up on that side of the tracks.

Ms. Ball-Cummings: They're all over the place, not just on this side, they are all over Tucson, even the Foothills.

Mr. Danielson: That's why we put the policy in effect in 2001, that the property owners ultimately responsible for the water bills on rental properties.

Ms. Ball-Cummings: That's right.

Mr. Young: Couldn't we write in our policy, like any foreclosed property will pay for the re-installation of the meter plus back water bill?

Mr. Kendrick: You mean the person who buys it?

Mr. Young: Yeah.

Mr. Kendrick: Yeah, that's what I was just talking about.

Mr. Young: If it's foreclosed against it.

Mr. Danielson: It's a possibility

Ms. Ball-Cummings: You're gonna have to check

Mr. Young: We're gonna have to do our homework.

Ms. Ball-Cummings: on the Sate Laws.

Mr. Sostarich: Does anybody want to put this idea as an agenda item on next months water

Mr. Kendrick: I think we should.

Ms. Ball-Cummings: Well yeah, see if it's allowable (inaudible)

Mr. Sostarich: Entertaining motions if anybody wants to discuss this further.

Mr. Kendrick: (inaudible) looking in to it.

Ms. Ball-Cummings: I'll make the motion

Mr. Sostarich: Okay anybody want to second the motion?

Mr. Young: Second it.

Mr. Sostarich: And the motion is exactly that we want to look in to the idea that we want to change our company policy regarding properties that have been foreclosed upon?

Ms. Ball-Cummings: When they fill out the information.

Mr. Young: For the re-reinstatement of a meter about the past water bills, will be included with the reinstatement of the new meter.

Mr. Sostarich; Okay let's get the wording properly here, so that it can all be done and we'll make a motion and vote on and we'll have it put on next months agenda meeting, that sound cool?

Ms. Ball-Cummings: I said Mr. Chairman we're gonna have to make sure that the laws, that we can do that.

Mr. Young: That's part of our homework, we'll look in to that.

Ms. Ball-Cummings: Sig can do that, he can check on-line.

Mr. Kendrick: We can all do that, don't need to put it all on Sig.

Mr. Sostarich: Okay so you made the motion, right? (inaudible) seconded it?

Mr. Kendrick: We can all do our homework, (inaudible) seconded it, but I'm willing to do some homework.

Mr. Sostarich: The wording so we can vote on it so we can vote on it, the wording is what I'm after right now, the wording of the motion.

Mr. Kendrick: I will look in to that.

Ms. Ball-Cummings: Just say the wording that you is the motion

Mr. Kendrick: What is that called, it's not called wording?

Mr. Sostarich: Okay we've made a motion and seconded it, what is the motion.

Ms. Ball-Cummings: What is the motion?

Mr. Young: I just said it, on foreclosed property, when the meter is pulled, and we reinstate it, the past water bill will be added on to the new fee of putting the new meter on plus back water bill.

Mr. Kendrick: Do we even need a motion to put an Agenda Item on next month agenda?

Mr. Danielson: No we can just put it right on there.

(INAUDIBLE, many talking at once)

Mr. Sostarich: Last time there was, there was something. Mr. Addison, is there anything else?

Mr. Addison: That covers it unless somebody has a question.

Mr. Kendrick: Do you have one of your cards?

Ms. Ball-Cummings: Yes, me too, please, I appreciate it, very much so.

Mr. Addison: I think all the Board members need it.

Mr. Sostarich: I've got my Co-Pilot to do the calling for me. Thank you. Okay, well you've given us a homework assignment and some information worthy of some consideration, thank you very much for your presentation.

Mr. Addison: You're welcome, and once you've read the financial numbers, if you have any questions, please don't hesitate to call me, I'd be happy to go in to detail with anything that's in there.

Mr. Kendrick: Thank you.

Ms. Ball-Cummings: Thank you very much.

Mr. Young: Now that we've made you all dizzy.

Mr. Sostarich: He's probably waiting to get home to supper.

Mr. Addison: Well thank you again.

7. Discussion and possible action concerning WIFA Grant Program

Mr. Danielson: We are still on track to start the leak detection program and it's what, leak detection project, which is what is covered by the WIFA Grant in Mid-February.

Mr. Sostarich: That's it?

Mr. Danielson: That's it.

Mr. Sostarich: Any questions for sig on item 7?

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

Mr. Sostarich: Sig, you again.

Mr. Danielson: Okay last Board Meeting I reported that the State Historical Office and their Tribes came back complaining about our cultural monitoring discovery plan that they felt it should be more upfront-type monitoring, naturally of course, at an additional cost to us.

Anyway we turned it back over to Westland. Westland was informed at the same time we were, they revised the report, resubmitted it, it came back a week, two weeks ago today. Jeff received it back from State Historical Office, and the Tribes with no comment, they approved it, so he was going, he was working on, he had hoped last week to finish it off and present it to the Phoenix Office, who will present it to Washington.

Mr. Kendrick: When is that supposed to happen?

Mr. Danielson: Within the next two weeks.

Mr. Kendrick: It getting to Washington?

Mr. Danielson: Yeah, course there's still is no Budget passed for Fiscal 2012 by Congress so nothings gonna happen until their is a budget passed.

Mr. Kendrick: That will happen, I mean it has to happen by the end of December, right, before next year, there has to be a budget?

Mr. Danielson: Well it depends on

Mr. Peetoom: It's been about 4 years, they (inaudible)

Mr. Danielson: By the way, I want to thank my Granddaughter for the cold. I don't know when money will get approved and they'll release money out of Washington or whether Obama will even, part of the big thing here is the fund of Colonia money. So I don't know, I don't think Jeff knows what's gonna happen. I did, last week, while I was on vacation, get an interesting Email from the WIFA Director for the State of Arizona saying that Federal Government Funding on the Clean Water Revolving Fund and the Safe Drinking Water Revolving Fund, there had been no Budget Appropriation yet and while the President had made a recommendation of a certain amount of money the Congressional House Budget Office had recommended a figure 1 million dollar lower than what was originally requested by the President and what was originally requested by the President was a billion dollars lower than what was requested 1 year ago so we're talking about a 2 billion dollar hit in safe drinking water and clean water revolving fund through WIFA so in reading that, and then trying to say, okay now what is he going to do with Dept. of Agriculture as far as Rural Development Funding and Grants and everything like that. Like I say, I don't know what's gonna happen.

Mr. Peetoom: Washington don't even know what's it's gonna do anyway. , cause the Democrats and the Republicans, they're stalled, they can't figure out what they're gonna do about this committee that they've had for (inaudible). Today they said they was just lost, they don't know.

Mr. Young: They should all be fired.

Mr. Peetoom: And there's one guy thats got their oaths signed that they will not raise no taxes all of the Republicans. And if they do, (inaudible) take them to the people cause they (inaudible) that signed their that wouldn't raise taxes.

Mr. Sostarich: So the bottom line is, is we can't really rely upon any handouts from the Federal Government.

Mr. Kendrick: This is the money we've been waiting on for our infrastructure, correct?

Mr. Danielson: Yes.

Mr. Sostarich: Okay.

Mr. Kendrick: Are there any other grants or anything we can apply for out there that would help us with our infrastructure?

Ms. Ball-Cummings: Thank you.

Mr. Danielson: On actual construction, no, really only Rural Development is the only thing.

Mr. Kendrick: Are there other things that we could take away and use that money for construction?

Mr. Danielson: WIFA will make you a long term loan.

Mr. Kendrick: Loan, yeah.

Mr. Danielson: But it's a loan, period.

Mr. Kendrick: 120 year loan?

Mr. Danielson: No, they'll go probably about 30 at the most. Rural Development will go 40. If Jeff and I looked at it a year and a half ago when they'd run out of Colonia money and before they had decided they wanted all these extra add on environmental cultural resource etc. assessments and he made the comment that if you raised your base rate \$10 a month you could cover this 2.4 million dollars over 40 years. My comment was if we raise our base rate \$10 a month, the Board and I will be hung.

Mr. Young: Defiantly.

Mr. Kendrick: Shot, they won't wait to hang us.

Ms. Ball-Cummings: We won't be just tagged, we will be more than tagged, believe me. People will get irate around here.

Mr. Danielson: Yeah, we can get money from WIFA for technical assistance projects, like the leak detection study. We might even be able to get some WIFA money to kick in if we wanted to look at doing a new project, say related to the South end for some kind of infrastructure upgraded at the South end that hasn't been covered in the Westland report. We might be able to get WIFA to fund that on you know, 65-35 or a 60-40 basis and we pay 40, they pay 60. But for actual construction, no WIFA is not going to pay for construction. GADA, back 11 years ago, we did get some money from GADA, which is Great Arizona Development Authority and what they gave us some money for and they gave us grant money that took care of about 95% of the hydrology study that we had to do before we drilled a new well and of course they got a copy of it. Well GADA wanted that hydrology study for this area anyway so they were, that's why they funded it. They needed the hydrology information for this area.

Mr. Kendrick: They benefited from it, that's why.

Mr. Danielson: They benefited from it, yes.

Mr. Kendrick: Who else needs some benefits out here?

Ms. Ball-Cummings: Excuse me Mr. Chairman.

Mr. Sostarich: Yes.

Ms. Ball-Cummings: If my memory serves me correct, the beginning of the year, the President of the United States, he did state many times, and I've heard many Republicans talk, through Republican friends, that he has been pushing Congress for the infrastructure all over the United States, so it's a good possibility, so let's keep our hopes up.

Mr. Danielson: Oh yeah.

Ms. Ball-Cummings: That that's coming forth you know because at this point they have been talking I mean big time so and that's a good thing. And that means everybody everybody every state will get a set amount on how much they need for their bridges. I mean we're talking you know big bridges little bridges you know just you know streets you know everywhere so yeah so that's something we can keep our hopes up you know instead of looking at you know a loan because then that's money.

Mr. Sostarich: I agree with you on that regard, that going in debt is not a salable option for us or anybody else.

Ms. Ball-Cummings: Let's let time you know another year

Mr. Sostarich: We have no choice.

Ms. Ball-Cummings: And I'll bet you anything (INAUDIBLE few talking)

Mr. Kendrick: We've got no choice, we've got to let it go.

Ms. Ball-Cummings: Because the Republicans they can only be you know

Mr. Sostarich: Okay, any further comments or item on item 8?

Mr. Kendrick: No.

9 Discussion and possible action concerning Emergency Response Plan

Mr. Sostarich: I brought Annette in here who is brought some radios and she's going to talk to us about that.

Ms. Sostarich: Okay, in an emergency of course communication is an important thing. You can't ever count on the phones being operational or anything else.

Ms. Ball-Cummings: Or who's on the other end either.

Ms. Sostarich: Yeah, well there's a couple of alternatives, what you're looking at here is called a FRS or an DMRS radio. It is capable of operating on 28 channels I believe 14 of which, actually 7 of which are low power and 14 of which are higher power. They're inexpensive they run about 40 bucks a pair so the only downside is they have a maximum range of, in the real world of generally around 2 miles or so. Two miles ain't much it's better than a jab with a sharp stick but it isn't great. Other options that would give longer range would be Business Band BHF Radios which would get very acceptable range, I don't have an exact figure right now, the only thing is Business Band Radios are rather on the pricey side. Figure on spending probably somewhere in the neighborhood of \$100 to \$200 per radio and plus they do need to be licensed although the licensing for Business Band Radio is just basically a matter of paperwork and a license fee. Good quality radio communications or good quality communication that don't depend on any infrastructure the way phones and other things do could run into some very serious bucks, so that's something that needs to be looked at. These radios are better than nothing at all but they are somewhat limited in their usefulness.

Mr. Peetoom: Do they have a base station?

Ms. Sostarich: What's that?

Mr. Kendrick: For this, no.

Ms. Sostarich: There is such a thing as a base station for GMRS but it's not going to up the range all that much. The problem with this sort of radio is the only kind of base station that is acceptable is one with a fixed antenna, in other words, a non-removable antenna.

Mr. Kendrick: Cause we only need what, what kind of range are we looking for to get?

Ms. Sostarich: That's a good question.

Mr. Sostarich: The furthest distance from this point is probably that church down there.

Mr. Kendrick: Avra Valley Community Church.

Mr. Danielson: Uh-huh.

Mr. Sostarich: Yeah and that's about what 3 and a half miles from here?

Mr. Kendrick: 5 miles.

Mr. Sostarich: 5 miles from here.

Ms. Sostarich: Pretty close.

Ms. Ball-Cummings: Well we're not very far from each other anyways.

Ms. Sostarich: Yeah it's not that big of a District. If there wasn't anything in the budget for high-grade business.

Mr. Danielson: It's roughly 3 miles, 3 and a half.

Mr. Kendrick: It's five miles from my house to the church.

Mr. Danielson: Pardon me.

Mr. Kendrick: It's five miles from my house to the church.

Mr. Danielson: Yeah as the crow flies from here to there it's about 3-1/2.

Mr. Kendrick: Oh well yeah.

Mr. Danielson: From here to your house is about a mile.

Ms. Ball-Cummings: It's 2 to the store, isn't it?

Ms. Sostarich: Yeah air distance.

Mr. Kendrick: Air distance, not millage.

Mr. Peetoom: Tony's would be from here

Ms. Sostarich: point 2 miles.

Mr. Danielson: From the extreme ends of the District and once again assuming that the church is about the farthest out, we're looking at about 5-1/2 to 6 miles between Tony's house and the church as the crow flies.

Ms. Sostarich: Yeah. So basically it just all depends on how great the perceived need for good communications is. Now the other thing too of course is if you've got enough people and you've got enough of those there's always a possibility of relaying messages. You know relaying from say from Tony's house to here and then from here further on down the system and so forth.

Mr. Kendrick: In an emergency kind of plan that would probably work.

Ms. Sostarich: Yeah, it's better than nothing and it's a lot less expensive than buying Business Band Radios.

Mr. Young: Does everybody have cell phones?

Ms. Sostarich: The trouble with cell phones

Mr. Kendrick: This is an emergency plan

(INAUDIBLE many talking)

Ms. Sostarich: The trouble is cell phones depend on an infrastructure which may very well be up because of in disasters in the past such as hurricanes and so forth. Very often the cell phones are up before the land lines are because the cell phone companies they can actually truck a temporary tower out and have it erected in sometimes less than an hour. So cell phones probably are a better deal for emergency communication than land lines but they're not quite as good as radios because they still depend on infrastructure. Defiantly everybody having a cell phone is a wonderful idea but the you can't really depend on anything but the most dependable because it's not counting anything else being up and running would be a radio.

Ms. Ball-Cummings: CBs yeah.

Mr. Sostarich: That was going to be my next question. How does Cbs cause a lot of us old moldy old Cbs in the closet compare to this system here?

Ms. Sostarich: On a good day a CB that has a decent, mounted in a vehicle, that has a decent antenna would probably give you better range than these but a hand held Cb, no it's not going to be any better than these.

Ms. Ball-Cummings: Yeah mine does real good I can catch the truckers on the freeway, oh you bet.

Ms. Sostarich: From how far away?

Mr. Kendrick: You must have a good antenna on it.

Ms. Ball-Cummings: Yeah hand held and it has multiple channels but my antenna I can pull it out and just sit right there in the yard and hear the truckers.

Mr. Sostarich: And she lives the furthest West of all of us.

Ms. Sostarich: Can you talk to them or have you tried?

Ms. Ball-Cummings: Yes.

Mr. Kendrick: Is this at night or during the day?

Ms. Ball-Cummings: any time, especially when it's busy at night, you can just hear them.

(INAUDIBLE many talking)

Mr. Sostarich Almost 15 miles from her house to the freeway over there.

Ms. Sostarich: Yeah.

Mr. Sostarich: 15 miles.

Ms. Sostarich: Yeah, but that is a possibility however it is something that there's a lot of variables involved in Cbs. CB runs on a lower frequency, you do get generally get better range at night.

(INAUDIBLE many speaking)

Mr. Sostarich: The issue is everybody including us has one. Is anybody here that doesn't have a dead old CB in their closet somewhere?

Mr. Young: I don't.

Mr. Sostarich: How about you Don?

Ms. Ball-Cummings: Mine's not perfectly running but I mean I just have to keep batteries in it you know

Mr. Sostarich: Yeah I mean it's there. We've got one that's there probably 2 maybe even 3

Ms. Sostarich: But I have found that the ones that we've got just as an example with those magnet mounted antennas which are the worst kind of antenna you can possibly have on a CB the practical range is probably less than 5 miles. So it may be better than these but

Ms. Ball-Cummings: A home base is better.

Ms. Sostarich: A base well anything anything that has a real CB antenna which a real CB antenna is 9 feet long. If you put a 9 foot CB on the back bumper of your car you're gonna get pretty decent range.

Ms. Ball-Cummings: Well that's a home base.

Ms. Sostarich: They put them on cars.

Ms. Ball-Cummings: Yeah I'm saying home base is good too.

Mr. Sostarich: Do these have the same channel as CB radios?

Ms. Sostarich: No no these operate on UHF. Cbs operate on the 30 megahertz band, these guys are in the 400 megahertz band. So the propagation of the radio waves is considerably different with a CB. That's why there's a lot that's why I said there's a lot more variables.

Mr. Kendrick: These going with these, going with the \$40 to \$50 a pair and then if we ever do have an emergency need we can like she said we can relay back and forth.

Ms. Sostarich: Assuming you have enough people that have enough walkie-talkies. And of course the other good thing about these is they are extremely portable and they run on standard batteries.

Ms. Ball-Cummings: Yeah.

Mr. Sostarich: Well let's say that we get 6 of these. Let's say just as an example we buy a set of 6 of them. Can the batteries be charged, can we keep them on a charger?

(INAUDIBLE many speaking)

Ms. Sostarich: This particular model here comes with a set of rechargeable Nickel batteries and an AC power charger. Okay but they can be used with standard Alkaline batteries in a pinch and that is a big plus for emergencies because if you don't have a means of charging your batteries you can't use the rechargeable ones, use the regular ones.

Mr. Kendrick: Well in case. Like we're going to be using these, in case of emergency, most likely we're not going to have electricity to recharge them.

Ms. Sostarich: Yeah.

Mr. Sostarich: But if we have, what I'm thinking of right now, is let's say that we as a Board, decide on a six pack of these as an example. We keep them somewhere here on a rack and then on an emergency breaks out then they would be distributed.

Ms. Sostarich: Yeah, correct.

Mr. Kendrick: But how would we recharge them?

Mr. Sostarich: Once they're

Ms. Sostarich: (INAUDIBLE few people speaking)

Mr. Sostarich: If they're sitting on the rack they will be (inaudible) in a charged state.

Ms. Ball-Cummings: Need a tissue?

Ms. Sostarich: Yeah

(INAUDIBLE many talking)

Mr. Kendrick: How long would full charge last?

Ms. Sostarich: If you keep it on all the time and you spend like 10% of the time talking and the rest is standby you'd probably get 8 to 12 hours out of a charge. So as far as short lived emergencies (INAUDIBLE) you lay in a stock of AAA Alkalies.

Mr. Sostarich: In a real life situation if it was an emergency when these were distributed every 15 minutes or something or every hour on the hour or every odd hour or whatever is agreed upon for communications.

Ms. Sostarich: Right.

Mr. Kendrick: So we can just put 3 AAA batteries in here? Well that takes care of it right there.

Ms. Sostarich: Yeah and AAA batteries are cheap and they have about a 5 year shelf life so laying a stock of those would be a minuscule thing you'd only have to rotate them every few years.

Ms. Ball-Cummings: Yeah excuse me now can you put rechargeable batteries in those?

Ms. Sostarich: That's what they put, that's what this particular model comes with comes with a set of rechargeable and a little charging cradle (INAUDIBLE)

Ms. Ball-Cummings: I just wanted to make verify make sure that that's what you said.

Ms. Sostarich: So that's a good thing, that's another thing that needs to be considered for (inaudible) for anything electronic is you need to have an alternate means of power and that's what's good about these.

Ms. Ball-Cummings: Yes and rechargeable, that's excellent.

Ms. Sostarich: They are as long as you recharge them.

(INAUDIBLE many speaking)

Mr. Kendrick: If you have electricity.

(INAUDIBLE many speaking)

Ms. Ball-Cummings: generator

Ms. Sostarich: Well you know there are such yeah I was going to say you know they are such small power things that can be plugged in to a car so you could charge (INAUDIBLE few speaking) with any car that was operational. And of course if you happen to have a generator you can plug it in to a generator also.

Mr. Kendrick: Do you have a generator?

Mr. Sostarich: Yeah.

Mr. Peetoom: What they need to do is put them all on have them charged

Ms. Sostarich: Uh-huh.

Mr. Peetoom: in the office

Ms. Sostarich: Uh-huh.

Mr. Peetoom: on a shelf.

Ms. Sostarich: A rack.

Mr. Peetoom: A rack or something

Ms. Sostarich: Yeah and if something

Mr. Peetoom then when they have it they can

(INAUDIBLE)

Ms. Ball-Cummings: We need a 5 minute break

Ms. Sostarich: Yeah.

(INAUDIBLE)

Mr. Sostarich: You need a break?

Ms. Ball-Cummings: Yeah.

Mr. Young: (INAUDIBLE many speaking) I need to wee-wee too.

Mr. Sostarich: Everybody wants to take a five minute break.

Mr. Kendrick: I don't, I don't need to smoke.

(INAUDIBLE few speaking)

Mr. Sostarich: We'll adjourn for 5 minutes.

Mr. Sostarich: We'll adjourn for 5 minutes so

Ms. Ball-Cummings: Nobody said anything about smoking, just going out and taking a break.

Mr. Sostarich: 5:12, we'll be back at 5:20.

Ms. Sostarich: Okay do not press the stop button, press the pause button.

(INAUDIBLE few speaking)

Ms. Ball-Cummings: we get there Mr Chairman

Mr. Sostarich: All right so we're back at 5:23. Anything else you want to add, is the most the recommended model and brand of radio or do you think there's something superior to this?

Ms. Sostarich: Probably there's probably nothing measurably superior out there. The reason why is because these operate under a great number of FCC restrictions. They're restricted in the power output they can have, they're restricted in the kind of antennas they can have and so forth so basically if somebody wanted to run out and buy a bunch of them, the only recommendation that I would make is get some made when you get them make sure that you get some that come with a center rechargeables and a charger but that can also be used with standard batteries. And most of the ones that come with rechargeables will have that feature. Cobra is a good brand, Motorola is a good brand. I'm not, I don't much like some features of these. I was telling Tony they're rather counterintuitive as far as figuring out how to turn the darn things on but other than that they're not too bad.

Mr. Sostarich: If the Board decides to procure a number of these, would you be willing to act as our agent and actually buy them on Ebay and find the best or wherever on line and

Ms. Sostarich: Sure it might just be a matter of going down to Walmart, that's where I got those.

Mr. Sostarich: Okay.

Ms. Sostarich: But yeah I can do that.

Mr. Sostarich: Any further questions on the subject of radios.

Mr. Kendrick: No.

Mr. Young: These are kind of like the best radios you can get without a license?

Ms. Sostarich: Well actually to be totally technical if you're gonna operate them on the GMRS, the higher power frequencies, you're supposed to have a license. But the fact of the matter is because they put that on the packaging in incredibly small print virtually nobody that buys these ever does get a license for them. The only other thing that I will remind everybody of, of course is the only drawback of communicating by radio is radio is a public medium so you cannot have private conversations on these things.

(INAUDIBLE few talking)

Ms. Sostarich: Yeah and that why if an emergency ever developed probably try a cell phone first would be a good idea and if that doesn't work of course the radios is a back-up to that.

Ms. Ball-Cummings: Or Annette you could put your own crystal in there.

Ms. Sostarich: No.

Ms. Ball-Cummings: No?

Ms. Sostarich: No.

Ms. Ball-Cummings: Why?

Ms. Sostarich: And besides even if you were able

(INAUDIBLE few speaking)

Ms. Sostarich: Because again they're hard-wired for a particular frequency
(INAUDIBLE few speaking)

Ms. Sostarich: say FCC regs. But if you re-crystal them it does not mean you're safe from eavesdroppers. That's like saying that you're safe from hackers if you don't shop on-line.

Ms. Ball-Cummings: True,

Mr. Young: That's the same as a CB, everybody can hear you.

Ms. Sostarich: Correct yeah.

Ms. Ball-Cummings: Well that's with these.

Ms. Sostarich: Yeah and there's only, there's only about 300 million of these radios out there so yeah so chances are extremely good that if there was something going on then there would be other people in the neighborhood on that frequency. Now the good part is that of course you do have a good number of frequencies to choose from.

Ms. Ball-Cummings: Yeah.

Ms. Sostarich: But mostly it's not a privacy issue it's just an issue it's nice to have a channel all to yourself so you don't have anybody else on breaking in but just to remember you know you just can't discuss anything sensitive on there so

Ms. Ball-Cummings: The longer you're on it the more they'll pick up just like on a cel phone.

Ms. Sostarich: Well depending on whether anybody is actually, actually interested in listening in. But cel phones are secure again by design they are secure.

Ms. Sostarich: Well if you're on them and they state that to you. If you're on them more than 10 minutes someone can hack in.

Ms. Sostarich: Nope.

Ms. Ball-Cummings: Yeah

Ms. Sostarich: Nope.

Ms. Ball-Cummings: I've been told that by

Ms. Sostarich: Yeah but who told it?

Ms. Ball-Cummings: FCC

Ms. Sostarich: Well analog cel phones from ten years ago, yes. Modern digital cel phones and if you remember the National Security Agency, yeah they're not that hard to hack but if you're the average guy with a soldering iron, no they're not going to be listening in to you. So they are, it's reasonably safe to say that they are just about as secure as a land line. You know anything can be tapped if you've got the resources but they are secure enough. Okay, I guess That's about all I've got if nobody has any other questions.

Mr. Sostarich: No other questions? Okay item 2 on the Emergency Response Plan is if you've read your meeting minutes and you were here last week you know that Sig and I talked about a plan of of doing it, we haven't, we discussed the idea of doing a gravity feed test in the middle of the night. We haven't we haven't actually hammered out an actual plan. Sig's idea was around the sixth of December and do you still feel up to that date or is this cold getting you, that's only a couple of weeks away.

Mr. Danielson: The cold is kind of getting me.

Ms. Ball-Cummings: He sounds

Mr. Danielson: December is kind of busy, I maybe just as soon defer that in to January.

Mr. Young: Yeah after the first of the year, yeah.

Mr. Danielson: After the first of the year.

Mr. Kendrick: It's even colder in January.

Mr. Sostarich: Okay so that gives us over a month to iron out the plan.

Mr. Danielson: Yeah I think we still need to iron out a bunch of details. One of the things that is bothering me a little bit is ADEQ requires us to maintain a minimum delivery pressure of 20 PSI. Even though National Uniform Plumbing Code says 15 is fine. We gonna be below that during this test. Would they, and of course if we have a power failure we're gonna be below that. Under the old set-up would be air accumulators at Derringer and Colver. If we had a power failure we have 0 PSI, we couldn't even feed it by gravity in to the system. So I want to

Mr. Kendrick: Who is this ADEQ?

Mr. Danielson: Arizona Department of Environmental Quality who regulates us.

Mr. Kendrick: Would we maybe let them know that we're going to be doing this test?

Mr. Danielson: I need to talk to talk to Steve Devereaux, is what I need to do.

Mr. Sostarich: My personal attitude here is if there's a National emergency they're gonna be out of business.

Mr. Danielson: Exactly.

Mr. Sostarich: They are.

Mr. Danielson: They are yes but I really would put a more cohesive plan together and look at this middle of January. Put a plan together, pass it around the Board we maybe discuss it or seek input back in to it you know without a formal Board meeting.

Mr. Sostarich: Well I'm hoping you and I having a personal discussion the way we did the last time and then presenting our outline whenever we hammer it out to the Board for comment.

Mr. Danielson: Yes we can do that.

Mr. Young: Why would we deliver water with no pressure generator without a booster pump?

Mr. Danielson: No no I'm talking way in the old days before this well-site was even here. The there were no air compressors on the HP tanks

Mr. Young: Yeah.

Mr. Danielson: So what you ran on was a air accumulator that was mounted up on top of the storage tank. Up to the top of the storage tank and through the air accumulator and down and that's what put the additional air in the HP tank. Boy am I glad that went away.

Mr. Sostarich: Well we were discussing, you weren't here for it, but putting in most basic terms, we were planning on just in the middle of the night just isolating the pressurized system out of the loop and then doing a gravity test to see what we actually get at each the extreme ends of the District just to see what we would get. Would you get water out of the faucet at the high end, at the low end and if so how much. That way that would give us an idea of what to shoot for if an actual emergency what our customers would be able to receive. If all we can do is fill the tanks with the generators and the power that we have available. This was part of a preparation for an Emergency Response Plan and on top of that we were gonna make a note as to the public in one of our newsletters that they can expect a test like this to occur sometime in this time frame. And that they should be prepared because if we do an all up test, and which is something we've never done before and something doesn't go correctly then at least they'll have some water and they won't be caught dry.

Mr. Kendrick: Does our system actually allow us to do that? Cause with all the safety issues you know not safety but with all the you know okay if this drops below this is gonna turn off you know.

Mr. Danielson: Uh-huh you can manually override the entire

Mr. Kendrick: System okay.

Mr. Danielson: You bet what you do is you set the whole you set the entire control system in manual and then nothing happens without you Physically doing it in the field.

Mr. Sostarich: Unless my, you Gary Kendrick said you wanted to be a part of this action

Mr. Kendrick: Uh-huh.

Mr. Sostarich: Which means you'll have to get up in the middle of the night.

Mr. Kendrick: I'm up at 2:00 in the morning anyway.

Mr. Sostarich: Well that that's you're a good candidate to use then. I'm sure there are people here that need their beauty rest. I'm not one of them but

Mr. Young: I am.

Mr. Sostarich: Wouldn't want to be operating at 0 dark 30 like that. So we can count you in.

Mr. Kendrick: Yes.

Mr. Sostarich: And that wouldn't be a Board issue cause there'd only be 2 of us right, 2 people to meet in the middle of the night.

Mr. Kendrick: Correct.

Mr. Young: Yeah.

Ms. Ball-Cummings: You can if it has nothing to do with Board business all you can meet it's not a quorum if that's what you're meaning.

Mr. Sostarich: Yeah well we don't want to break any

Ms. Ball-Cummings: If you're talking company business that's different.

Mr. Sostarich: Yeah okay.

Mr. Kendrick: If we were all at a party we wouldn't all be at a party.

Ms. Ball-Cummings: Yeah really.

Mr. Sostarich: Do we

Mr. Young: It's part of the Emergency Response training.

Ms. Ball-Cummings: Even if we were

Mr. Kendrick: talking business or not right?

Mr. Sostarich: Go ahead.

Mr. Danielson: Let me cover that under the next agenda item.

Mr. Kendrick: Okay.

Mr. Sostarich: Okay I've

Mr. Sostarich: We're still on item 10 here.

Mr. Danielson Okay

Mr. Sostarich: Or 9 rather.

Mr. Danielson: Can I

Mr. Sostarich: Yes.

Mr. Danielson Bring the Board up to date on some of the stuff that I've been doing?

Mr. Sostarich: You may.

Mr. Danielson: Okay last month I reported to the Board that I'd checked on the elevations and calculated the differences in the PSI from the high point to the low point both the South and North system. Okay the other day what I did was I said okay I took pump curves for these 2 pumps out here and I said all right we turn on that 45 PSI and turn off the 53 PSI. That translates to 104 feet of head and 122 of head. So I got the pump curves out and I picked out the numbers on the pump curves and everything like that and I averaged it all together and I came out with an average flow rate while the pumps were in operation of 390 gallons per minute based on my interpolation of the pump charts. I ran a quick and dirty test on the system doing about 5 or 6 cycles and lo and behold I got between 391 and 395 gallons per minute on the 2 pumps that I said I should be getting about 390 from so that works. I also ran a no load test on the generator and we are consuming about 1.56 gallons per hour of diesel fuel unloaded. I've got somewhere in the data I've got what the larger generator consumes per hour. It looked like it ran under load pumping this well was about 4 gallons per hour so that would be about 2-1/2 really gallons per hour related to pumping. But the next step is going to be to run the smaller generator on the booster station here for an extended period of time during the day to see how many gallons we pump and how much our fuel consumption is over that period of hours because once we know the flow rates then we can calculate the run back out the run time out of it and get an idea of what we're doing there. So based on everything we're seeing we can probably run the booster station here wintertime 5 days with a full load of fuel, probably about 3-1/2 days in the summertime. But we'll play with some numbers once we get some actual physical fuel consumption per we got fuel consumption for unload, now we'll get fuel consumption for load for under load. Then we can start playing with those numbers and see what we've got so.

Mr. Kendrick: So under Emergency Response, if under emergency, if emergency happens, we'll have 5 days per tank.

Mr. Danielson: Roughly, yeah.

Mr. Kendrick: And

Mr. Sostarich: That's at pressure, right?

Mr. Danielson: That's at pressure, at normal operation only running on

Mr. Young: How many hours is that, running the generator?

Mr. Danielson: 112.

Mr. Kendrick: Now once we're out of gas, say emergency happens we're out of gas, even running water to the customers, gravity is not going to work cause we have nothing to pump the water in to the tank.

Mr. Danielson: What we would have to do is to make a decision 2 or 3 days in to emergency we can pump water in to the tank for this long of a period of time with what we've got but we can't pressurize the system, it's going to be strictly gravity flow. That's the reason for this middle of the night test.

Mr. Kendrick: Correct but once we are unable to pump water in to the tank we won't have anything to gravity flow.

Mr. Danielson: Correct.

Mr. Sostarich: But I think what he's saying at some point in the emergency we make a decision water under pressure or no water at all.

Mr. Kendrick: Yeah.

Mr. Sostarich: Correct?

Mr. Danielson: Correct.

Mr. Young: And you're saying they'll run 5 days at 24 hours? That's 120 hours, but you wouldn't need to run the generators for 5 days straight.

Mr. Danielson: If you were pressurizing the system with booster station yes.

Mr. Young: You would have to run it continuously?

Mr. Danielson: You'd have to run it continuously yes.

Mr. Young: All right.

Mr. Sostarich: And you last month you said that you're gonna switch this generator down to the South.

Mr. Danielson: I am when I complete the test here with it. I ran a no lead test on this generator, I want to run a pump test on this generator. The big generator is physically up here so both Gen sets are up here. We do not have a backup Gen set at Culver.

Mr. Kendrick: I want to learn, okay, I don't know if I know how to ask this, okay.

Mr. Sostarich: May I say something while you think?

Mr. Kendrick: You just said, yes.

Mr. Sostarich: Okay no he needs time to properly word

(INAUDIBLE many speaking)

Mr. Sostarich: Would the Board closed-minded or open-minded to when he switches the generators around to fill them up to the top with fuel and keep them fully fueled?

Ms. Sostarich: Now are you talking about when an emergency happens?

Mr. Sostarich: No I'm talking about when he switches, takes this generator to the South side brings that one up here that he keeps the generators fully fueled once he rotates them back. Last week he talked about filling them up a third of the way. I'm asking the Board if they are open-minded to keeping them full all the way.

Ms. Ball-Cummings: And I don't think it's a good idea.

Mr. Kendrick: The tanks?

Mr. Sostarich: The tanks on the generators.

Mr. Kendrick: What's the pros and cons?

Ms. Ball-Cummings: What's the capacity?

Mr. Danielson: It's 180 gallons of fuel per generator.

Mr. Kendrick: Is keeping it full is not going to hurt anything is it?

Mr. Danielson: No put some stabil in it for diesel.

Mr. Young: No you'd want to have them topped off all the time in case the emergency happens.

Mr. Kendrick: Yeah.

Mr. Sostarich: Yeah that's what I'm asking the Board right now.

Mr. Peetoom: Yes.

Mr. Kendrick: We should top them off.

Mr. Young: If we had an emergency

(INAUDIBLE many talking)

Mr. Sostarich: What I'm asking you right now is is anybody open-minded to keeping the generators topped off.

Ms. Ball-Cummings: Okay as long as it's not broad casted to the public and is not put so everybody knows I mean. Just think about that much diesel fuel sitting at each site for someone to be a tagger.

Mr. Sostarich: A thief.

Ms. Ball-Cummings: No.

(INAUDIBLE many speaking)

Ms. Ball-Cummings: They can blow it up yes they can.

Mr. Young: It will burn it won't blow up.

Ms. Ball-Cummings: I've seen diesel where it

Mr. Young: It burns it won't blow up.

Ms. Ball-Cummings: It follows the ground.

Mr. Danielson: And if you make it red diesel it makes it awful unattractive to steal it.

Ms. Ball-Cummings: I'm just saying I mean I don't knw, I'm not open to that, but just do what you want.

Mr. Kendrick: What's the security system, is it pretty hard to get in that tank to steal gas, steal the diesel.

Mr. Danielson: Well you got to gain access to inside the compartment.

Mr. Young: And the compartment locks up right?

Mr. Kendrick: The compartments are locked.

Mr. Kendrick: Yeah so it's somebody is going to steal diesel out of somebody's truck before they come

Mr. Danielson: Oh yeah, defiantly.

Mr. Young: And it's off-road diesel with the dye right?

Mr. Danielson: Uh-huh.

Mr. Young: Yeah.

Mr. Sostarich: So is everybody open-minded to the idea to keeping them topped off?

Mr. Young: I'd keep them topped off cause you never know when the emergency is going to happen.

Mr. Sostarich: Don't?

Mr. Peetoom: Keep them topped off.

Mr. Kendrick: I would like to make a motion to that we fill them up as soon as possible.

Mr. Young: As long as it's use off-road diesel, If we use off-road diesel we save money.

Mr. Sostarich: I don't think we need to make a motion on that.

(INAUDIBLE many speaking)

Mr. Danielson: No it's operational.

Mr. Sostarich: So the cost of filling those up will be around \$400, right?

Mr. Danielson: No \$1600.

Mr. Sostarich: To fill both of those up?

Mr. Danielson: Uh-huh.

Mr. Sostarich: Have you looked in to that source that I

Mr. Danielson: No I have not, I will call him.

Mr. Sostarich: Okay well the Boards seems to be mostly in agreement that we keep them topped off once

Mr. Young: (INAUDIBLE)

Mr. Kendrick: It depends on how much cheaper you can get it than what they well it for because we can hook it up to the truck and go down here and fill them up ourselves right?

Mr. Sostarich: There are options

(INAUDIBLE few speaking)

Mr. Danielson: You made mention you want to consider postponing the nocturnal test til January. Are you still open to-minded to sending out information in this months billing to prepare for an emergency some time in December-January band to have the population prepared?

Mr. Danielson: Yes I will do that.

Mr. Sostarich: Okay that will go out in the next months billing?

Mr. Danielson: Uh-huh.

Mr. Sostarich: You can check, I'm gonna proof read what his message and I would like for you to read the message too before he puts it out because you are more inclined to what may panic the individuals. We don't want to do that. So would you be up to that?

Mr. Kendrick: Yeah.

Mr. Sostarich: Okay the last thing on the emergency that I have for you is a homework assignment. You can read this we can talk about it later. It is a violation of somebody's Scada system for their water distribution system has been destroyed by outside hackers and you guys all have a copy of that. You can read it at home, I don't think it will affect us right away but it will keep you cognoscente of what's possible. Any more items on item 9, any more issues, questions on item 9?

Mr. Kendrick: No.

10. Discussion and possible action concerning District Christmas Party

Mr. Sostarich: And this is a surprise to me.

Mr. Danielson: What we've in the past we have held a Christmas Party with all the Board Members and all the employees and spouses invited. The question for the Board is, do we want to do it again this year as we have in the past? And the other item is who are we going to get to cater?

Mr. Kendrick: What did we do last year, I missed last years party?

Mr. Sostarich: Little Mexico.

Mr. Danielson: Mexican from El Melino I think.

Mr. Kendrick: How did that go?

Mr. Sostarich: She said it was Little Mexico, it was 1 notch above Circle swine down there. It wasn't that great. It was ok I'm not complaining.

Ms. Ball-Cummings: Do you want my opinion? Why don't you do it for the community and invite everybody to come up?

Mr. Kendrick: We tried that and there's so many different

Ms. Ball-Cummings: This is not right. Last year we went through this. I'm not coming personally, I'll tell you that right now, I will not come to this Christmas Party, ok? I have several reasons why, I will not state them. But I will not come this year and I feel that it is important since the community out there you know is a part of everybody here. They need to be invited.

Mr. Kendrick: We need to have a customer appreciation dinner.

Ms. Ball-Cummings: Put it in the newsletter and a newsletter hasn't gone out n I don't know how long. Let them know that there's going to be a party and hire some jumping castles and do something for the community.

Mr. Sostarich: The public is invited to these meetings and you can see their overwhelming support.

Ms. Ball-Cummings: That's not the point. Do you want to know why they don't want to get involved?

Mr. Kendrick: Can I say something?

Ms. Ball-Cummings: Do you want to know why?

Mr. Sostarich: Sure.

Ms. Ball-Cummings: Even you know right off the top of your head Mr. Sostarich.

Mr. Sostarich: They don't care, that's why they don't get involved.

Ms. Ball-Cummings: You're no dummy. No is they don't want to be involved, simple as that.

Mr. Sostarich: Yeah yeah.

Ms. Ball-Cummings: I'm afraid some thing's going to happen, so I'm not going to get involved. I've been told that by everybody so but still it doesn't hurt, we've mentioned it before even Mr. Kendrick has brought it up before, why can't we invite the community.

Mr. Kendrick: Can I make a statement?

Mr. Sostarich: You may.

Mr. Kendrick: In my own

Ms. Ball-Cummings: No reason why we can't.

Mr. Kendrick: A Christmas Party I think would be for the employees more than anything. We should have, I don't disagree with you we should have something for the customers but not a the Christmas Party. I think it should be in the warmer atmosphere, in the Spring or have a Customer Appreciation Day, what we had planned on before. But a Christmas Party I don't think it would be right for a customer party. What does everybody else think?

Mr. Sostarich: I think usually Christmas parties are corporate based is what your attempting to say? Company parties you invite the families and friends of the employees. We all get around and act like that they're enjoying each others company, but in reality they sit with their own families and don't say anything across the table to anybody else.

Ms. Ball-Cummings: That's right.

Mr. Kendrick: Plus if we join the customers and the employees you know the customers you know. We need to have something just for customers and make it like Customer Appreciation Day now, not just a little party.

Ms. Ball-Cummings: Yeah it won't hurt.

Mr. Sostarich: Usually the best time to do that is when something big happens like some sort of ribbon ceremony or something like that.

Ms. Ball-Cummings: (Inaudible)

Mr. Danielson: That's what we had opted to do is postpone it, based on, doing a ground-breaking, we would do a ground-breaking ceremony when the Rural Development money came through.

Mr. Kendrick: Yeah.

Mr. Young: Gosh you'll be 90 years old by then.

Ms. Ball-Cummings: No kidding.

Mr. Danielson: Getting closer to it.

Mr. Sostarich: Well the question was brought up, does anybody want to have a Christmas Party?

Mr. Kendrick: I think we should to have a Christmas Party.

Mr. Sostarich: If Sig wants to have one with just him and the office staff. I personally am not doing Christmas this year myself.

Ms. Ball-Cummings: Well I am not coming so you guys can enjoy so I'll let you know now, I'm not interested.

Mr. Sostarich: I'm not interested. You guys if you want that's up to you, I'm not interested.

Mr. Young: I think just do it in the office.

Ms. Ball-Cummings: Whoever wants to come go in the office.

Mr. Young: Cause if you do Christmas, you're not representing all the other religions.

Mr. Kendrick: It could be a Holiday Party, a Holiday Party, not a Christmas Party.

Mr. Sostarich: Do you want to add Friday to the weekend, just to please everybody?

Mr. Danielson: Okay well if, what I, the second point I was going to bring up is, we been kind of very unhappy with the last couple of caterers we've had in here. My wife does this for a living.

Mr. Young: And she won't poison you.

Mr. Danielson: And she won't poison me. While she does it for a living, to avoid any conflict of interest on me hiring her to cater the party. What she said is she will donate her time as long as the District buys the food. She'll prepare it and serve it.

Mr. Young: Oh that's cheap enough. Can you have her buy half the food?

Mr. Kendrick: What kind of food?

Mr. Sostarich: Yeah.

Mr. Danielson: Well she's got 3 different menus here.

Mr. Kendrick: She owns her own private catering service?

Mr. Danielson: She can do an Italian, which would be lasagna, and then a side dish of sausage with sauted bell peppers, onions, zucchinis and yellow squash.

Ms. Ball-Cummings: I'll come for the food, no.

Mr. Danielson: salad and garlic bread. Second menu option would be Continental Chicken, and what Continental Chicken is, it's chicken breast, it's bacon-wrapped, it's put in to a

Ms. Ball-Cummings: And it's expensive.

Mr. Danielson: pan that's lined with Chip beef, you line the chicken breast up on it, you put a 50-50 mixture of sour cream and cream of mushroom soup over it and bake it for a couple hours, excellent. That along with twice-baked potatoes, steamed broccoli or any choice of veggie that would be wanted, salad and rolls.

Ms. Ball-Cummings: Tony has changed his mind, I can tell

Mr. Sostarich: I have.

Mr. Danielson: And then the last

Ms. Ball-Cummings: As long as the company is buying.

Mr. Danielson: The last option would be roast beef and/or pork, mashed potatoes, gravy, green bean allemande or choice other vegetable, salad.

Mr. Kendrick: Can we have all three?

Mr. Danielson: No she won't do all three.

Mr. Young: What's your recommendation, you've eaten all these?

Mr. Sostarich: Number 2 sounds good to me. I'll be willing to foot the bill out of my own pocket.

Mr. Kendrick: I like the lasagna idea.

Mr. Peetoom: I like lasagna.

Mr. Young: I like lasagna.

Mr. Peetoom: Cause I don't like mushroom.

Mr. Sostarich: You don't like mushrooms?

Mr. Kendrick: Do you like lasagna?

Mr. Peetoom: Oh yeah.

Mr. Kendrick: you like lasagna and no mushrooms.

Mr. Peetoom: (inaudible)

Mr. Sostarich: I haven't had good lasagna in so long.

Ms. Ball-Cummings: (inaudible) She could probably do 2.

Mr. Sostarich: That sounds like a good idea, Sig, I'm all for it.

Mr. Danielson: Okay why don't we do a little bit of lasagna and little bit of Continental Chicken and

Mr. Kendrick: That's what I just said all 3 of them.

(INAUDIBLE many talking)

Mr. Sostarich: The chicken has beef in it, the only thing you're missing with option 3 is the pork.

Mr. Danielson: Yeah.

Mr. Kendrick: No just two, two is fine.

Mr. Sostarich: You might consider, some of us here, like Mike Young might not think pork is Kosher.

Mr. Young: I love pork.

Mr. Sostarich: Okay well I'm in, I changed my mind.

Ms. Ball-Cummings: I won't change my mind.

Mr. Kendrick: I am fine with the lasagna.

Mr. Young: Whatever, I don't care what it is.

Mr. Sostarich: Well he says his wife will volunteer if we foot the bill. Who's gonna pony up the jack?

Mr. Danielson: Petty cash.

Mr. Sostarich: Okay.

Mr. Danielson: Office supplies, since the Board doesn't have a Board supply line anymore.

Mr. Kendrick: Why don't the Board float it since the Board's the one

Mr. Peetoom: We don't have a supply line.

Mr. Danielson: You don't have a Board supply line any longer.

Mr. Sostarich: I don't see you pulling your wallet out and I didn't bring mine so I got an excuse.

Mr. Kendrick: I don't have a wallet.

Mr. Peetoom: Office.

Ms. Ball-Cummings: Gary has lost his train of thought since he's become Vice-Chairman.

Mr. Sostarich: Okay anything further need to be said on that, you got everything?

Mr. Kendrick: Yes, I have not lost my train-of-thought since becoming Chairman.

Mr. Sostarich: Speaking of train-of-thought, did you recall the question that you had earlier?

Mr. Kendrick: Yes, It's

Mr. Danielson: Okay by the way, tentative date on that would be the 22nd of December. Thursday afternoon.

Mr. Young: 22nd. Of December, okay.

Ms. Ball-Cummings: I'll be gone.

Mr. Sostarich: Your thought?

Mr. Kendrick: The thing with it running for 5 days on a full load of gas and you've, what are these little, okay the little engines out there, the little electrical engines what are those, those are the pumps right?

Mr. Young: Those are electric motors.

Mr. Kendrick: You're saying with pressure or without pressure earlier?

Mr. Sostarich: He was saying with pressure, it will run for 5 days under pressure.

Mr. Kendrick: Without it being under pressure, what is there after

Mr. Danielson: Without it being under pressure is 5 days. Under pressure depends on what time of the year. This time of year I would guess about 4 days.

Mr. Kendrick: Under pressure is it running gravity correct?

Mr. Sostarich: No no, he's talking when he says under pressure like it is now is what he means.

Mr. Kendrick: Pumping water into the

Mr. Danielson: In to the, the customer never know whether their water is being pumped with Trico power or with the diesel generator. Okay the next logical step in the test after we've determined the flow, we've determined how much fuel the generator burns just sitting there with no load on it. Now we put a load on it for pumping water. The question is, how much fuel does it take per hour to pump water.

Mr. Young: Underloaded.

Mr. Danielson: Underloaded and how much water did we pump during that period of time and from that we can take and say a percentage of pump running and by knowing the flow rate of the pumps we can extrapolate to the summertime operation.

Mr. Kendrick: And that's what we're going to be doing on December 6th. or whatever?

Mr. Danielson: What we're gonna do is just see what

Ms. Ball-Cummings: January, not December.

Mr. Danielson: I'll run all those tests during normal operation, nobody will even know we're having them.

Mr. Kendrick: Okay.

Mr. Danielson: Okay.

Mr. Kendrick: So what we're going to be doing January 6th. or whatever, is if we have no, the thought of having no generator, no gas, nothing, just the water, a full tank of water correct?

Mr. Danielson: A full tank of water.

Mr. Sostarich: Yeah, and we'll do a check at extreme ends at 0 dark-30. Somebody actually go out to the taps and open them and see how long it takes to draw a glass of water or a gallon of water or what?

Mr. Young: Well you put a pressure gauge right on the end of those too and that will tell you

Mr. Sostarich: Yeah but a realistic test is to actually drawing water out cause that's what the customer is going to do.

Mr. Young: You kill 2 birds with 1 stone. You put a pressure gauge on a hose bib and see what kind of pressure, then you take it and put the glass under it and then you'll know.

Mr. Danielson: Yeah, that's exactly what we're gonna do. Okay

Mr. Young: Okay, December 22nd., what time?

Mr. Danielson: Probably noon.

Mr. Young: Okay.

Mr. Danielson: Okay, if you remember this sheet that was in your Board Packet last month, what I've done, is I've listed the maximum daily demand.

Mr. Kendrick: I think it's in this months.

Mr. Danielson: Maybe it's this months.

Mr. Sostarich: Maximum and minimum daily demand for system, we got it right here.

Mr. Danielson: We are basically under almost the minimum daily demand on the system. Once we figure out how much diesel fuel it takes to pump an average 119,000 gallons of water per day, we should be able to extrapolate that in to how much it's gonna take us to pump 267,000 gallons a day so we know what our extremes are because we're gonna consume, if we're pumping at a consistent rate as 391, 393, and 395 on the tests that I ran, we're gonna know that all right the load that's placed on that generator will cause you know if we do it over a 6 or 7 hour period of time we'll know how many total gallons to pump then we'll know the pump running hours and we'll know the generator no load running hours so we can figure out how much diesel fuel fuel it takes to pump a gallon of water.

Mr. Young: Yeah you can average it out yeah.

Mr. Kendrick: And that's what you'll be doing before.

Mr. Danielson: I'll be doing that here sometime during December.

Mr. Sostarich: Meanwhile you're gonna have the next months billing to prepare for a test?

Mr. Danielson: I'll have it in the next months billing to prepare for a test.

Mr. Sostarich: The next months billing which will be sometime this month right?

Mr. Danielson: We'll be billing next Tuesday.

Mr. Sostarich: Yeah so you'll have a message ready by then?

Mr. Kendrick: When you get up

Mr. Danielson: Next Wednesday, excuse me, yeah.

Mr. Sostarich: Okay, I'd like to see it before it goes out.

Mr. Kendrick: Me too.

Mr. Sostarich: And he would too. Okay.

Mr. Danielson: I should be able to pull something together here, I still have 2,3,4, I still have 4 or 5 days, probably 4 days, because we probably want to get it duplicated and folded on Tuesday.

Mr. Sostarich: We kind of worked in to item 11 here so, we're in item 11.

11. Discussion and Possible Action Concerning Administrative Details

Mr. Sostarich: Going back to your question

Ms. Ball-Cummings: Officially announce it please, Mr. Chairman

Mr. Sostarich: Okay we are in the depths of item 11. One of the subjects was just concluded. The item that show up in the next billing, the monthly newsletter.

Ms. Ball-Cummings: Will be what?

Mr. Sostarich: The monthly newsletter is gonna out with the next months billing which is he said was going to be on I think Wednesday, was it not?

Ms. Ball-Cummings: A newsletter?

Mr. Sostarich: Yes he's gonna send a newsletter out on Wednesday informing the public to prepare, that we are going to involve ourselves in a preparedness.

Ms. Ball-Cummings: It will be more than that in the newsletter.

Mr. Sostarich: Oh yeah of course there is, bring them up to date, who's who, what's what. Mike didn't catch a deer.

Mr. Young: That's right.

Ms. Ball-Cummings: Be water-wise.

Mr. Kendrick: We changed Chairman and Vice-Chair.

Mr. Sostarich: Yeah.

Ms. Ball-Cummings: Everything, good deal.

Mr. Sostarich: One other thing under Administrative Detail, we're up to what month on the website?

Ms. Sostarich: I've either up to August or September as far as getting the minutes on the website.

Mr. Sostarich; We just grab the thumbnail and take it home manually and load it up there and it's, so we're pretty much up-to-date on that. Anybody got anything else?

Ms. Ball-Cummings: Yes I do Mr. Chairman, I would like to address Sig please. Sig, on you Systems Managers report, on number 2, you said I had a meeting with the Immigration and Custom Enforcement on October 28 of 2011. Could you please explain that to me please?

Mr. Kendrick: We already discussed this I thought.

Ms. Ball-Cummings: I was not here, I was late.

Mr. Kendrick: Oh that's right you were 15 minutes late, I'm sorry.

Ms. Ball-Cummings: I got here at ten after, that's correct, I was late. I was late, I was late.

Mr. Danielson: That was concerning the Employee I-9 forms not being not completed at time of hiring.

Ms. Ball-Cummings: Okay.

Mr. Danielson: As I told the rest of the Board, mine was not completed. Vonna Wesala, who was the clerk, I filled out the I-9, I gave her a copy of my drivers license, Social Security card, and my Passport. That is exactly how we found it in the drawer. She did not fill out any of the employer information.

Ms. Ball-Cummings: Okay, so did you get it, it states here you got.

Mr. Danielson: it was, they allowed us to revise it, to re-submit it.

Ms. Ball-Cummings: So there was, you didn't get any

(INAUDIBLE few talking)

Mr. Danielson: We got a slap on the wrist.

Ms. Ball-Cummings: Wait a minute, I'm talking to Sig. Everybody just stop please. My Lord, I am addressing Sig. Not everybody in the Board room, okay that's why, that's something he did. If one of you all would have called me, prior to this, Vice-Chairman or Chairman, then I would have been aware of it but I did not know.

Mr. Young: Neither did I.

Mr. Kendrick: You mean the meeting?

Ms. Ball-Cummings: Okay then listen and be quiet.

Mr. Kendrick: So if you had been on time, we went through this already.

Ms. Ball-Cummings: And then the next one I have a question on is the RD General Account. Why is it only \$314.69?

Mr. Danielson: Cause we don't keep any money in that account. That account is where, is tied to the RD, that account is tied to the construction checking account. On the middle of December, we will transfer over our semi-annual payment for Rural Development into that account. Write them the check and then mail it to them.

Ms. Ball-Cummings: Okay, well why I was wondering is because it just changed various throughout. And then on the expense, expenses, July, August, September and October, why did it jump for Contractual Services from \$1589.20 to 520 I mean not jump, but drop, to 520.48 and it stayed pretty much you know within that limit money-wise. Why did it drop what happened? I mean I just noticed so it was something that was just brought to my attention. It was now dropped to 520.48

Mr. Danielson: I will have to research it but, what I believe it is, is that at the very, that we had a licensing agreement renewal one month on our billing software, etc., etc. and I can't

Ms. Ball-Cummings: Okay I wasn't here earlier so I

Mr. Danielson: There are various things that happened under there that I

Ms. Ball-Cummings: I mean that's just a big drop I mean from 1589 to 520, it's just and then down where it says the Board, it went, serves me correctly, maybe there's a few things that happened, you went from July, now going all the way to October, 747672, 803, then 504. So back in September you bought the desks, that's why I'm asking cause it the Board

Mr. Danielson: The only thing that's charged to the Board right now is Member pay and Katy's salary.

Ms. Ball-Cummings: Okay so that's why I'm stating, we didn't have no Board meetings, so it went from you know 7 to dropped to 5 and it was 8 one time and 6 the other. So it's salary?

Mr. Danielson: It is your Board Member pay, Katy's salary, and what our contribution toward what Medicaid, FICA is on her.

Ms. Ball-Cummings: Okay.

Mr. Danielson: She was on vacation in october, that's why it dropped.

Ms. Ball-Cummings: That's why I said there were several things that I did recollect that you know, okay.

Mr. Sostarich: Anybody, are you finished?

Ms. Ball-Cummings: Yeah I guess I am finished.

Mr. Sostarich: Somebody ask a question, if she needed to be finished first.

Ms. Ball-Cummings: I brought my papers ready to sign to resign so I might as well, you know, so I will just hand them next month so.

Mr. Sostarich: Speaking of finish, did you bring the keys in that you were supposed to bring in with you?

Ms. Ball-Cummings: Yeah I think. Excuse me, did I do that to you at any time?

Mr. Sostarich: Did you do what to me?

Ms. Ball-Cummings: Treat you in this manner.

Mr. Sostarich: I just ask you a simple question.

Ms. Ball-Cummings: You don't need to ask me, that's Sig's job, he's the Systems Manager that's where I got them from, him. So I'll give them to him.

Mr. Sostarich: Okay did you come prepared to do that?

Ms. Ball-Cummings: I believe so, I did come prepared. Thank you for asking.

Mr. Sostarich: Did you want to ask a question, Gary?

Mr. Kendrick: I just have a statement, Teresa Ball-Cummings, member said that the RD General Account just automatically has fallen to 314. It's been like for the last several months. That's all.

Ms. Ball-Cummings: When I was Chairman I recollect, I have them right here, would you like to go over it with me?

Mr. Kendrick: When you was Chairman it was still 311.

Ms. Ball-Cummings: Right I'm just saying prior to that.

Mr. Kendrick: All right.

Ms. Ball-Cummings: I mean you know.

Mr. Kendrick: It was just a statement, it wasn't a question.

Ms. Ball-Cummings: A Board member, I can't question and ask, I won't you know I missed the first part of the meeting.

Mr. Kendrick: That's something we need to talk about.

Ms. Ball-Cummings: I can shut my mouth back here. If all you think it's a problem, I will just sit here and just watch.

Mr. Kendrick: I know what the problem is, you being late.

Ms. Ball-Cummings: Everybody has been late in their life Gary.

Mr. Kendrick: Not to every Board meeting.

Ms. Ball-Cummings: So now you're a big Vice-Chairman

12. Announcement of the next scheduled meeting

Ms. Ball-Cummings: Do you want me to show you my Doctors excuses?

Mr. Kendrick: We're going to item 12 now.

Ms. Ball-Cummings: I will bring them to you?

Mr. Sostarich: Is everybody open- minded to the 12th. I see that day looks like a Holiday or something.

Mr. Peetoom: December the 12th. 2011 at 4:00 P.M.

(inaudible, overlapping conversations).