

MARANA DOMESTIC WATER IMPROVEMENT DISTRICT
Official Board of Directors Meeting Minutes
November 9, 2009

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 7:00 p.m. on Monday, **November 9, 2009**.

1. Call to Order and Pledge of Allegiance

Chairperson Teresa Ball-Cummings called the meeting to order at 7:03 p.m.

Ms. Ball-Cummings asked Mr. Kendrick to lead the Pledge of Allegiance.

2. Roll Call

Upon roll call, those present were as follows:

Board Members Present were:

Teresa Ball-Cummings, Chairperson
Anthony Sostarich, Vice Chairman
Donald Peetoom
Michael Young
Gary Kendrick

Staff Members present were:

System Manager, Sig Danielson
Acting Clerk, Theresa Hicks
Attorney, Roger Frazier

Three members of the general public are present.

3. Consent Items:

A. Approval of meeting minutes from the October 19, 2009 meetings.

Ms. Ball-Cummings said does anybody have any additions or corrections.

Mr. Peetoom said I didn't see none.

Mr. Young said I'm good.

Ms. Ball-Cummings said ok I make the motion, no additions or corrections to the minutes of October 19, 2009.

Mr. Peetoom said second it.

It was moved by Ms. Ball-Cummings, seconded by Mr. Peetoom and carried unanimously that; **The minutes of October 9, 2009 meeting of the Marana Domestic Water Improvement District shall be approved as presented.**

5 ayes

0 opposed

0 abstentions

4. System Manager's Report

Mr. Danielson reported:

1. We have not had any major problems with the system since the last BOD meeting. On Sunday November 1, we had a service line leak in the Derringer/Carbine easement. We initially thought that the leak was in the main line, however it turned out to be in the service riser just above the main. We did end up having to turn off about 30 customers for about 3 hours before we finally figured out what it was. And I want to personally thank Board member Mike Young for his help and number one for pulling us out of the mud because we had both work trucks buried. And he stuck around the entire time and gave us some advice and moral support on the repair. Thank you Mr. Young.

Ms. Ball-Cummings said excellent, thank you Mr. Young.

2. October billing included 184 late notices, which is much higher than average.
3. We did 4 shutoffs in October for nonpayment, which is lower than average. By the way I consider a 145 late notices to be the average and 7 shut-offs to be average.

Accounts Payable	\$ 46,943.56
Accounts Receivable	\$ 45,499.71
Difference	-\$ 1,443.85
County Balance	\$ 44,614.18

WIFA Reserve	\$ 26,323.55
RD General Account	\$ 208.86
RD Reserve Account	\$ 14,212.19
RD O&M Account	\$ 9,162.83
RD Replacement Account	\$ 7,730.07
RD Bond Account	\$ 22,973.01
Carryover Balance	\$ 3,517.37

Mr. Danielson said that concludes the Managers report.

Ms. Ball-Cummings said thank you Mr. Danielson.

Mr. Kendrick said madam Chair I have a question?

Ms. Ball-Cummings said go ahead Mr. Kendrick.

Mr. Kendrick said I was just looking at the Refunds \$3251.00, what was that for.

Mr. Danielson said line extension agreements. Line extension agreements we have that we will pay either 10% of either gross billing or 10% of net water billing. And we actually have a total of 14 or 15 of them originally and after this year's payments about 5 or 6 of them have dropped off. The big one of course is still Avra Vista and we're only in the third payment out of a ten-year cycle for Avra Vista. Cottonwood Ranch if this comes in will have a similar agreement. That was negotiated away at Wrens Creek.

Mr. Kendrick said thank you.

Ms. Ball-Cummings said any more questions for Mr. Danielson?

Mr. Danielson said oh I'll make one more comment something had to be put along the wayside when I came back in March in order to get everything else done that had to get done so actually this should have gone against last fiscal year.

Ms. Ball-Cummings said all right thank you Mr. Danielson.

5. Call for Public Comment (limit 3 minutes)

Ms. Ball-Cummings said no comment from the public, no.

6. Possible Board action to hold Executive Session pursuant to A.R.S. § 38-431.03 (A)(3) for Legal advice from District Counsel Roger W. Frazier regarding bringing legal action against recalled Board members.

Ms. Ball-Cummings said I would like to go into executive session please. All in favor.

5 ayes

0 opposed

0 abstentions

Ms. Ball-Cummings said 7:14 pm.

Mr. Danielson said 7:10 pm.

Ms. Ball-Cummings said need to fix the clock cause I was looking as the clock.

Mr. Sostarich said you want me to reset that clock.

Mr. Danielson said I'll reset it.

Ms. Ball-Cummings said yeah we'll definitely need that all right. We're back from executive session to regular meeting at 8:22 pm.

7. Discussion and possible action concerning bringing legal action against recalled Board members.

Ms. Ball-Cummings said I make the motion to table until further investigation.

Mr. Kendrick said I second it.

Ms. Ball-Cummings said the motion has been made and seconded. All in favor.

It was moved by Ms. Ball-Cummings, seconded by Mr. Kendrick and carried unanimously that; **The Board table until further investigation.**

5 ayes

0 opposed

0 abstentions

Mr. Peetoom said who is going to be on the committee.

Ms. Ball-Cummings said you and Mr. Young.

Mr. Kendrick said I think Mr. Sostarich should be one of them.

Mr. Young said yeah I thought we set that up last time. Mr. Sostarich and Mr. Kendrick were gonna, the last meeting.

Mr. Sostarich said no that was the.

Mr. Kendrick said no not me.

Ms. Hicks said that was Ms. Ball-Cummings.

They all replied for the Personally Policy.

Mr. Young said I'm sorry.

Ms. Ball-Cummings said that's ok.

Mr. Peetoom said what about Mr. Young, Mr. Peetoom, and Mr. Danielson.

Ms. Ball-Cummings said you would like to be on the committee, a subcommittee.

Mr. Peetoom said have the Finance committee do it.

Ms. Ball-Cummings said a subcommittee that what it would be, right ok. So who would like to be on the sub-committee?

Mr. Sostarich said excuse me, did you just say that you thought the Financial Sub-committee should do this.

Mr. Peetoom replied right.

Mr. Sostarich said I agree with that.

Ms. Ball-Cummings said do you have a problem with that Mr. Young.

Mr. Young said I don't have a problem with that.

Ms. Ball-Cummings said ok well lets a take a vote. Make a motion. I still have a headache, sorry everybody. I make a motion that the Financial Committee will do further investigation on #7 bringing legal action against recalled Board members.

Mr. Sostarich said are you making the motion or are you suggesting that somebody make the motion.

Ms. Ball-Cummings said yes, suggesting that somebody make the motion.

Mr. Sostarich said I make the motion that the Financial Subcommittee, the Financial Assessment Committee look into this matter further, since they've already got the resources and know where the bodies are buried, etc., etc.

Ms. Ball-Cummings said I'll second it, all in favor?

It was moved by Mr. Sostarich, seconded by Ms. Ball-Cummings and carried unanimously that; **The Financial Subcommittee, the Financial Assessment Committee look into this matter further, since they've already got the resources.**

5 ayes

0 opposed

0 abstentions

8. Discussion and possible action concerning Financial Assessment Committee Report.

Mr. Peetoom said that would be Mr. Danielson.

Mr. Danielson said ok all right it's a real brief report. I said at the last.

Ms. Ball-Cummings said that's ok we have a minute.

Mr. Danielson said excuse me we're having a senior moment.

Mr. Sostarich said its gone.

Ms. Ball-Cummings said its ok, it happens, I'm the same way.

Mr. Danielson said at the last Board meeting I gave out a little sheet of paper that I threw together and I just did this off the top of my head and it listed what our current principals were and everything like that. And it actually showed that it was gonna cost us a little bit of money to do the refinances terms. But I said that I wanted to discuss it with Mr. Addison. Ok since that period of time, I've gotten in, I've gotten an additional piece of information that our minimum cost on doing the meter upgrades to get us even what we currently, match what we currently have is gonna be about \$88,000, I used \$50,000 for that, so that's \$38,000 higher. I think that I was very optimistic as far as legal affairs. So I discussed all of this with Mr. Addison and he agrees that refinancing is not the best option at this time. Take that \$88,000 put it in with the P.E.R. and chase grant money for it.

Ms. Ball-Cummings said excellent.

Mr. Danielson said so that concludes that report.

Ms. Ball-Cummings said excellent thank you Mr. Danielson. Any questions for Mr. Danielson, ok.

Mr. Kendrick said 24 hours before the meeting we'd post a notice up at all the proper locations, that's all we need to do.

9. Discussion and possible action concerning applying to USDA-Rural Development for a grant to implement Master Plan Project and other potential system upgrades

Mr. Danielson said that's me again. I had a long discussion very early Friday morning with Thom Martinez on this, sevenish or before. And they have been very busy, he hopes to have a draft report in our hands by two weeks from today.

Ms. Ball-Cummings said ok draft report.

Mr. Danielson said and draft report.

Ms. Ball-Cummings said excellent.

Mr. Danielson said I will then probably just distribute it amongst the Board members and we can discuss it at our December meeting because we're gonna have the holidays in there. So were only gonna. I don't, if Mr. Martinez makes the deadline of two weeks from today. I don't see how we can sit down and digest that Preliminary Engineering Report in anything less than about a week or so. And you've got the Thanksgiving holiday in the middle there so we're probably better off to look at.

Mr. Peetoom said 14th.

Mr. Danielson said December.

Mr. Young and Mr. Peetoom said 14th.

Mr. Danielson said 14th ok well.

Ms. Ball-Cummings said is it the 14th, yes.

Mr. Danielson said and if he makes the deadline quicker I could get in the people hands quicker. Maybe we could look at a special meeting on the 7th just to discuss that in order to get the ball rolling and get everything into Jeff's hands. Hopefully still, we probably are not going to

make a mid January deadline for putting it out on the streets for bids but maybe we could make a end of January deadline.

Ms. Ball-Cummings said ok is that it Mr. Danielson.

Mr. Danielson said that's it.

Ms. Ball-Cummings said all right any questions on this for Mr. Danielson.

Mr. Sostarich said yeah is this the item that last meeting you said we had until the mid, 14th of November to act on.

Ms. Ball-Cummings said I don't know.

Mr. Danielson said I believe,

Mr. Peetoom said the 16th I think.

Mr. Danielson said if we finished up quicker.

Mr. Sostarich said I had it right here. I'm finding it right now. This is the November, now lets see, is Wilcox involved in this. Lets see.

Mr. Danielson said yes we'd hoped, that's the target date we were shooting for but Westland got busy and a couple of people got sick.

Mr. Sostarich said well my question that was just a pre-question. The real question is is if November 14th is the date that and we missed that then did we miss the boat. Did we miss the boat?

Mr. Danielson said no, no. Gentleman's agreement between myself and Jeff Hopper to try to get it to him by the 14th of. He felt if he got it by the 14th of November. Even with all of the holidays he would have us ready to start putting bid package together. Bid packages together and have it out on the street by the middle of January.

Mr. Sostarich said so we're not losing the opportunity for a grant or loans.

Mr. Danielson said we're not losing an opportunity just because.

Mr. Sostarich said I miss understood.

Mr. Danielson said we slipped on the time schedule a bit no.

Mr. Young said are we still applying for a Colonia.

Mr. Danielson said oh yeah we've got that destination.

Mr. Young said ok good.

Mr. Danielson said one other thing that Mr. Martinez brought up in our meeting Friday morning or in our conversation rather Friday morning was that he's not really sure weather the original environmental assessment will work or not and we're in a little bit of a difference of opinion because I think it will. But I've got to find it and I have not yet found it. I know it's physically here somewhere in that mess of construction stuff that was more less filed by date received more than anything else.

Ms. Ball-Cummings said ok no more questions for Mr. Danielson, all right.

Mr. Peetoom said I don't have any.

10. Discussion and possible action concerning MDWID Website

Mr. Sostarich said now that's his day in court.

Ms. Ball-Cummings said Mr. Kendrick.

Mr. Kendrick said at the last Board meeting when I wanted to discuss this. Would your wife, would she mind doing, writing you know word for word verbatim our minutes on the Website so that we could have that on the Website.

Mr. Sostarich said yeah because he sends it electronically and she just mashes a button. Got any idea how long it would take to retype all of this. Well she, times money man. He sends it, I believe you prepare it in a CD format or electronically send it to him.

Ms. Ball-Cummings said yeah.

Mr. Sostarich said he sends it to her, she just mashes a button and it goes on the screen. It's the way she presented it to him.

Ms. Ball-Cummings said yeah and it's everything that we say in the meeting. Ms. Hicks sends, Mr. Danielson sends it through.

Mr. Kendrick said yeah.

Mr. Sostarich said so do you have access to the Website yourself.

Mr. Kendrick said yes.

Mr. Sostarich said do you like what you see.

Mr. Kendrick said a tell you the truth I haven't looked at it yet.

Ms. Ball-Cummings said ok.

Mr. Kendrick said my computers been down and I have.

Mr. Sostarich said this has been going on for several months and that's the only question you had.

Mr. Young said he's fighting with the neighbor.

Mr. Kendrick said don't even bring that up.

Ms. Ball-Cummings said you go Mr. Sostarich.

Mr. Sostarich said well a need to understand these things I mean.

Ms. Ball-Cummings said go ahead.

Mr. Sostarich said is it ok if I tell him, he can call my wife directly if he has any questions about it.

Ms. Ball-Cummings said yeah outside the meeting. No I'm just joking.

Mr. Sostarich said no I mean if you want to she's got a phone number, a business phone number I'll give it to you later.

Ms. Hicks said don't give the number out in the meeting.

Ms. Ball-Cummings replied yeah I was just gonna.

Mr. Kendrick said actually I could talk to her at Wal-mart.

Ms. Ball-Cummings said that's why I said after the meeting. Ok so we've taken care of #10.

11. Discussion and possible action concerning changing reporting format of Board of Directors meeting minutes.

Ms. Ball-Cummings said ok this one I'll take, since Ms. Hicks has been our Acting Clerk, she has definitely without a doubt, if everyone has noticed shortened the minutes from 56 to 28, 27. So there's not a problem there as far as I can see. And I believe in months and months to come its not going to be you know 56, 78 pages. So any questions about that item?

Mr. Sostarich said I have a comment to make.

Ms. Ball-Cummings said ok.

Mr. Sostarich said it's a question also.

Ms. Ball-Cummings said ok go ahead.

Mr. Sostarich said or a question with a few bits of pre-information. Do you recall and understand what Mr. Kline was getting at when he presented his presentation.

Ms. Ball-Cummings said yes.

Mr. Sostarich said ok for those of you that haven't, that don't understand, don't remember everything that this present format we have that we approved of earlier. The only thing that we have to put in according to what Mr. Kline said was everything that's in darker letters here. What call a high deeper case or high caps or whatever the format.

Ms. Hicks said bolding.

Ms. Ball-Cummings said the bold.

Mr. Sostarich said the bolder letters yeah.

Ms. Ball-Cummings said correct.

Mr. Sostarich said from what he was saying that's all that we really need to put in these, these minutes. So it can be down to one page.

Ms. Ball-Cummings said ok Mr. Kline is not correct. As far as the meeting, Open Meeting Laws. Ok this is why we have given out this paper for everyone to read. It says here under 38-341.01 on #4. and I'll read that to everyone so everyone understands it. "An accurate description of all legal actions proposed, discussed or taken, and the names of the members who proposed each motion. The minutes should also include the names of the persons as given, making statements or presentations, presenting material to the public body." You can barely read it. And reference to the legal action about which they made

statements or present material. So therefore. All right you guys that's. That's what we need to do in the minutes. Everything that goes on in the meeting we must under 38-341.01. Does everybody see that? Its says it right here. The next one says #D. can everyone read #D.

Mr. Young said I want one I can read.

Mr. Danielson said do you want to take another break and I'll go print you out a good one.

Ms. Ball-Cummings said and #H. read #H. This is all explanatory to ever Board member. We really can't leave out anything. What other companies do that's personally my opinion that's their business. Let them do what they shall do. We do what the Open Meeting Law says.

Mr. Sostarich said well and ok if Mr. Kline didn't read this deep into it he, what he explained was, was a misunderstanding.

Ms. Ball-Cummings said correct.

Mr. Sostarich said can we at least, since he's the only one out there in the public who has an interest in buying these.

Ms. Ball-Cummings said correct.

Mr. Sostarich said can we at least sell the whole packet for less than what 25¢ a sheet.

Ms. Ball-Cummings said here's what I suggest. What he can do if he has a computer and a printer, without any cost other than him buying the paper at whatever store he chooses. He can print them out.

Mr. Kendrick said that's the whole reason why I brought what I just brought up.

Ms. Ball-Cummings said I mean there's not a problem and you know like I said here a minute ago. We are going from 56 to 78 to 100 pages down to you know 28. I mean we're getting down there you know and every word is not put in like ho hum, whatever the words are.

Mr. Young said madam Chair doesn't it say an accurate description of all legal actions proposed.

Ms. Ball-Cummings said exactly, exactly go ahead Ms. Hicks.

Ms. Hicks said if you want on the minutes I can take out like when she's talking and um hum, correct. I can take stuff like that out, leave some of that out. It will shorten it. But we do have to make sure we have everything paragraph that Mr. Danielson said. That needs to be in there because he's discussing and letting you guys know everything that's going on.

Mr. Kendrick said yeah I think the way you've been doing is fine. I think it should stay the way you are doing it.

Ms. Hicks said the only thing I may leave out is like little comments that Mr. Sostarich makes sometimes about the floods and that. I can leave some of that out.

Mr. Sostarich said about what.

Ms. Ball-Cummings and Mr. Danielson said the compartments that get flooded.

Mr. Kendrick said I can see leaving that out.

Ms. Ball-Cummings said but we still love you Mr. Sostarich.

Ms. Hicks said yeah I could leave stuff like this out. But the most important stuff I have to leave in.

Ms. Ball-Cummings said yes.

Mr. Sostarich said you've got to be careful how you use the word flood in this business.

Ms. Ball-Cummings said because we had a Mr. Flood.

Mr. Sostarich said cause we had a previous.

Ms. Ball-Cummings said ok.

Ms. Hicks said but that's really the only thing I can do to cut it down is take out the correct and um hums and the yeahs out.

Ms. Ball-Cummings said yeah.

Ms. Hicks said if that's ok with you guys.

Mr. Sostarich said well the.

Mr. Danielson said my only further comment to what Ms. Hicks said is we preserve the tapes so if somebody wants to come in and listen to every tape.

Mr. Kendrick said its gonna be on the Internet.

Mr. Danielson said yep.

Ms. Ball-Cummings said its open, open.

Mr. Kendrick said you don't even have to come in here and pay 25¢ a page or whatever.

Mr. Danielson said yep, these minutes are on the Internet but the tape of the actual meeting, somebody wants to sit down for an hour and listen to the darn gone thing they can.

Ms. Ball-Cummings said they're more than welcome to come, I mean the doors are open during business hours.

Mr. Sostarich said I'm not trying to, I'm not trying to make that idea unavailable or obsolete. I just thought that Mr. Kline presented an excellent presentation. It was believable, it sounded good to me and I believe he did describe this paragraph that you read out.

Ms. Ball-Cummings said true, yes.

Mr. Sostarich said you know. That's all I have to say on this subject. I thought it, that that was possible and it would make us look good. The only thing left to say is I now know why actors, professional actors get paid so much money because if they were acting this script out here. Then they would have to cut out all of the commercials, presentation because.

Ms. Ball-Cummings said that's true Mr. Sostarich. Mr. Young you want to go ahead.

Mr. Young said yeah next time I request highlight bars to go around what needs to be highlighted, instead of this.

Mr. Kendrick said yeah.

Ms. Hicks said I'll give you better copies tomorrow for everybody to.

Mr. Kendrick said quotation marks.

Ms. Ball-Cummings said excuse me, just go to your handbooks, your Open Meeting Laws handbook and you'll find it in there.

Mr. Sostarich said what I'm gonna do is I'm gonna review, carefully review next weeks minutes and I'll have it there.

Ms. Ball-Cummings said ok good.

Mr. Sostarich said next months, these meeting minutes, next month. You're not thinking of that master meter thing again are you.

Ms. Ball-Cummings said yes.

Mr. Sostarich said base rate.

Ms. Ball-Cummings said base rate yeah. Ok is everyone ok with that item agenda. All right.

Mr. Peetoom said it is getting smaller.

Ms. Ball-Cummings said it's getting smaller, ok we can move on.

12. Discussion and possible action concerning administrative details

Ms. Ball-Cummings said this one I would like to make a comment, I everybody is all right with that. I'm ok with it.

Mr. Peetoom said go ahead.

Ms. Ball-Cummings said I can't see, I got some water in it. Ok, under administrative details I don't know if anybody's aware of this and I hope that they will be after I make this announcement. It only needs to be only when it concerns office matters under administrative details. We cannot speak and should not speak about just anything under administrative details. Ok we need to be very limited on what we can say. Is that explanatory enough, ok.

Mr. Young said yeah.

Ms. Ball-Cummings said so we can't talk about another agenda item or something we want to put on the next agenda item. We just cannot do that.

Mr. Sostarich said well that should make next month's meeting minutes rather slim then shouldn't it cause that's.

Ms. Ball-Cummings said any questions?

Mr. Young said no.

Ms. Ball-Cummings said ok, wow adjournment the next.

Mr. Danielson said madam Chair I have nothing.

Ms. Ball-Cummings said thank you. Ms. Hicks.

Ms. Hicks replied I have nothing.

Ms. Ball-Cummings said all right thank you very much.

13. Announcement of next scheduled meeting

The next scheduled meeting of Marana Domestic Water Improvement District Board of Directors shall be on Monday, December 14, 2009 at 7:00 PM, at the District Offices.

14. Adjournment

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

The meeting was adjourned at 8:45 PM.

Minutes prepared by
Theresa Hicks
Acting Clerk of the Board