

MARANA DOMESTIC WATER IMPROVEMENT DISTRICT

Official Board of Directors Meeting Minutes

September 8, 2014

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, September 8, 2014

1. Call to order and Pledge of Allegiance

Chairman Mr. Sostarich called the meeting to order at 4:12 P.M.

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

Mr. Sniffen: I would be honored to.

2. Roll Call

Upon roll call, those present were as follows:

Board Members Present were;

Anthony Sostarich, Chairman
Don Peetoom, Vice-Chairman (Absent at Roll Call)
Michael Young
Teresa Ball-Cummings (Absent)
Michael Sniffen

Staff Members present were;

System Manager, Sig Danielson
Clerk, L. Katy Walker

0 members of Public present

3. Consent items

A. Approval of meeting minutes from the July 14, 2014 meeting.
September 8, 2014

Mr. Sostarich: I didn't see anything.

Mr. Sniffen: I didn't see anything.

Mr. Young: I didn't see anything.

Mr. Sostarich: Anybody want to make a movement?

It was moved by Mr. Sniffen, seconded by Mr. Young, and carried that; **the minutes of the August 11, 2014 meetings of the Marana Domestic Water Improvement District shall be approved as presented/amended.**

3 Ayes

0 Opposed

0 Abstain

2 Absent

4. System Manager's Report

1. We have had two problems with the system since the last BOD meeting. On Thursday September 4 we dug up a service line leak at 9912 N. McGinnis and found that the service had been damaged by NPL when they directional drilled the new gas line. They had also left us only 4" of vertical and 0" horizontal clearance on the line, separation between the water and gas lines. We had to shutoff 26 houses on Thursday evening to complete a temporary repair in the rain and the lightning. The same houses were shut off again on Friday to complete the repair. Yesterday we had to shut down everything South of Moore Road and West of Anway because of a, we didn't know what we had. It turned out to be a fully broken service riser. It was broken off about that far above the corp stop. We were finally able to get it pumped down, slowed down enough, shutting everything down, but we did have some pretty decent leaks from some of the newer valves that are in the system. But we were finally able to get the repair completed and we had probably about 250 customers out for about 4 hours, four and a half hours, something like that. Those are the two major problems we've had.
2. We have repaired three (3) service line leaks. We've had a bunch of service line leaks as usual. It said here in the Manager's Report, we did three (3), actually we did five (5).
3. August billing included 148 late notices, which is normal.
4. We did no shutoffs In August for nonpayment.

Accounts Payable

\$ 40,422.75

Capital Expenditures	\$	0.00
Accounts Receivable	\$	52,806.52
Balance	\$	12,383.77
MDWID Balances Brought Forward:		
MDWID Balance at Pima County	\$	80,355.19
N B of AZ Checking	\$	10,000.00
WIFA Reserve Account	\$	82,867.17
RD General Account	\$	189.24
RD Reserve Account	\$	14,724.62
RD O&M Account	\$	9,492.70
RD Replacement Account	\$	8,008.38
RD Bond Account	\$	20,636.68
Bills Pending Balance	\$	2,489.27

Mr. Danielson: That concludes the Manager's Report.

Mr. Sostarich: Any questions for Sig on item 5? No.

Mr. Danielson: That was item 4, Manager's Report.

Mr. Sostarich: Thank you for correcting me.

5. Discussion and Possible Action Concerning Financial Sub-Committee

Mr. Danielson: Update of where we're at, I have spoken with Craig Horn, the Pima County of Supervisors, approved our Property Taxes on August 18 and the tax levy should have been mailed out either Friday or Saturday and they'll start showing up in people's mailboxes today.

Ms. Walker: We received ours.

Mr. Danielson: You got yours already?

Ms. Walker: Yes, \$62.39.

Mr. Danielson: To the District?

Ms. Walker: Yes.

Mr. Danielson: Okay.

Mr. Sostarich: You look pleased with yourself, Katy.

Ms. Walker: I don't know that I'm pleased with myself, but it's a fact.

Mr. Sostarich: Well you did say earlier that you were not going to let anything get you down and this is a case of practicing what you're preaching.
It's 4:18 and Don Peetoom has made it.

(Inaudible, overlapping statements)

Mr. Peetoom: I'm sorry, I forgot.

Mr. Sostarich: That's okay, Don, it's been happening to me a lot lately too. We're on item 5 now, Financial Sub-Committee and Sig has just informed us that he had, well do you want to repeat your last comment?

(Inaudible, overlapping statements)

Mr. Danielson: Okay, I have spoken with Craig Horn, the Pima County Board of Supervisors did approve our Property Tax request and the Property Tax Statements went out Friday or Saturday and they should start showing up in mailboxes today. Katy and Michael both confirmed that they had both received theirs. I will get with Patti Davidson, Deputy County Treasurer and make sure that, and find out what the mechanics are for us to draw out of that account, to check balances on that account and everything like that. We have already spent, or we will be on Thursday, actually not Thursday, tomorrow, because of Theresa being on vacation the remainder of the week, we will be spending \$8000 of that anticipated money out of our General Checking Account for a new handheld device that was replaced, have a lot of difficulty trying to bill customers because of a ten year old device that technology just passed by. The second item I have that concerns the Financial Sub-Committee is that, Michelle Martin and Patti Nations have broken up their partnership and Michele under Martin Insurance Agency is still doing our General Liability and Workman's Comp Insurances and Patti and a new partner have got everything related to Healthcare, Life Insurance, Dental, etc., etc., etc. There's no real change for us. Patti called and ask if we wanted to switch over from Michele to her for

the other and I have no compunction to do it. Our General Liability Insurance is through Gutfelder Public Practice. We've been with The Mahoney Group for several years. When we moved it over to Michelle, all they are is a front, they're a local representative for them. It's a local telephone number for us to call and it's basically the same thing with The Workman's Comp, The Workman's Comp, we pay Hartford direct on that. We moved that from Hill and Usher up in Phoenix down to Michelle. So I'm just going to leave everything as it is for the time being. We may want to, eight or nine months from now, move everything over to Patty's Agency, but we'll cross that bridge when we come to it. I moved everything to Michelle and Patty together with the hope that since everything was through a local, one local agency that we could get some kind of relief on that portion of the premium that was paid to the local agent and I found out that no that's not the case. It might be the case if it was written with one insurance carrier but we've got several different companies involved, that's not available so. We'll cross that bridge as far as moving everything to Patty when we get to it. That's all I have on Financial Sub-Committee.

(Inaudible, overlapping statements)

6. Discussion and Possible Action Concerning Board of Directors Election

Mr. Sostarich: I've got a few things to say about that. I was informed verbally by the Clerk to fill one of these out. This is a write-in candidate, you guys, some of you all picked one of these up. Okay I filled mine out when I got home on Thursday, no on Monday. Monday Evening when I got home I reread this letter from Mary Martinson and I realized that what she was asking us to do was put any of our names on the ballot if any of us were going to run, okay. Okay well the bottom line is this, I had sent Sig an email since this was addressed to him. I told you I would handle this. I tried calling them up, I couldn't get through and I wound up calling somebody else just to get the district number. It's completely unrelated. I did get through to somebody but not this office here. So since this was directed to Sig I had him respond for me. I'll read part of what I said.

Mr. Young: Did you leave all the dirty words out?

Mr. Sostarich: Yeah I just said the Board has decided to have, Sig, I reread this email, I get the picture, I'm requesting you to respond with words to the effect of the Board has decided to have the election, agreed to pay the 786 cost and the only Board Members name to appear on the ballot will be my name, Anthony Sostarich. We will be diligent in seeking write-in candidates. The rest of the email had nothing to do with this. Sig had sent this message through but he did not attach the part that had my name. Okay, so we are paying the \$786 for an election that's only gonna have two write-in candidates. We found two

write-in candidates or two of them had surfaced. My name is not going to appear on the ballot and neither is anybody else's. Just write-in, okay. I have the names of one of the people but we'll save that. The bottom line from my prospective, we just wasted \$786 for nothing, for an election for three positions open, and let's see, you had mentioned, Sig, when we discussed this that in the end this Board will appoint, not downtown. Is that correct?

Mr. Danielson: That's correct.

Mr. Sostarich: That's what we did the last time, remember? So we're squandering our ill-gotten gains on elections that we don't need and if you guys decide for my sins of not following through in the manner that I said I was going to last week then you can not appoint me in December. But we do have two write-in candidates, you'll be given their names and proper spelling. You can write anything else you want on the ballot on the ballot and it won't count, only these two names is what the county will recognize. Any questions?

Mr. Peetoom: I'm sure glad I'm not.

(Inaudible, overlapping statements)

Mr. Sostarich: This came up you know, this came up last week.

Mr. Sniffen: Yeah.

Mr. Young: Month.

Mr. Sostarich: Last month, you got anything you'd like to add, Sig?

Mr. Danielson: No other than that original email from Mary Martinson was probably one of the most poorly written documents that I've ever read. It implied that the current Board Members names would be on the ballot and all we had to do was request that we didn't have to do any kind of paperwork or anything like that, and she said on no, no, no that's not the case. I said well if you read your email that's what it says and I specifically referred her to two different sentences in that email. She said oh gee I guess it could be a little bit confusing. I said yeah.

Mr. Sostarich: What I've highlighted here and I quote please respond to this email and let me know if you want to cancel your Board Member Election, in parenthesis at this point, if write-in candidates don't take you over the number to vote for, end of parenthesis or if you'd like you Board Members to appear on the November 4, 2014 General Election

Ballot. Now guys I have to confess my sins, when I went home, I had a couple of beers, reread this and started pondering and all of a sudden this became crystal clear. Let us know if you want your Board Members to appear or if there'll be write-in candidates more than what the positions that you have. Well we've got three positions and 2 write-in candidates and I have an interest in knowing who supplied the other write-in candidate. Was it you?

Mr. Peetoom: No.

Mr. Sostarich: You?

Mr. Young: Who was it?

Mr. Danielson: Emholtz, lives up on Derringer.

Mr. Young: No.

Mr. Sostarich: Okay it must have been Teresa then or he must have gotten, do you know this guy?

Mr. Danielson: Yeah I know who he is, yeah.

Mr. Sostarich: Ken Holtz?

Mr. Danielson: Emholtz is the last name.

Mr. Sostarich: Can you tell us anything about him, sneak preview? How long has he been with the district?

Mr. Danielson: Ever since I've been here. His wife is who we used to refer to as the goat lady. We'd have to call her to get in and read the meters because they have a, it's at least a double lot out there and it may be a triple, 12, 600 area of Derringer, but they ran goats through there and I think they also own the other portion of the street. I think it faces on Single Six and there's a gas line easement still going through there, but I think that's a little bit further down. We know who he is and like I say he's been one of our customers ever since I've been here.

Mr. Sostarich: The other one is my next door neighbor, you haven't met her, but she's appeared before The Board before, her name is Alisha Geist. She applied for a clerk position and she was running on the ballot when Mike Sniffen was on the ballot and that's the only person that I know that has any interest at all.

Mr. Young: My neighbor has interest, I talked to him.

Mr. Sostarich: Well it's kind of late now.

Mr. Young: I know.

Mr. Sostarich: We can't, I talked to Sig about, we cannot not pay for this, this election.

Mr. Young: Oh yeah I agree.

Mr. Sostarich: We're in it for the financial cost anyway. It might be just to prepare you guys, I think this will be the first we had two women on the Board at the same time.

Mr. Danielson: No.

Mr. Sostarich: No it isn't?

Mr. Danielson: Lil Payne and Teresa Ball were on the Board together.

Mr. Sostarich: Well the point I was getting at is, we've had some women problems here.

Mr. Sostarich: No I'm not putting anybody down here but they seem not to get along real good, you know, right? So we need to be prepared for that eventuality.

Mr. Young: You can leave the we out.

Mr. Sostarich: Well, that's all I have to say. Either way, unless these two candidates, either of these two candidates back out, we're gonna have a five member Board, that's the important thing. That's the body of what I have to say, any comments, questions?

Mr. Young: Well don't we have three positions that are gonna be open?

Mr. Sostarich: Yes.

Mr. Young: And you've got two people.

Mr. Sostarich: We've got two write-in candidates.

Mr. Young: So you're still, Okay I see. You're gonna be one short.

Mr. Sostarich: No you guys can tell me whether to go fly a kite in December or you can say we want you to stay on the Board. This Board will be reappoint me or tell me to get lost. You said that you had a neighbor, if it comes down to that, somebody dies or backs out or what then the Board can appoint somebody. This Board can appoint somebody else. So that's where we stand. I guess this financial situation could have been avoided but it's

too late for that now.
add for item six, Sig?

You got anything you'd like to

Mr. Danielson: No other than if we got four or five people interested in write-in we would have had to hold the election anyway so at the time that we did, the Board did opt to spend the 786. It was probably was a wise maneuver at the time. Twenty-twenty hindsight with only two people on the write-in, maybe we squandered the money but we could have had four people on the write-ins so.

Mr. Sostarich: We weren't permitted to find out how many until after the deadline?

Mr. Danielson: That is correct.

Mr. Sostarich: So we roll the dice and either way we're not really losing, we're just losing the money, that's all.

Mr. Danielson: Yeah.

7. Call for Public Comment

Mr. Sostarich: Nobody's here.

8. Discussion and Possible Actin Concerning Administrative Details

Mr. Sostarich: Anybody on the Board they want to bring up?

Mr. Peetoom: I do.

Mr. Sostarich: Go ahead.

Mr. Peetoom: Sig how can the box out there not get wet?

Mr. Danielson: Huh?

Ms. Walker: He's talking about where I put his packet.

Mr. Danielson: Oh, don't know.

Mr. Peetoom: Well I don't know, I forgot to pick it up Friday.

Mr. Sostarich: You don't have a drop box in your front yard?

Mr. Peetoom: Yes I do.

Ms. Walker: His is bent, it's very hard to open his lid.

Mr. Danielson: Okay I wasn't aware of that, I'll take a look at it and see if we can straighten it out.

Mr. Peetoom: Okay, it opened up good this morning, a while ago.

Ms. Walker: It will open but it's

Mr. Young: Gotta work it.

Mr. Peetoom: Well sometimes you gotta.

Ms. Walker: So I'm assuming since it's bent, that's how water gets in.

Mr. Peetoom: Well I don't know.

Mr. Danielson: Well my mailbox at the house, standard mailbox, came from Home Depot, rainy day like today, my mail is going to be all sloppy wet when I get home to pick it up.

Mr. Sostarich: Annette has come up with a simple solution to that. Take a piece of, what do they call that, a hardware cloth, which is quarter inch grid screen. Fold it in half or in thirds and slide it in your mailbox and your mail will not be laying in the bottom. That would work in your box too, just fold it, the water will run out the corners, but it won't puddle up in the bottom. Okay, any other questions or comments for Administrative Details?

Mr. Sniffen: The only thing I would just like to make a, tell you that I will not be here for the next Board Meeting, so just to let you know in advance.

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

Mr. Danielson: Yes, I informed Anthony earlier, rather than blindside him at the Board Meeting, that I intend my last day of work for the District to be January 2 of 2015. I want to retire.

Mr. Sniffen: You said that before, I just ignore it.

Mr. Danielson: I know, well put it this way, when I told the Board fourteen months ago, or sixteen months ago, that I wanted to be done July 1, 2013, I had not fully looked in to the Healthcare cost. I will turn sixty-five and be Medicare eligible in November so, made the change. Plus, my wife after yesterday, and seeing what I looked like after spending six, seven hours out in the hot sun and some of the medications I take and the sun are not real compatible, she says why don't you retire before you, while you still can?

Mr. Peetoom: How's the wife?

Mr. Danielson: Doing okay, she's, went in for a follow up test and everything is A-Okay, cancer free, so.

Mr. Sostarich: This is gonna place us in a noteworthy position.

Mr. Sniffen: We're gonna have to search for somebody else.

Mr. Sostarich: We're gonna have to search for somebody and learn how to interview them without chasing them off.

Mr. Peetoom: Have to be a Class 1 and a Class 2.

Mr. Danielson: You have to have a Class 2 to operate this system. A Certified Operator must hold a grade 2 Distribution System License. You've had a little bit of a bonus from me because I've got both a Grade 2 Distribution System License and a Grade 2 Water Treatment Plant License. We don't do any treatment here other than the Chlorine Injection, but that's really under Distribution System.

Mr. Sniffen: Because I do not know this but is it legal for you to help search for somebody?

Mr. Danielson: Oh yeah.

Mr. Sniffen: I mean you can present somebody for us to interview and help us with an interview?

Mr. Danielson: Yes.

Mr. Sniffen: Okay, I just want to make sure that we're on board with that.

Mr. Sostarich: In preparation for this, Sig has suggested that we have an Executive Meeting to discuss without going in the public format how we're gonna approach this problem and we will

Mr. Sniffen: In November sometime, do this, have that Executive Meeting or are you talking sooner than that?

Mr. Sostarich: The sooner the better I would say because we are gonna have to shop for a candidate and interview them and all this.

Mr. Peetoom: We still have that

Mr. Sniffen: Okay when do we need to start doing the search, now, because it's already October.

Mr. Danielson: It's already September. I think

Mr. Sniffen: Well October meeting coming up next and that's the next time we're gonna get together.

Mr. Danielson: Unless you have a special meeting and between now and then. I was hearing people saying, I'm gonna be out of town next week but I will be back on the twenty, whatever that is.

Mr. Sostarich: The twenty-second looks like a Holiday there.

Mr. Sniffen: This, for September 22, that's autumn begins.

Mr. Sostarich: Oh that's not a paid holiday?

(Inaudible, overlapping statements)

Mr. Sniffen: The twenty-second you'll be back, right?

Mr. Danielson: I'll be back to work the twenty-second.

Mr. Sniffen: Okay.

Mr. Peetoom: I've got a nurse putting all my pills in boxes.

(Inaudible, overlapping statements)

Mr. Sniffen: Do we want to have a special executive meeting on the twenty-second then of this month?

Mr. Sostarich: How would that fit in with everybody's schedule?

Mr. Young: I'm not gonna be here then.

Mr. Sostarich: You're not gonna be here the twenty-second?

Mr. Sniffen: When are you leaving?

Mr. Young: I'm leaving the seventeenth and coming back the fourth.

Mr. Sniffen: The seventeenth and coming back the fourth.

Mr. Young: Yep.

Mr. Sostarich: And he's gonna be gone.

Mr. Sniffen: I'm leaving on the eighth and coming back on the eighteenth.

Mr. Danielson: We could do it Thursday of this week or Wednesday of this week.

Mr. Sniffen: Can't do it on Wednesday.

Mr. Danielson: You can't do it on Wednesday?

Mr. Sniffen: No, I think you're gonna be gone too right, this Wednesday.

Ms. Walker: Yes, I'll be gone Tuesday, Wednesday and Thursday Evening,
I will be gone.

Mr. Danielson: Well the executive session, we don't necessarily need to have a clerk because we don't publish meeting minutes from an executive session, they normally just live on tape.

Mr. Sostarich: The earliest we can have one then is the twenty-second, cause you're gonna be gone?

Mr. Danielson: Yes.

Mr. Sniffen: You'll be here the twenty-second.

Mr. Sostarich: Right, he'll be gone between there, Mike is gonna be gone in that band, so we're gonna be missing one guy if we hold it the twenty-second or after, we're gonna be missing one guy if we hold it then to then. You're leaving.

Mr. Sniffen: If you have it on the sixth, I'll be here. You'll be here, you'll be here.

Mr. Young: I'll be here the sixth.

Mr. Sostarich: Okay. You'll be here the sixth?

Mr. Sniffen: Yeah, he's coming back on the fourth.

Mr. Young: Yeah on the fourth.

Mr. Danielson: On the sixth?

Mr. Sostarich: Okay everybody
September 8, 2014

(Inaudible, overlapping statements)

Mr. Sniffen: Now do we have a regular board meeting on the thirteenth or we gonna go, that's Columbus Day?

Mr. Danielson: No that would be delayed until the following week.

Mr. Sniffen: So that's the twentieth.

Mr. Danielson: That would be the twentieth, yeah.

Mr. Sniffen: Then I will be here that week, I didn't get out of it.

Mr. Sostarich: Okay, so if we aim for the sixth then.

(Inaudible, overlapping statements)

Mr. Danielson: Okay the sixth for a special.

Mr. Sostarich: You'll be here the sixth, you'll be here the sixth, unless something happens?

Mr. Sniffen: I'll be here the sixth.

Mr. Peetoom: Something happens, I got to look at my calendar.

Mr. Sostarich: We don't know if Teresa is going to be here the sixth but if

Mr. Sniffen: We have four.

Mr. Sostarich: We're not going to

Mr. Danielson: Columbus Day is a regular work day for us. We gave up Columbus Day to take the Friday after Thanksgiving so it's a regular work day, it's not a holiday. It is not a holiday for the district.

Mr. Sniffen: So it's the thirteenth, so that would be the regular business meeting would be on the thirteenth?

Mr. Danielson: Yes.

Mr. Sniffen: Okay I won't be here, but I would be here on the sixth.

Mr. Danielson: Would be here for the special?

Mr. Sniffen: Yes.

Mr. Danielson: And Mike will be back.

Mr. Sniffen: And Mike will be back on the fourth so he can be here in the sixth, if he's not taking a nap.

Mr. Young: That's right, don't mess with my nap.

Mr. Sniffen: So is that agreed then, we're gonna have the executive board meeting is on the sixth?

Mr. Danielson: Yeah.

(Inaudible, overlapping statements)

Mr. Sostarich: We're gonna discuss how to deal with this on that day.

Mr. Peetoom: I'll have to put it on the calendar now.

Mr. Sniffen: Somebody will notify Teresa?

Ms. Walker: Yes.

Mr. Sniffen: Okay.

Mr. Peetoom: All we need is three people.

Mr. Sniffen: Yeah.

Mr. Sostarich: Well the thing is for the quorum, we're not gonna have, even if we come to a decision we're not gonna have much time to deal with this.

Mr. Sniffen: Yeah right, as soon as can get together and have the executive meeting, I'm in agreement with that. I don't know, cause you can't just interview one person and say yeah you're the guy. You gotta have a couple of people.

Mr. Sostarich: No, you're gonna have people that ain't gonna show up that say that they are. You're gonna be hoping that they'll show up and they won't. You're gonna have people show up that are not qualified, you're gonna have people show up that you know ain't gonna stay there even if they are qualified and you hire them and they're what you're looking for.

Mr. Peetoom: I don't think we need that one guy we had before.

Mr. Sostarich: Okay so the

Mr. Sniffen: The executive meeting will be on the sixth and the regular meeting will be on the thirteenth as scheduled, correct?

Mr. Sostarich: I see no objections to that if nobody else does. That is the second Monday of the month after all. It would naturally fall on the thirteenth. Sig had already alluded that the holiday has been switched. So we're two and two birds with one stone here.

Mr. Sniffen: Right.

9. Announcement of Next Meeting

The next scheduled meeting of the Marana Domestic Water Improvement District Board of Directors shall be on Monday, October 13, 2014 at 4:00 P.M. at the District Office Executive session on the sixth of October, 2014 at 4:00 p.m.

10. Adjournment

It was moved by Mr. Sniffen; seconded by Mr. Young and carried that; **This meeting of the Board of Directors of the Marana Domestic Water Improvement District shall be adjourned at: 4:48 P.M.**

4 Ayes

0 Opposed

0 Abstain

1 Absent

Minutes prepared by
L. Katy Walker
Clerk of the Board