

# MARANA DOMESTIC WATER IMPROVEMENT DISTRICT

Official Board of Directors Meeting Minutes

May 14, 2012, 2012

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, May, 2012**

## 1. Call to order and Pledge of Allegiance

Chairman Mr. Sostarich called the meeting to order at 4:04 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

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 April 9, 2012 meeting

Mr. Sostarich: I went through this and did not see anything worthy of note that was of discrepancy, anybody else find anything?

Mr. Kendrick: Just a lot of inaudible, overlapping statements. Can I say something?

Mr. Sostarich: You may.

Mr. Kendrick: I think, you know, for the most part of it, most part we do a pretty good job, but, especially in the last couple of meetings, it's been less and less. But I think we need to raise our hand and wait for the Chairman to call on us before we speak, and if somebody's talking, be patient and wait your turn, so there's no overlapping statements and so she can get every word down. It would be

appreciated, thank you, that's it.

Mr. Sostarich: Anybody want to make a move that we accept the meeting minutes?

It was moved by Mrs, Ball-Cummings, seconded by Mr. Peetoom and carried unanimously that; **The minutes of the April 9, 2012 meeting of the Marana Domestic Water Improvement District shall be approved as presented/amended.**

**5 Ayes      0 Opposed**

#### **4. System Manager's Report**

1. Mr. Danielson reported: We've had some problems with the system since the last BOD meeting.  
On April 22 when Tony reset the motor saver for the El Tiro well he had sparks flying out of one of the fuses. We had J.L.&S. Electric come out on Monday and they determined that it was only a blown fuse. Conversation with JR indicated that Trico was the problem. They have problems with power factor correction and that could eventually lead to damage to some of our well and booster electrical equipment. I decided to have JR put a recorder on the incoming power source so that I would have some hard information for when I go to Trico and discuss the problem. And that data logger will continue for about another 2 weeks.  
We have also had 4 service line leaks. The worst was a blue poly service line that required us to dig up a portion, well actually a 8 foot by 8 foot square of Sandy Street.
2. April billing included 162 late notices, which is higher than average.
3. We did 5 shutoffs in April for nonpayment, which is average.

Accounts Payable	\$ 41,795.57
Capital Expenditures	\$ 0.00
Accounts Receivable	\$ 37,406.29
Balance	-\$ 4,389.28
MDWID Balances Brought Forward:	
MDWID Balance at Pima County	\$ 77,391.95
N B of AZ Checking	\$ 10,000.00
WIFA Reserve Account	\$ 55,570.25
RD General Account	\$ 317.46

RD Reserve Account	\$ 14,470.52
RD O&M Account	\$ 9,328.89
RD Replacement Account	\$ 7,870.15
RD Bond Account	\$ 18,777.29
Bills Pending Balance	\$ 878.16

That concludes the Managers Report.

Mr. Sostarich: Hit it.

Mr. Kendrick: This blue poly, this service leak, that was for a home or something?

Mr. Danielson: Yes.

Mr. Kendrick: Okay, we don't have blue poly running in the big mains, do we?

Mr. Danielson: We had a fair amount of blue poly services off the oldest portion of the system, which is Sandy, Marion, Elise, some of it was thick walled blue poly, which this was and a fair amount of it was thin walled blue poly. We discovered it probably a year or so, maybe a year and a half after we were out here that that stuff existed. Well on Elise we replaced everything, even though the water line is only on one side of the street, we found out from a broken service connection which had the blue poly in in, luckily it was on the side of the street that the main was on. We took that old pipe, we found out that 1-inch black poly will fit inside the thin wall. So what we do is we dig up both ends so that we just had the straight run across and we notified the 2 homeowners that we were gonna shut them off, shut it off at the corp stop, actually on the top of the AC pipe over there, block off the blue poly, the elbow portion of it, and the elbow portion of it feed the black poly through and reconnect everything up and so and then on the side of the street that the main was on we just dug down to the service and we did that where we could on Sandy Street. But Sandy, as is Marion, is basically the thicker wall blue poly. The only place we've ever found the thin wall stuff is right there on Elise. So at the time, Bob was the Chairman and they were getting ready to pave Sandy Street and we said no we're just gonna wait and as they fail, we'll replace it and we've probably had 1,2,3,4 or 5 failures on Sandy Street, some of it on the dirt portion.

Mr. Kendrick: Okay, thank you.

Mr. Sostarich: Any more questions for Sig?

Ms. Ball-Cummings: Yes Sig, now, that's only there a few that we have out there as far as that, is that correct, we still haven't found any more?

Mr. Danielson: No, we have not any blue poly any where other than on Sandy Street or connected to the AC pipe.

Ms. Ball-Cummings: That's good to hear, that's great, thank you.

Mr. Sostarich: Anything else?

## **5. Call for Public Comment**

Mr. Sostarich: No public is here so we'll move to item 6.

## **6. Discussion and Possible Action Concerning Outstanding Balances and Collection Policy**

Mr. Sostarich: You got anything to say Sig?

Mr. Danielson: Yes a couple of different things. We had a meeting with Sensus two days after the last Board meeting and our idea of creating a renter or new homeowner account rather than, all you guys are Book 3 accounts, say 2700, to show that as a Book 13, 2700, you can't do it. You can jump around within the Sensus equipment, and within the Sensus programing, within Book 3 and be slightly out of order reading the meters, but you can't go to another Book and then back. So the Sensus equipment won't do it. We've had some discussion with Frey, however we start running into more and more and more and more problems with the computer system, so we bit the bullet and we went off and bought me a new computer and Theresa a new computer. We're still having some issues with compatibility with the Sensus equipment and that on the new computer, we're still having some problems with the Email system, so while we've had some discussions with Frey, until we get our internal computer system problem solved, that's gonna have to wait for a little bit. Since Katy told me that she had trouble with her computer today when she came in, I'll get Joe Busboom out here sometime whenever he's free to spend a day out here working on computers.

Ms. Walker: I finally got it working, I just kept working with it.

Mr. Danielson: Oh, okay, well I'll have him look at it anyway. So that's where were at on that.

Ms. Ball-Cummings: Excellent.

Mr. Sostarich: What's that got to do with having this policy that we voted on a couple of meetings ago?

Mr. Danielson: We need to be able to identify who is a renter and who is a new owner.

Mr. Sostarich: Okay, but if somebody came in right now and signed up, are they gonna be charged the new rate or what?

Mr. Danielson: The old rate until we get the ability to put them in as something different.

Mr. Kendrick: Well the only thing, I'm sorry.

Mr. Sostarich: Go ahead.

Mr. Kendrick: The only thing that is really changed is the deposit amount, right?

Mr. Danielson: Correct.

Mr. Kendrick: Couldn't they pay the new deposit amount and have them sign the new lease and everything?

Mr. Danielson: Right, we could put the new deposit amount in to effect.

Mr. Kendrick: Yeah, that way we're not losing out on that.

Mr. Danielson: Well the thing is the way the Board structured it and the way the attorney responded to it, you know, we're saying right now that if you put down a security deposit and you get late notices, or you get shut off for non-payment, you forfeit the security deposit. That is not a provision of the new policy and from what I read as far as what Roger sent us and my interpretation of what Roger said is that the only thing we can keep is that one section where it's a renter and they skip out and we put a portion of the security, we put the security deposit toward the bill and make them forfeit the rest. On an owner we don't have that option.

Mr. Kendrick: But we have the option to hold it til the bill is paid in full.

Mr. Danielson: Correct, we do.

Mr. Kendrick: And that's really the only thing we're raising it for was to make sure the bills were paid.

Mr. Danielson: Correct, we will get that finalized this week then.

Mr. Kendrick: Okay.

Mr. Sostarich: So if somebody signs up today, they're paying \$50 security deposit or 250?

Mr. Danielson: 50, well 110, 50 security deposit and 60 for account establishment fee.

Mr. Sostarich: So this isn't still in effect then, this new

Mr. Danielson: It is not in effect yet.

Mr. Kendrick: What are we gonna do, vote it in or?

Mr. Danielson: No, no, I told you guys last month that there were some administrative issues to be dealt with, we're still trying to, one of them is the computer system and being able to readily identify rental accounts. That's one of the problems that we've had trying to get this implemented, but we can do it, at least do that and figure out how we're gonna keep track of that without tremendously increasing Theresa's workload.

Mr. Sostarich: So it sounds like that this whole idea is actually more work than it's worth, is that correct?

Mr. Danielson: It may well be and that's one of the reasons I've held off is, once we get talking to Frey and everything like that and as I told you and Gary last week, they might want to have us pay for one of their techs to come out to customize our billing software, so then we're paying an airplane ticket from

Cincinnati and back as well as at least 2, maybe 3 nights motel stay plus their wages plus a car rental plus per diem.

Mr. Kendrick: So a new customer comes in, he gets put in to the book the way it has been doing, why can't we still do that and charge them different?

Mr. Danielson: We can do that, but what we wanted to do is have the ability to figure out on the computer, when the 15 days are up, who is late and who isn't late. Because if you will recall, they get the bill on the, we mail them on the last business day of the month, they get them on probably the first of the month or whenever.

Mr. Kendrick: Yeah.

Mr. Danielson: And they have until the 15<sup>th</sup> to pay.

Mr. Kendrick: Uh-huh.

Mr. Danielson: As soon as we implement that, we have to know who has and hasn't paid of the new renters.

Mr. Kendrick: Couldn't you print out a list of?

Mr. Danielson: We can do that, that's what I'm saying is, I would like the computer to do it.

Mr. Kendrick: Yeah, but if we can't, and we don't want to have to go all this extra expense, I mean, we can

(inaudible overlapping statements)

Mr. Kendrick: You could throw something at him.

Mr. Young: You're telling me that the program we have, we have to have somebody from Cincinnati to come out here to do it?

Ms. Ball-Cummings: Thank you Mike, took the words right out of my mouth.

Mr. Danielson: Possibly, yes.

Mr. Young: Why?

Mr. Danielson: I don't know.

Mr. Sostarich: Because they see it as an opportunity.

Mr. Young: There's nobody West of the Mississippi that can figure this out?

Ms. Ball-Cummings: Yes there is.

Mr. Sostarich: Well he had mentioned that your computer guy was going to come out here and look at her computer.

Mr. Danielson: Uh-huh.

Mr. Sostarich: Would he be able to figure something out?

(inaudible overlapping statements)

Mr. Young: This ain't Rocket Science.

Mr. Danielson: I sure can ask him.

Mr. Sostarich: Or more importantly, I wouldn't expect him to know everything about everything in the world of computers. But at least this guy can tell whether you're getting screwed by them people in Cincinnati.

Mr. Danielson: Correct.

Mr. Kendrick: Mr. Chairman, I think it, I'm no Rocket Scientist obviously, no computer genius, but I think it would be simple enough to find, figure out a way to decipher between the two, there's gotta be.

Mr. Sostarich: Well if you can figure out something.

Mr. Kendrick: I would not be able to figure it out, I just said that, but I'm saying, the guy that we pay to work on our computer should be able to come up with something you would hope.

Mr. Sostarich: At least say this is a good auto mechanic and this one here will replace your transmission and tell you your headlights are leaking oil when you bring it in to have an oil change.

Mr. Kendrick: Correct, we don't want him.

Mr. Sostarich: Right.

Mr. Kendrick: Have you talked to Joe about it yet?

Mr. Danielson: No.

Ms. Ball-Cummings: I was just going to say that.

Mr. Danielson: I will.

Ms. Ball-Cummings: Mr. Chairman, I was just gonna say what Gary had already just mentioned. You could further investigate that with Joe and see and that this would save the company some money, that's I mean that's kind of on the same wave length as far as you know thinking, why, you know, pay somebody over there when we could possibly have somebody here do, you know.

Mr. Sostarich: Well what hasn't been mentioned yet in this meeting but has been mentioned in the

Agenda Meeting is if these people are such experts with their system, then why couldn't they just do it on line from over there?

Mr. Kendrick: Exactly.

Ms. Ball-Cummings: Exactly.

Mr. Sostarich: You know.

Ms. Ball-Cummings: Exactly, that's something that Joe could possibly check on too.

Mr. Sostarich: Yeah, this scheme, this ponzi scheme,

Ms. Ball-Cummings: You gotta watch em.

Mr. Sostarich: of sending somebody out here is an outrage.

Ms. Ball-Cummings: You gotta watch them, exactly, I mean, I would further investigate it if it was me, just you know for the company's sake.

Mr. Kendrick: We could probably buy a new system cheaper than it would be flying somebody out.

Mr. Sostarich: That's possible.

Mr. Young: That's not even an option as far as I'm concerned.

Mr. Kendrick: Yeah, no.

Ms. Ball-Cummings: Yeah

Mr. Sostarich: I agree.

Ms. Ball-Cummings: Defiantly and if I may, may I ask another question, since we're talking about computers? Was it time Sig, for you and Theresa to have new computers, refresh my memory, it's been a while, cause I know that was Roxayne's computer, so it's time for an upgrade, is that correct?

Mr. Danielson: Oh yeah.

Ms. Ball-Cummings: Okay, why I just kind of thought so, cause we mentioned it, I think it was last year when I was Chairman about you know upgrading on some computers, they weren't stated which ones but.

Mr. Danielson: We, don't take this as gospel, I know that the memory capacity on both of those computers was 3 gigs. I think the hard drive was something like 250,000, maybe .3.

Ms. Ball-Cummings: Okay.

Mr. Danielson: Mine is a .5 and hers is 1 terabite.

Ms. Ball-Cummings: terabite, yeah, that sounds about right.

Mr. Young: Is that serious, sounds like a disease?

(inaudible overlapping statements)

Mr. Danielson: And further while we were running XP as the operating system and we were running Office 2000. We are now running Office 2010 and there is a couple of intermediates between us and that, that's why we couldn't open anything.

Ms. Ball-Cummings: So did you stay with the same, I'm sorry I am at a loss for words, not the Office one, the prior one, the

Mr. Danielson: No, we're using Windows 7 for the operating system.

Ms. Ball-Cummings: Okay I was going to say

Mr. Danielson: So we are completely up to date.

Ms. Ball-Cummings: Yeah Windows 7 is an excellent one I've heard, that's great.

Mr. Danielson: I'm liking it.

Ms. Ball-Cummings: That's great, it's even easier to use

Mr. Peetoom: He can open his Emails.

Ms. Ball-Cummings: You know, it really is. I don't have it, but I know a few people who have it and they like it.

Mr. Kendrick: Okay cut back to the chase, yeah just see what you can do with Joe and just go from there.

Mr. Danielson: Will do.

Mr. Sostarich: In other words you have latitude to apply common sense here.

Mr. Danielson: Uh-huh, okay.

Ms. Ball-Cummings: Yeah let's keep Cincinnati over there.

Mr. Sostarich: Anybody else got any more questions?

(inaudible overlapping statements)

## **7. Discussion and possible Action concerning Emergency Response Plan**

Mr. Sostarich: I think we decided to combine 7 and 8 here, didn't we?

Ms. Ball-Cummings: Combine 7 and 8?

Mr. Danielson: No, I've got

Mr. Sostarich: Yeah go ahead.

Mr. Danielson: Okay, I did rerun the no-load load test and it looks like basically we're pumping 385 gallons per minute with number 1 and number 2 boosters running here and it looks like we are about a 50% increase in fuel consumption load verses no-load. I've got a whole bunch of data written down, I just haven't crunched in to a proper report which I will supply the Board next month.

Mr. Kendrick: And that, besides doing a gravity test?

Mr. Danielson: And we're talking about doing the gravity test, what we're gonna have to do is just pick a date to do it.

Mr. Kendrick: Yeah, whatever is fine for you guys, don't matter to me.

Mr. Danielson: Okay.

Mr. Sostarich: It's really up to you, Sig.

Mr. Kendrick: You guys find a date and give me a call and let me know.

Ms. Ball-Cummings: Okay, I'll be there.

Mr. Sostarich: Is that all you have to say on that item?

(inaudible overlapping statements)

Mr. Danielson: Yes.

Mr. Sostarich: I personally think that since we have an Emergency Response Plan in operation, written out and prepared, we ought to consider thinking under these auspices here of what happens if we have a major system failure, which is probably more likely than a national tragedy, considering the age and everything that's been happening. Would you agree with that Sig?

Mr. Danielson: Yes.

Mr. Sostarich: So any future thoughts on the subject, it may a good idea to direct them along those lines because we wore this subject out by now. Anybody else have anything to say on item 7? Yes Sig?

Mr. Danielson: One other thing on my list of things to do on my desk is to research the life of diesel

fuel. That's on my to get it done list.

Mr. Sostarich: Okay, go ahead.

Mr. Young: I know it lasts 12 years.

Ms. Ball-Cummings: Yeah.

Mr. Young: Cause we're running some that is 12 years old.

Ms. Ball-Cummings: At least.

Mr. Sostarich: If anybody has an interest, just yesterday morning I ran a tank out of gas that I had pumped in on the 23<sup>rd</sup>. of December and it was running fine.

Ms. Ball-Cummings: Of what year?

Mr. Sostarich: 2011.

Ms. Ball-Cummings: Oh, okay.

Mr. Sostarich: And that's gasoline in an automotive tank and I know it goes bad but if you take care of it, there's ways of preserving fuel. Okay, anybody else on item 7?

## **8. Discussion and Possible action concerning USDA-RD grant and loan program/application**

Mr. Sostarich: Sig?

Mr. Young: No.

(inaudible overlapping statements)

Mr. Danielson: I had a very long conversation with Jeff Hooper Tuesday of last week and he basically told me "don't hold your breath". We are fairly low on priority points. They are looking at funding people who do not have water, looking at people who have major system problems, who've got bacteriological health related issues with their systems and that's the direction they're going. So I ask him what do we need to do. He says "if you possibly could reconsider what they promised us". And what they promised us is a 1 million dollar Colonia Loan and then the remaining 1.3 million dollars they would give us a 55% grant on that money and 45% would be loan that we would pay back over 40 years. His comment was if you could do a higher grant or a lower Colonia request, or a higher loan or a lower Colonia Grant Request it may be possible that if we aren't asking them for quite as much money then that might raise our priority points up a little bit. So say we're looking at a million, roughly a million 8. So say if we would go for say a million 3, or maybe a million 2, and assume the other million on a 40 year loan that may raise our priority up enough that they would give it. So I ask him, I says well, hard numbers, what would it get? I'll have to investigate that and I didn't catch him today before the meeting, so I don't know anything there.

Mr. Kendrick: Mr. Chairman?

Mr. Sostarich: Yes.

Mr. Kendrick: To do this what you're talking about, is that going to cost us any money to do that?

Mr. Danielson: No.

Mr. Kendrick: Okay.

Ms. Ball-Cummings: Yeah.

Mr. Danielson: Well long term, yes.

Mr. Kendrick: No, I know we have to pay it back.

Mr. Danielson: Yes.

Mr. Kendrick: But I mean to change the amount we're asking for, is that going to cost?

Mr. Danielson: No, cost us any more up-front money?, no.

Mr. Kendrick: Okay.

Mr. Danielson: Okay, I also spoke with Melanie Ford who is the Technical Program Manager for WIFA, which is the Water Infrastructure Finance Authority for Arizona. They do 20 years loans at 2.9%, no grants, no nothing else, so I'm going to try to put a package together for the Board and try to get it distributed by the end of this week, first part of next week and if Jeff gets back to me, what I'd like to do is amortize 2.3 million dollars over 20 years at 2.9 % interest rate and see what it would cost us and what our monthly payments would be and by the way, that 2.9 includes both the loan and the fees so there's no other hidden charges, it's 2.9 and that's it.

Mr. Kendrick: So 600,000 in fees?

Mr. Danielson: No, the 2.9% interest rate includes the fees.

Mr. Kendrick: I'm sorry, I thought you said 2.3 earlier.

Mr. Danielson: Yes it's 2.3 million for the loan.

Mr. Young: Our plan of attack for the last 2 years on this RD Loan hasn't changed 1 iota and he hasn't called, you know you can't get hold of the guy and now all of a sudden, we had to have an Archeology Report. We did the Archeology Report, we did everything they wanted us to, now all the rules are changing, saying oh we're not looking at this, we're looking at that, after he set us on a guideline to exactly what he wanted and now he's changing the rules. I mean, that's wrong. He's talking about going to areas that have bacteria. Well, we're trying to eliminate that, we're trying to get the cart in front of the

horse, or behind the horse to eliminate all this stuff. I don't understand their logic, I really don't. He cost us \$18,000, going on his guidelines for the engineering, and the archeology report and all this and now he's changing, I don't get it, I just don't understand it, I don't get it, I'm sorry.

Mr. Danielson: And we probably still owe Wesleyan.

Mr. Young: Exactly, we followed your rules, give us the \$18,000 that you led us down the wrong path to, because now you're not honoring the guidelines you gave us for this.

Ms. Ball-Cummings: That's correct.

Mr. Danielson: Yeah, I told him last Tuesday, I says, my Board is going to upset at you.

Mr. Young: Well give him my phone number.

Ms. Ball-Cummings: Well I'm a little perturbed because this is what he has been telling us prior.

Mr. Young: 2 years.

Mr. Sostarich: My question is this Sig.

Mr. Young: You didn't raise your hand.

Mr. Sostarich: What are our options right now, let's say within, if we have a major failure this year, like one of these pipes turns to dust? You mentioned the blue poly pipe and electrical conduit and all this other other stuff. What are our options as a company, if we have a failure that is beyond our capacity to financially repair it?

Mr. Young: The time bomb is ticking.

Mr. Danielson: We can tap money out of the WIFA Reserve Account, RD Reserve Account, that would be about \$70,000, and the RD O&M Account, which is about \$9,000, so we would have about \$79,000 possibly replacement, so we would have roughly \$86,000 in reserve account money that we can tap out if need be.

Mr. Sostarich: And at \$40 a foot as we discovered last month, that wouldn't get us out of the parking lot would it?

Mr. Danielson: Just about. Otherwise we could get an emergency loan from WIFA, which they do.

Mr. Sostarich: Yeah but the direction that I'm going here in my thinking is that, didn't that engineering report say that we need like 6 million or 3 million or something to bring this system to be a reliable?

Mr. Kendrick: Yeah, it was almost 3 million, wasn't it?

Mr. Danielson: \$2.3 million.

Mr. Kendrick: Yeah.

Mr. Danielson: That just brought up the worst of the system.

Mr. Sostarich: There was, I believe 3 items or 3 options that we had and the third option we voted out because it was needlessly expensive or something.

Mr. Danielson: Correct. We actually did 4 different options and option 1 was do nothing.

Mr. Sostarich: Well it looks like financially we're in the do nothing mode right now. And even if this USDA RD guy came through with flying colors we still wouldn't have enough to fix the whole system.

Mr. Danielson: I would, here's what I've been thinking about, last Tuesday after Wednesday Morning, after that conversation and what I've been doing a lot of thinking about today is this whole RD thing. We had decided that we were going to pursue option 3. I think what I need to do is get an option 3, get copies of it made for everybody and distribute it to you guys later on this week, first part of next week. I'll give everybody a call when I'm gonna be dropping them in your Board boxes. Take a look at it, everything, and what I'll do is, I'd like to have you prioritize everything and I will prioritize everything and maybe there is something there that we can go to WIFA and say, hey we want to use 30,000 or 35,000 out of our reserve account to do this and RD we want to use the \$20,000 out of the combined reserve and replacement accounts to do this at \$50,000 sitting on the table. You know if we can focus on a particular priority. At the same time I distribute this with you, I will have gotten back with Jeff on this higher loan amount that we would have to pay back and I will look at the WIFA and I will give everybody basically a breakdown of how much the loan is, what the monthly payments would be, what the term is, what the total payments over the life of the loan would be. And then maybe next Board, and what I'd like to do, is the priorities on that option 3, I'd like to have those back in here a week or so before the next Board meeting, so that we can sit here and talk about them.

Mr. Kendrick: Yeah.

Mr. Danielson: You know because what I'll do is the 2 sheets, 2 11x17 sheets that I give you for instance, you give those back to me a week before and then I give them right back to you at the Board Meeting or possibly in your packet, coming back to you, as well as a summary as what everybody's else's feelings, and what everybody else's priorities were.

Mr. Kendrick: Yeah, that sounds good and tell Jeff that we want our 18,000 back.

Mr. Danielson: Yeah.

(inaudible overlapping statements)

Mr. Sostarich: The purpose of this line of questioning is not to admonish anybody here but to bring the Board to the frame of mind that I'm thinking. I mean the system has been a rust bucket since we owned it and it's falling apart and if something happens major like, then that's why I think we ought to consider failure as part of the Emergency Response Plan.

Mr. Young: Well we qualified for a Colonia Grant and then they're not giving it to us,

you know, I don't understand.

Mr. Sostarich: Well the government has has changed since all this has been started.

Mr. Young: Yeah, we're giving Afghanistan a billion dollars a year.

(inaudible overlapping statements)

Mr. Sostarich: Yeah, yeah, yeah. There's nothing you or I can do about that until November.

Mr. Young: I know, yeah.

Mr. Sostarich: This is the world we live in now. I think if we had a government that provided

Mr. Young: for the people

Mr. Sostarich: for world development as it has in the past, that's great, but to count on that in this day and age, is not the wisest course of action.

Mr. Kendrick: Can I ask a question?

Mr. Sostarich: Yes.

Mr. Kendrick: Okay say there's 10, 5 different things, sections that need to be worked on, number 1 being the most important. Couldn't we ask for, and say that number 1 cost, okay the major part that's 2.3 million dollars, say we cut that down, the worst and then so on, couldn't we ask for smaller amount, say it only cost a hundred-thousand dollars to do that project, couldn't we ask for grant money and loan money, for that 100,000 and do it that way?

Mr. Danielson: We could.

Mr. Sostarich: Did, go ahead.

Mr. Young: Okay, you said that they have an emergency on a RD Emergency Account, low interest?

Mr. Danielson: WIFA

Mr. Young: WIFA, okay tell them we have an emergency and what's their interest rate on emergency money?

Mr. Danielson: 2.9%, 20 years.

Mr. Sostarich: Did you guys still have your engineering report? I parred my stuff down the other day, I

still have mine. The engineer went in to great detail, step by step, he already done all the work that Sig's talking about, this is a priority, this is gonna fail, this will cost this much, \$2010, or whatever it was, that's been a couple of years ago now. 2008 or whenever it was, so you can add, ratchet that up at least 20%, the cost that they projected. What Sig is suggesting, is he's just doing the work that's already been done. If you've got the packet, go through it, make your own notes, save him, he's gonna have a full plate anyway. Okay, option 3 says this, these are the priorities here, pick out your own, do your homework, read what that report says and make a list, drop it in to Sig and save him the hassle of printing it up and delivering it and all that.

Mr. Kendrick: Now when he combines it all, and then comes to us and says this is

Mr. Sostarich: Well yeah it's against the law for us to, what do they call it, canvass or campaign, where I call you up and you go yeah I got, then you call him up, what's that called, canvassing?

Mr. Sostarich: So I guess he's gonna have to be the central man at least in that regard, consolidate it. I think this is a higher emergency to be concerned about than rat-holing fuel. What do you think?

Mr. Danielson: I think so.

Mr. Kendrick: Well like I was saying we could, you know cut down the 2.3 million dollars, say just 10 different projects. Take on the worst, say that's \$150,000 to complete that project and then we go from there ask for the emergency loan or the grant or whatever we can get. Take that on, get finished paying that off, then go for number 2.

Mr. Danielson: My thought, and I will need to, I have not sat down and reread the engineering report in about a year and so I would set down and reread it. Thought off the top of my head is that probably the most important thing that we need to do is get the valves replaces. Because then rather than shutting off 400 people, you're shutting off 40 people.

Mr. Kendrick: And that's on the engineering report, the valves and all that stuff?

Mr. Sostarich: That was part of item number 3, I believe. Even option 2 had mentioned that as one of the highest priorities.

Mr. Danielson: Yeah, option 2

(inaudible overlapping statements)

Mr. Kendrick: That's something we could do, just take on the valves.

Mr. Danielson: Yes and we took on the valves sixteen months ago down at the South end and lo and behold the most number of people that will ever shut down on the South end because of a line break or a failure right now is gonna be 64 plus about would be about 120 to 130 homes is the most we'll ever shut down. We put in two more valves where I want to put them and we're down, at the most number of people that we're gonna shut down is 20, 20 homes is all we're gonna shut down.

Mr. Kendrick: That's what we need to do is go through our engineer report.

Mr. Danielson: And if you've got 20 homes, if you can isolate that down so that you're just shutting off 20 homes and you're not fighting all the leaky valves and all the water coming in to the hole then you can do a proper repair

Mr. Kendrick: Section by section.

Mr. Danielson: correctly.

Mr. Sostarich: Properly.

Mr. Danielson: Properly.

Mr. Sostarich: Indubitably. So is there anybody here that does not have the engineering report?

Mr. Kendrick: I might, I know I have it at my house, it's just finding it.

Mr. Peetoom: I can't find mine. I don't know what box it's in.

Mr. Sostarich: Well then I guess it's back to Sig making copies, I still have mine.

Mr. Danielson: I will make copies and get them out.

Mr. Kendrick: I'm almost certain I can find mine but if I can't I'll let you know.

Mr. Danielson: Okay.

Mr. Sostarich: Anybody, go ahead. Anybody got anything else to say? Go ahead Don.

Mr. Peetoom: Yeah, the pipes, where I live, have been there since 1960.

Mr. Kendrick: I'm sure there's pipes out there older than that.

Mr. Peetoom: That's what

(inaudible overlapping statements)

Mr. Danielson: The original part of the system, the AC line off the Sandy Street Well, I know that Reddick's were the second or third connection to the entire system. When he was still alive, I used to sit down and visit with him every once in a while and he would tell me about the old part of the system and what he remembered about it and everything like that because he was living out here when they were building the system.

Mr. Kendrick: Wow. All right then, so that's what we'll do.

Mr. Sostarich: Anybody got any more questions for Sig?

Mr. Kendrick: And then by the 4<sup>th</sup> of June we need to have this stuff back to Sig so he can compile it.

Mr. Danielson: Yes.

## **9. Discussion and possible action concerning administrative details**

Mr. Sostarich: You got anything Sig?

Mr. Danielson: Yeah, I told a very nice young lady today that I would bring up to the Board that they're trying to organize a community garden at the corner of Trico and Silverbell, next to the Fire Department, next to the Halberg Center area. She was basically fishing for a contribution, I said, being a County entity we don't really do that.

Mr. Kendrick: Yeah.

Mr. Danielson: But I did agree to post her flier, so that and then today in the mail we got the election schedule going on for another year. I'll give that to you Friday.

Mr. Sostarich: Does anybody need to run?

Mr. Danielson: Yes, we need to have Teresa and Gary run in November.

Ms. Ball-Cummings: In November.

Mr. Kendrick: Yeah, unless there's, I don't think

Mr. Danielson: You can pick up the packets at any time?

Ms. Walker: July.

Mr. Danielson: Yeah, July.

Mr. Kendrick: Now what happens if nobody runs against us, then we're just automatically put back in?  
Mr. Peetoom: Uh-huh.

Mr. Danielson: What we do is, we have Pima County Board of Supervisors cancel the election.

Mr. Kendrick: Okay.

Ms. Ball-Cummings: And that will save everybody some money.

Mr. Danielson: What they do is, there is a day, a date that you can begin picking up the packets, nominating packets, there's a finalization date that you have to have the packet turned in by. There's another finalization date for you to run as a write-in candidate and when that second finalization date is over with and if you and Teresa are the only two running and there is no write-in candidates or anything like that then boom we write a

Mr. Kendrick: It's canceled.

Mr. Danielson: We write a letter requesting to the Board of Supervisors requesting that they cancel the election.

Mr. Peetoom: Don't you have to write to the Board of Elections first?

Mr. Danielson: Yeah Board of Elections requesting that the Board of Supervisors and I'll write the letter and have Tony sign it as I have in the past.

Mr. Sostarich: It seems to me that this will cost us something if we have people run.

Mr. Kendrick: If somebody runs.

Mr. Danielson: If somebody runs then we have to pick up our fair share of the cost of the poling place.

Ms. Ball-Cummings: yeah, if nobody runs then it won't cost.

Mr. Peetoom: It's the same was as it was last year, 2120.

Mr. Danielson: We may get a, we may still get a bill from elections through the recorders office

Ms. Ball-Cummings: Right.

Mr. Danielson: for signature verification and address verification on your nominating petitions, but that is minor.

Mr. Kendrick: From what?

Mr. Danielson: Okay say you're gonna run for re-election. You have these 4 sign it and they note their address down. You have Katy sign it

Mr. Kendrick: Yeah it's got to be verified, I understand that.

Mr. Danielson: then they got to verify it. Well the thing is, is the Records Office charges the Elections for that.

Ms. Ball-Cummings: Yeah.

Mr. Danielson: Elections turns around and charges us for it, but it's something ridiculously simple like, or ridiculously cheap, like about 2 bucks a signature.

Mr. Kendrick: Yeah but that won't happen unless somebody runs against us, correct?

Mr. Danielson: No you still have to have

Mr. Kendrick: Oh we still have to have our nomination paperwork.

Mr. Danielson: Your nomination paperwork's still has to be full and complete.

Ms. Ball-Cummings: Yeah.

Mr. Kendrick: Okay, I think it's like 5 signatures or something like that.

Mr. Danielson: Yeah.

Mr. Young: How many more years is my sentence?

Mr. Danielson: Two and a half.

Mr. Kendrick: Something like that.

Ms. Ball-Cummings: Yeah you're on the Board, on the wall.

Mr. Peetoom: You're up 2014.

Mr. Kendrick: 2014, yeah.

Mr. Danielson: Actually 31 months.

(inaudible overlapping statements)

Mr. Peetoom: 2014, November.

Mr. Kendrick: Is there anything else?

Mr. Danielson: It will be the election and new Board Members would take office January first.

Mr. Sostarich: Yeah and I have a couple of items to bring up under Administrative Details, if we're all finished with the talk about elections. The business of paring this down to little boy size.

Mr. Kendrick: Me and Katy are going to get together, Sig gave me some stuff to look at.

Mr. Sostarich: Yes.

Mr. Kendrick: And me and Katy are going to get together and find out what we can do to get that done.

Mr. Sostarich: Okay on option number two, you print these out by hitting the print button on your computer button, right?

Ms. Walker: I make 1 copy here and then I take it over to the other place, to the other office.

Mr. Sostarich: Does your computer have a, when you hit the copy button, does it have a, let's see what's the word for that, up in the upper corner it has options and I've discovered recently that, at least the computer at work will print it on both sides, collate it, and staple it together, be priorities, I think, or options, you don't have that?

Ms. Walker: No.

Mr. Sostarich: Where it would print on both sides?

Mr. Kendrick: She could do that manually.

Mr. Sostarich: Do you have any idea how long that would take?

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

Mr. Sostarich: Yes.

Ms. Ball-Cummings: What are you pertaining to as far as, what did you say, little boys what?

Mr. Sostarich: Little boy size,

Mr. Sostarich: paring this down, remember what Mr. Kline was talking about to you and I?

Ms. Ball-Cummings: Oh you mean, oh I see, oh I thought, okay never mind.

Mr. Sostarich: We're back on that trip now.

Ms. Ball-Cummings: Just kind of narrowing it down to the basics.

Mr. Sostarich: Yes, yes, yes.

Ms. Ball-Cummings: And just to the main topics.

(inaudible overlapping statements)

Mr. Sostarich: Right, last month we talked about that and

Ms. Ball-Cummings: I'm like little boys size and I'm like, oh my, what are you guys up to. I'm thinking what does that mean. Little boys size.

Mr. Kendrick: Okay anyway.

Mr. Sostarich: You didn't have any thoughts, Michael Jackson at that point?

Ms. Ball-Cummings: No I didn't think, my Lord, you need to go to church.

Mr. Kendrick: Let's skip to the next subject.

Ms. Ball-Cummings: Oh my gosh. It's just the way Gary phrased it, it was like, you know, okay Mr. Kline did state, you know, let's just skip to the

Mr. Sostarich: Any other Administrative Details? That was the second one, was the question about the

computer, the second item I had. You answered that for me.

Ms. Ball-Cummings: Excuse me, Mr. Chairman, I have a couple of questions for Sig on the Administrative Details.

Mr. Sostarich: Oh, yeah, yeah, go ahead.

Ms. Ball-Cummings: Just a couple here, on the salary increase in March went up drastically, okay, 9 to, and then of course, it dropped back down to 6, is that the new help or was that

Mr. Kendrick: Hope not.

Ms. Ball-Cummings: Or was that salaries or was that due to vacation or was that?

Mr. Danielson: What we have is we get paid bi-weekly.

(inaudible overlapping statements)

Mr. Sostarich: Another 5

Ms. Ball-Cummings: I just wanted to make sure that was what it was.

Mr. Danielson: Okay.

Mr. Sostarich: Another 5 weeker.

Mr. Danielson: In a calendar year, which is 52 weeks, we get paid 26 times, therefore 2 months during the year we'll have 3 paydays in the month.

Ms. Ball-Cummings: Correct, that's what I thought, I wanted to make sure.

Mr. Danielson: Okay.

Ms. Ball-Cummings: Okay and then the next one is under training, that 542.50, did you and Tony manage to make it to that class?

Mr. Danielson: No, we had a busted water line that day.

Ms. Ball-Cummings: Oh boy, okay, so you wasn't able to go.

Mr. Danielson: The 542.50 is our annual dues to Rural Water Association and they provide a lot of our training.

Ms. Ball-Cummings: Oh that's right, you still have that, that's right.

Mr. Danielson: Training for free and that kind of stuff.

Ms. Ball-Cummings: Okay, did you guys set up a new date to go for that class?

Mr. Danielson: If we can find a date to go to that class, we will do that.

Ms. Ball-Cummings: Okay.

Mr. Danielson: Unfortunately, Dana Kepner put that class together.

Ms. Ball-Cummings: Okay.

Mr. Danielson: And they did it at Metro, then they did it down in Sierra Vista and I don't know if the Phoenix office is going to put together a class similar to, I will ask the question.

Ms. Ball-Cummings: I was just curious you know, and that looks all good, I just wondered. I can see the office is, I guess due to the computers, the 4000 increase, correct?

Mr. Danielson: Yes.

Ms. Ball-Cummings: Okay, all right.

Mr. Danielson: And also, last month, we paid for the divers to inspect the tanks, which was about 3000.

Ms. Ball-Cummings: That's right here.

Mr. Sostarich: Any other questions?

Mr. Peetoom: Yeah, hey, Sig, will the paychecks be ready Thursday?

Mr. Danielson: Should be.

Ms. Ball-Cummings: Yeah.

Mr. Peetoom: Cause Mama's gonna have to drive me over here to pick up my check.

Mr. Danielson: Yeah, should be.

Mr. Peetoom: Cause I'm gonna have surgery \_\_\_\_\_

#### **10. Announcement of the next scheduled meeting**

The next scheduled meeting of the Marana Domestic Water Improvement District Board of Directors shall be on Monday, June 11, 2012 at 4:00 P.M., at The District Office

#### **11. Adjournment**

It was moved by Mr. Kendrick, seconded by Ms. Ball-Cummings and unanimously carried that; **This meeting of the Board of Directors of the Marana Domestic Water Improvement District shall be adjourned at 5:01**

**5 Ayes**

**0 Opposed**

---

Minutes prepared by  
L. Katy Walker  
**Clerk of the Board**