

MARANA DOMESTIC WATER IMPROVEMENT DISTRICT

Official Board of Directors Meeting Minutes

July 9, 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, July 9, 2012**

1. Call to order and Pledge of Allegiance

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

Mr. Sostarich ask Mr. Peetoom 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

1. Approval of meeting minutes from the June 11 and June 25, 2012

Mr. Kendrick: I honestly haven't had a chance to read them so I'm not even going to vote on them til I get a chance to read them.

Mr. Sostarich: Okay. Don you said something earlier you want to?

Mr. Peetoom: It's on June the 25th, up at the top it says Public Hearing and Special Meeting of the

Board of Directors of Marana Domestic Water Improvement District to receive comments and formally adopt the 2021 or 2013 Budget for the District, it should be 2012 and 2013. I approve the minutes with the changes.

Mr. Sostarich: Yeah, okay has anybody else noticed any discrepancies or typos? Yes?

Mr. Danielson: On the June the 11th, 2012, right at the very top, it says Official Board of Directors Meeting Minutes, it should be Draft until they are adopted officially.

Mr. Kendrick: Where's that at?

Mr. Danielson: Very top.

Ms. Ball-Cummings: Right underneath, right after Domestic Water Improvement District.

(inaudible overlapping statements)

Mr. Sostarich: Can you repeat what page you're on, are you on this page here?

Mr. Kendrick: For July 25ths meeting?

Mr. Danielson: No, July 11th, or June 11th.

Ms. Ball-Cummings: First page.

Mr. Sostarich: Oh, Okay.

Mr. Danielson: Very first page.

Mr. Sostarich: Yeah.

Mr. Danielson: Where it says Marana Domestic Water Improvement District, right on top, the second line says Official Board of Directors Meeting Minutes, that should be Draft until they're approved tonight.

Mr. Sostarich: Draft Board or Official?

Mr. Danielson: Board of Directors Meeting Minutes.

Mr. Sostarich: Okay, we're to delete Official and insert Draft.

Mr. Danielson: Yeah, until they're adopted.

Mr. Sostarich: Okay, anybody else? No, okay, there was a movement made to accept the June 25th, 2012

meeting as corrected earlier and I'll make the move myself to accept the June 11th meeting as corrected.

It was moved by Mr. Peetoom, seconded by Mr. Young and carried unanimously that; The minutes of the June 11, 2012 meeting of the Marana Domestic Water Improvement District shall be approved as presented/amended.

4 Ayes 0 Opposed 1 Abstention

It was moved by Mr. Sostarich, seconded by Mr. Young and carried unanimously that; The minutes of the June 25, 2012 meeting of the Marana Domestic Water Improvement District shall be approved as presented/amended.

4 Ayes 0 Opposed 1 Abstention

4. System Manager's Report

1. Mr. Danielson reported: We've had some problems with the system since the last BOD meeting. We've had 2 service line leaks this month, one of the leaks was in a thin wall service on the south side of Weatherby Road. The water main is on the north side of Weatherby. Therefore we had to trench across the road and replace the entire service line because the inside diameter of the thin wall line was too large for an insert stiffener and the poly line was too brittle to flare, for flaring for a flair coat for a fixed connection. Every time we tried we tried to flare it, it cracked.

The other service line appears to have been damaged when Southwest Gas was running a new service line to a home on Single Six. That was repaired as of about 25 minutes ago.

2. June billing included 165 late notices, which is higher than average.

3. We did 0 shutoffs in June for nonpayment, which is below average.

Accounts Payable	\$ 34,562.43
Capital Expenditures	\$ 0.00
Accounts Receivable	\$ 46,916.76
Balance	\$ 12,354.33

The only balance we've got to bring forward on Pima County, no Pima County balances were available at the time I wrote this and we still haven't gotten them from the county yet.

NB of AZ Checking	\$ 10,000.00
WIFA Reserve Account	\$
RD General Account	\$
RD Reserve Account	\$
RD O&M Account	\$
RD Replacement Account	\$
RD Bond Account	\$
Bills Pending Balance	\$ 1,985.93

And for the boards enlightenment, the final P & L, profit and loss for last year, based on cash flow was +\$18,543.94, that included 2 fairly big ticket items, one of them was a truck, which we purchased and another was \$3,000 on the water tank cleaning. If you add that \$12,000 back in, that comes out to about \$30,000 of profit based on P & L, which is about what we've been running for the last 3 years.

Mr. Kendrick: Wasn't the year before last, 99,000?

Mr. Danielson: No, Fiscal year 2009-2010, our net profit, based on cash flow, which is what we took in verses what we spent, was \$30, 047.05, for 2010-2011 it was \$33,545.60, and then for this year, it was \$18,543.04.

Mr. Kendrick: I'm sorry, I just remember in the last, when Wes Anderson was here, I think it was

Mr. Danielson: Addison.

Mr. Kendrick: Yeah he said something about having \$99,000 profit, take away the \$8,000 we lost on foreclosures and stuff, unless it was something else.

Mr. Danielson: I would have to review those meeting minutes.

Mr. Kendrick: Yeah, Mr. Chairman?

Mr. Sostarich: Yes.

Mr. Kendrick: I just have one question. Where is that, I just circled it, I thought. Oh, for refunds in May, \$3,661.21, what was that for?

Mr. Danielson: Yes, line extension agreement refunds.

Mr. Kendrick: Does that go back to the customer?

Mr. Danielson: Whoever put the line in originally. We have had over, the time I've been here, we've had a total of 14 active line extension agreements that we've been paying on. What we were doing is paying 10% of the water sales back to the person that put the line in. We are down right now to 1, 2, 3 and the last one that we did was the big one for Avra Vista. That's 3,200 to \$3500 every year.

Mr. Kendrick: That's just water lines that they've put in themselves.

Mr. Danielson: Yeah, the Cooper Brothers installed it.

Mr. Kendrick: Cooper Brothers, yeah.

Mr. Danielson: and paid for it, they get 10% of the Gross Sales back, the way their contract is written. Brian Blankenship, some of you may know him, he used to live out here, he worked for Trico.

Mr. Kendrick: Used to work for Trico.

Mr. Danielson: Okay, used to work for Trico, last I knew he worked for Trico. These 3 houses going up the street here, Bob Spencer the middle one and Vicki, here on the end, he ran the 6 inch line from Sandy Street down to in front of Vicki's house, so he gets 10% of the net sales back, cause that's the way his is written.

Mr. Kendrick: That's all, thank you.

Mr. Sostarich: Any other questions for Sig on System Managers Report?

Ms. Ball-Cummings: I have a question, Mr. Chairman. Okay, on the Board, it went up from 747.20 to 822.20, why is that Sig?

Mr. Danielson: Pardon me.

Ms. Ball-Cummings: On the Board where it states May and June, you have a figure here, 747.20 and 822.20 and that was in June.

Mr. Danielson: June we had 2 meetings for the Board.

Ms. Ball-Cummings: Okay, 1 meeting I was not aware of at all, no one notified me whatsoever there was going to be a Budget Meeting.

Ms. Walker: I left you a message on your phone and I

Ms. Ball-Cummings: I went over the messages, there was none there.

Mr. Sostarich: That was the

Ms. Ball-Cummings: Excuse me Mr. Chairman, I was gone 2 weeks, wasn't in town at all, so there was no message. I mean when I came in, I reviewed all my messages and there was no message, so when I seen this in the packet, I thought, oh boy, someone could have at least called me, or Mr. Danielson even told me, or Gary for that matter could have called me.

Mr. Kendrick: She just said she called you.

Ms. Ball-Cummings: No there was no message on my house, none what-so-ever.

Mr. Young: I knew about the meeting, I forgot it.

Ms. Ball-Cummings: Well I didn't even know nothing about it.

Ms. Walker: I left the messages the same time, with the both of you because you were not at that last meeting.

Ms. Ball-Cummings: Yeah, well, like I said, Gary

(inaudible overlapping statements)

Mr. Sostarich: I had no idea you were gone.

Ms. Ball-Cummings: Well, irregardless, I do have a home phone and cell phone, I mean that is available to everybody, you know all the Board members. So I mean, I'm just stating that I could have been informed other than just house phone, I mean it's not Katy's fault that the message wasn't there, I'm just stating that you know, I should have received a call, because this is a good meeting to not miss period. I mean you know you need to come to Budget meeting, seriously, I mean those incidents happened with the other meeting, it happens you know, we been out of water for a good month. That's why I missed that meeting July, I mean June. So anyways, I didn't, there was no message at all, Katy, honest to God, and I played it over and over, but it's up the Chairman to at least call me and say we got a Budget Meeting.

Mr. Sostarich: Well, I'll keep that in mind next time.

Ms. Ball-Cummings: I hope so, there won't be no next time, cause November's coming up, I probably won't run for another term, I'll state that on record, I probably won't run for another term.

Mr. Sostarich: Can we table that until the item 8?

Ms. Ball-Cummings: It's fine, I'm just making a statement to you, you won't have to note it in your mind or on a piece of paper, cause I'm moving on.

Mr. Sostarich: Okay.

Ms. Ball-Cummings: I've served my community fair and I've done it very well I think.

Mr. Sostarich: Any other questions for Sig on item 4?

Ms. Ball-Cummings: Okay so I missed 2 meetings there, so that should have been less pay, that's what I was asking Sig about it.

5. Call for Public Comment (limit 3 minutes)

Public is not present.

6. Discussion and Possible Action concerning Outstanding Balances and Collection Policy

Mr. Sostarich: Anything you want to say Sig?

Mr. Danielson: Yeah Ray House was in here last Tuesday and visited with me for about an hour. He brought up the fact that he was unhappy that the Board set the Security Deposit at \$200, and I looked at him and I said, Ray the Board did what you asked them to do.

Mr. Kendrick: Exactly.

Mr. Danielson: So he kind of dropped that subject, then he went on to another subject.

Mr. Young: What a crew out here.

Mr. Danielson: He says, well I wanted to get that person out of 9750A, or something like that, and I called in here and told them to go and shut the water off, and Ray we went down there and it sure looked like people were still living there and if it's vacant, yeah we can turn it off if it's vacant. If there's people still living there, no we're gonna get on the bad side of Arizona Revised Statute 33-1367, I think is the one it is, which and so you know, we're not between Ray House and his renter as a referee, so he wasn't happy with that.

Mr. Kendrick: His bill was paid wasn't it?

Mr. Danielson: Yeah.

Mr. Sostarich: May I ask a question at this point, now that you brought this up? How much did it cost

us in lawyer fees to implement this new policy?

Mr. Danielson: I'm saying it was somewhere between 500 and 1000, I would have to go back and review the billings.

Mr. Sostarich: Well the only thing I could recommend that I would do, in a situation like this would be to ask the person if he would be willing to pay that before we moved on, because he was the one who started this. We are here to represent the customer but this implementation just cost us the figure that you had just given us and we're making these choices, painful as they may be, because we don't have money to throw around like the Federal Government does. You know we have to count for, we have to make every shot count here. That's all I have to say.

Mr. Danielson: Okay, Mr. House had two suggestions, and the first one is for rental property, for us to not to charge the account establishment fee, which is \$60. I'm totally against that because it takes us time to go out there, to read the meter, to set up a new account in the computer, to get all the billing information entered, and everything like that. That is just a fee for the service we perform and if the service has been off for quite some period of time and we have to cut a lock off, you know, that's a \$15 lock we're cutting off, so I don't think \$60 is unreasonable for an account establishment fee.

Mr. Kendrick: No.

Mr. Danielson: The other item he brought up, which I do agree with him, and we have been doing it most of the time, but I would like to get a direction from the Board if we continue to do it, and that is concerning established customers and new Security Deposits, and I'll explain it this way, say our Chair Mr. Sostarich bought the home next door to him as a piece of rental property. He wanted to come in and get the account put in to his name. We would not, or should not be charging him a security deposit for that home since he's an existing customer of ours. That's my thought on it, that's the first thing. Second thing is, is if he's going to use it for a rental property, and he's going to make the tenants put it in their name, we also should not charge him an establishment fee.

Mr. Kendrick: Now the renters, if it's gonna be put in the renters name

Mr. Danielson: The renters name then pays the establishment fee and the

Mr. Kendrick: the deposit.

Mr. Danielson: and the deposit.

Mr. Kendrick: With, Mr. Chairman, may I?

Mr. Sostarich: You may.

Mr. Kendrick: With my line of thought, if he's a well-established customer like

Mr. Sostarich, you make the choice, you make the call.

Mr. Danielson: Okay.

Mr. Kendrick: Unless he does, you know, like you say, put it in renters name, then they have to pay for it.

Mr. Danielson: Yeah, okay.

Mr. Sostarich: To simplify what Sig is trying to explain here, I would be extending my services, if it was put in my name.

(inaudible overlapping statements)

Mr. Kendrick: Yeah. Are you trying to buy the property next to you?

Mr. Sostarich: No.

Mr. Danielson: No, I was just

(inaudible overlapping statements)

Mr. Sostarich: I ought to just to run out the yappers, but I can't afford it.

Mr. Danielson: Actually Mr. Young did that back here some years ago, and I don't believe we charged you any kind of security deposit, did we?

Mr. Young: We're not using it.

Mr. Danielson: I know

(inaudible overlapping statements)

Mr. Young: I even volunteered the meter to somebody else if they needed it, so you should owe me money.

Ms. Ball-Cummings: That's true, you snooze you lose.

Mr. Sostarich: So are you, you said that you were asking the Board for their input on this idea?

Mr. Danielson: Yes and I think I've gotten it from the Board, at my discretion.

Mr. Young: Right.

Mr. Kendrick: You want to make it official and make a movement?

Ms. Ball-Cummings: Make a movement, make a motion.

Mr. Sostarich: I move that we make a motion or we make a movement.

(inaudible overlapping statements)

Ms. Ball-Cummings: You guys are so silly.

Mr. Sostarich: This isn't one of those over the under pass, under the overpass.

Ms. Ball-Cummings: You guys been smoking that wacky weed? Let's make a movement, let's make a movement, make a motion.

Mr. Kendrick: It's up to you Chairman.

Mr. Sostarich: Does anybody want to make a motion that we make a movement?

Ms. Ball-Cummings: My God, that was Tony's doing from the beginning, make a movement, okay.

Mr. Sostarich: I was doing okay.

(inaudible overlapping statements)

Mr. Young: Let's make a movement on the motion.

Ms. Ball-Cummings: There you go, good going.

(inaudible overlapping statements)

Mr. Sostarich: Would it be necessary to even make a movement on this motion?

Mr. Kendrick: Probably not.

(inaudible overlapping statements)

Mr. Sostarich: I mean everybody agrees on the idea that Sig suggested, everybody finds that viable, is that correct?

Ms. Ball-Cummings: What are we going to make a movement on the motion?

Mr. Sostarich: We may not have to make a movement on the motion, or a motion on the movement.

Ms. Ball-Cummings: Oh lord, give me a break.

(inaudible overlapping statements)

Mr. Kendrick: I think we already did this, didn't we?

Mr. Danielson: I don't recall.

Mr. Sostarich: We were practicing this for some time, it has come up before the Board before, that anybody who is an established customer and wants to extend their, add an addition to their services, or an extension

Mr. Young: As a rental.

Mr. Sostarich: or whatever else he's gonna do with that property next door, I believe the subject of horses came up the last time that it would be up to the discretion of the company to not to charge the guy, since he would be an outstanding customer, and just simply getting an extension on our services to him. Is that simple enough?

Ms. Ball-Cummings: As long as you don't make a movement.

Mr. Sostarich: Okay.

Ms. Ball-Cummings: Make a motion, if it's viable, I mean if it's not then

Mr. Young: The way I'm looking at it, I bought the property next door to me and it had a meter there. If I was going to use the meter, I feel I shouldn't have to pay a security deposit on an establishment deal. But if I was going to use the meter for a rental property, the renter should pay for anything to do with the meter.

Mr. Kendrick: Correct.

Ms. Ball-Cummings: Yeah.

Mr. Young: Okay.

Mr. Sostarich: Yeah.

Mr. Kendrick: But if the owner that's buying the property next to him is a flake and doesn't pay his water bills on time every month or whatever, or has had that trouble in the past, then yeah, I would put a security deposit you know. But like I said, it's up to him, if he thinks they need one, yes, if they don't, no, depending on the customer.

Mr. Sostarich: Well what we have discussed, Sig had brought this up, before he brought it to the Board, he brought it up to me and we had already agreed that this was already in effect, it just wasn't written in concrete.

Mr. Young: Right.

Mr. Kendrick: Yeah.

Mr. Sostarich: And the basic issue right now is should we write a policy about this or just let lying dogs lie and let Sig run the ship the way he sees fit.

Mr. Kendrick: Just let it ride and let it go.

Mr. Sostarich: All right,, so we don't need any motions or movements or any of the above?

Mr. Kendrick: Another ten minutes off my life I'll never get back.

Ms. Ball-Cummings: Correct.

Mr. Sostarich: Okay is there anything else you want to say on item 6, Sig, or anybody else?

Mr. Danielson: Update to the Board, we've got Joe Busboom coming in here tomorrow, we'll probably have the entire computer system in the office down 2 to 4 hours. We've got to get around the updated virus protection stuff attacking our billing software. Once we get that done then maybe we can proceed forward to upgrade and modify the billing software, but right now we're having some problems with the anti-virus stuff, seeing the billing software as a virus and beginning to attack it and try to delete it and back up from off-site information, so it hasn't been a problem as of yet and hopefully after tomorrow it won't be a problem anymore. That's all I have.

Mr. Kendrick: Mr. Chair?

Mr. Kendrick: Yes.

Mr. Kendrick: Sig, is that with Joe helping you, the computer guy or whatever doing it?

Mr. Danielson: Yeah.

Mr. Kendrick: Okay.

Mr. Danielson: Yeah, he'll be doing it.

Mr. Sostarich: So what you're saying then, is this kind of like an organ transplant that the body isn't completely accepting?

Mr. Danielson: Correct.

Mr. Sostarich: In the medical world that can be a most serious crisis.

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

Mr. Danielson: Okay, for Teresa and Gary's benefit, this was tabled at the June meeting and I reprinted out the financial options available to implement the Preliminary Engineering Report by Westland Resources dated February 2009. Conversation with Jeff Hooper -USDA-RD, Wilcox Field Office and Melanie Ford WIFA Phoenix Office. If you read through it, it says we originally envision the Grant and Loan Program, we would end up having to raise our rates by about \$3. per month to all customers to cover this \$2.3 million dollar upgrade. As I wrote here, it is doubtful that this loan/grant request will ever be approved, since it does not score well enough to be funded. RD assigns funding scores based on the priority that the project receives. The highest priority would be to a project that supplies water, either a new system or the rehabilitation of a system that is in such disrepair that water service is infrequent. The next highest priority is assigned to systems that have a Notice Of Violation from ADEQ and the project addresses the NOV. The next priority would be for a system that had a specific contamination issue such as high arsenic, nitrates, inorganic contaminate, etc. Unfortunately we've got a fairly well operating system, now the water is on 99.9999999% of the time or better. We don't have any specific contamination issues.

Mr. Young: We could.

Mr. Danielson: We have never had a Notice Of Violation in the 12 plus years that the system has been in existence.

Mr. Sostarich: In other words, we're successful and the Government rewards failure.

Mr. Danielson: Correct, okay some of the other scenarios there, if we forgo the Colonia grant, we did a 45/55 grant/loan, breakdown would be \$5.21 for each customer on a monthly basis. If we only did a half million dollar request without the Colonia then and we did a grant loan on that we would have a buck 13. If we went to WIFA for a loan, those are all, would be funded within 2 months normally. They're always for a twenty year period, they have a 2.9% interest rate. Once in a while, as with the original WIFA loan, that was for 20 years to buy this District from the Marana Water Service and IM Water Company, we did a 20 year loan that 2 years later, they let us renegotiate and take out to a 30 year loan, which saved us about \$3000. a month in payments. But anyway the 2.3 million would be \$15.14, a million bucks would be 6.58, five-hundred thousand would be 3.29, and a quarter of a million would be \$1.65.

Mr. Kendrick: Sig, this first one up here for 225 for the grant and 275 for the loan, that's what a half-million dollars, five hundred thousand, and we would only be raising the rates \$1.13.

Mr. Danielson: Uh-huh.

Mr. Kendrick: Five-hundred thousand, that would do a lot of work, right?

Mr. Danielson: What?

Mr. Kendrick: Five-hundred thousand, that would get a lot of the infrastructure that needs to be replaced, replaced?

Mr. Danielson: Well the thing is, I've been busy up here since the last Board Meeting that I have not sat down and taken all the stuff that I gave you guys, and said, okay, let's inflate this to 2012. and where could we spend the money based on that option 3 project list. That's something I'm still working on. We could get a lot of the valves done, we could get some of the valves done over probably a five year period in-house.

Mr. Kendrick: Yeah, you mean instead of inflate, you mean deflate.

Mr. Danielson: Inflate, yes.

Mr. Kendrick: The way the economy is going, people are doing stuff cheaper.

Mr. Danielson: Yeah, I still have, you know, it's something that I have mentioned before, it's something that Wes has mentioned every time, that we should possibly do a modest increase each year and even if were to say do a 2.5% increase or a 3% increase in rates and explain to the customer, that okay, 1.25% of this increase is used for general administrative funding and 1.75% of it is going to be used for infrastructure repair. Doing something like that here in the future. I know we did not want to raise rates at the very start of this fiscal year, but that is something that I think the Board needs to sit down and consider, because I will continue working on this and maybe we can say that, okay, Jeff can we get this and this and if he says no then maybe we'll turn around and call Melanie and say can we get this and here's what we want to do out of the PER Option 3.

Mr. Kendrick: I think doing that option

Mr. Young: Mr. Chair?

Mr. Sostarich: I think instead of raising the rates, I think we need to go hard after the Colonia money, cause we qualify for it, it's a program issued for water companies our size and I think we should go after that, that's my personal opinion.

Ms. Ball-Cummings: Yes, I'll second that vote.

Mr. Kendrick: Yeah but haven't we been shut down all the time, time after time on that deal though?

Mr. Young: Well the squeaky wheel gets the grease.

Ms. Ball-Cummings: Just keep on.

Mr. Danielson: Well I'll keep, we'll keep

(inaudible overlapping statements)

Mr. Young: Why would they have that program if nobody qualifies?

Mr. Danielson: RD's regular grant/loan program, you're competing Nationwide. Whereas with the Colonia Program, you're competing within a certain stretch along the border that covers California, Arizona, New Mexico and Texas and that's it.

Ms. Ball-Cummings: Sig, Mr. Charmian?

Mr. Sostarich: Yes.

Ms. Ball-Cummings: We, and we discussed this prior, Sig, when I was Chairman, if you just keep going at it and just keep bugging them and bugging them and bugging them and don't stop, you know, just keep sending them letters or however you're gonna do, it will, see, in the future for us. Like Mike said, it's there, we just need to keep at it, just keep going at it, instead of raising the rates.

Mr. Sostarich: If you read the last meeting minutes, when you were absent

Ms. Ball-Cummings: I did.

Ms. Sostarich: The Federal Government flushed the commode on us, is what happened.

Ms. Ball-Cummings: Yeah but it's still there though, if you, okay have you read the USA Newspaper, have you read any newspaper, just at random, you'll see everybody's getting a little bit, every state?

Mr. Sostarich: Yeah I hear that the Afganies over there, the people that are running Afghanistan are getting about six billion a year. You can't get that money from them.

(inaudible overlapping statements)

Mr. Sostarich: The money that's sent to Iraq and all that crap. People like us if you consider what this is really saying, people who make it in life, fortunately don't get attention, failures get bailouts.

Ms. Ball-Cummings: But you know what, this is a failure of water company as far as infrastructure

(inaudible overlapping statements)

Mr. Kendrick: They don't care about that though.

Ms. Ball-Cummings: Yes, because it's the well-being of the customers to have good healthy water lines, it's as simple as that.

Mr. Sostarich: If they came in here and look at this, and were permitted to look at the books, they would see that this is a successful company. The books show a profit

Ms. Ball-Cummings: If they look a little deeper.

Mr. Sostarich: Sure, but they're not gonna look at that.

Mr. Young: I don't think

(inaudible overlapping statements)

Mr. Sostarich: You think them guys in suits are gonna dig up pipes out there and look at it.

Mr. Young: I don't think they would approve electrical conduit as water line.

Ms. Ball-Cummings: True and I have proof right now in my yard, showing right now in my yard there's conduit.

Mr. Sostarich: Well I'm not saying let's give up the ship here.

Mr. Kendrick: Yeah.

Ms. Ball-Cummings: Let's just keep going at it.

Mr. Sostarich: Keep these somewhere where you can review them, cause Sig already said he's not gonna give up, he's gonna keep working at it.

Ms. Ball-Cummings: Yeah, don't, just keep, you know, go higher than

(inaudible overlapping statements)

Mr. Young: Yeah you could leave a recording to Rural Development every day.

Ms. Ball-Cummings: Just go higher than Jeff, that's my opinion, that's what to do.

Mr. Sostarich: Yes

Mr. Kendrick: Like you said, keep going after them, like he has been doing, and keep this on the back burner, in case, you know, go ahead and call whoever you need to call and see if that's possible to do. In case something breaks and we need, you know, a couple hundred thousand dollars right now.

Mr. Danielson: Yeah well, Jeff is my first contact. I could

Ms. Ball-Cummings: Yes, go on.

Mr. Danielson: I could possibly try to contact Leonard

Ms. Ball-Cummings: Yes.

Mr. Danielson: who's is Jeff's

Ms. Ball-Cummings: Thank you.

Mr. Danielson: who is Jeff's boss.

Mr. Kendrick: Yeah I would defiantly do that.

(inaudible overlapping statements)

Mr. Danielson: Leonard and I go back many years and

Mr. Kendrick: Not getting anywhere with Jeff.

Mr. Young: Well no.

Mr. Sostarich: And remind him of Mike Young and that, what was that, \$8000, \$18,000, that you all worked up, that we paid out and didn't get any return on and we ain't getting back?

Mr. Young Yeah I mean the archeology dig and all that, and all the different hoops

(inaudible overlapping statements)

Mr. Kendrick: That was more than 1800.

(inaudible overlapping statements)

Mr. Danielson: 18,000.

Mr. Young: Yeah 18,000.

Mr. Sostarich: Like we can really afford an archeology report.

Mr. Young: And we're led up this path to do this, do this, do this, and then you get to the door and they slam the door on you. You know that ain't right, we're a small company and the customers paid for this, you know.

Mr. Sostarich: Yeah.

Ms. Ball-Cummings: Exactly.

Mr. Danielson: Well I will relate to the Board, I think Don may have been

Mr. Young: Blame it on us.

Mr. Danielson: Don may have been telling a member of the Board, at the time that this happened, but I was at a seminar, a funding seminar in Phoenix and I'm going to say '04 or '05, something like that, and I sat down to have lunch and Leonard sits right across from me, and he says they allotted me 40 minutes to speak. He says even if I speak very slowly, he says, I can't do more than 20 minutes. He says, can you get up and put in 20 minutes for me and talk about how your project is going and any pitfalls between the District and Rural Development during the construction and the phases and everything like that? Because we were almost done at that time. And I said, sure, so he knows me.

Ms. Ball-Cummings: There you go, that's

(inaudible overlapping statements)

Mr. Kendrick: I wouldn't even mess with Jeff anymore, I'd go straight to Leonard.

Mr. Peetoom: I remember that one.

Mr. Danielson: Uh-huh.

Ms. Ball-Cummings: You gotta go higher up sometimes.

Mr. Sostarich: Will he remember it?

Mr. Danielson: Yeah Leonard's pretty sharp.

Ms. Ball-Cummings: Rattle their cages.

Mr. Sostarich: Anybody else got anything to say?

Mr. Kendrick: I just think we should table it until, in the future.

Mr. Sostarich: Keep these options available in your mind as options. The only thing I would have to say is, is we're in debt right now on a system that is showing signs of crumbling

Ms. Ball-Cummings: Defiantly.

Mr. Sostarich: and we should keep that in mind as we move forward from this point. There may be other ways of doing this that we just haven't discovered yet.

8. Discussion and Possible concerning Administrative Details

Mr. Sostarich: Sig you can go first if you have anything.

Mr. Danielson: I have nothing.

Mr. Sostarich: I have a couple of things. One, I am going to ask all of you to ask one of your neighbors or somebody you know in the District, to consider running for the Board as a, well Teresa said she's not planning to run.

Ms. Ball-Cummings: No not the way the way things are going right now with family, I'm needed elsewhere.

Mr. Sostarich: If it's time to move on, it's time to move on.

Ms. Ball-Cummings: No, as far as family, yes, my mother needs me and you know, it's something that I can't avoid, I wish I could, you know. She broke her pelvic and she's not doing good, so you know, I need to be there as much as possible for her, you know.

Mr. Sostarich: Yes, I understand that.

Ms. Ball-Cummings: So that's number 1 priority. I want to be there for her you know

Mr. Sostarich: Another thing, reason for this would be to have a pool of interested potential parties that, if they have an interest enough to run, and they don't win, and we have a need for another existing Board member to replace, for whatever reason, sickness, family problems or for what,

(inaudible overlapping statements)

Ms. Ball-Cummings: Anybody else besides me?

Mr. Sostarich: moving out of the country for financial reasons or out of the state.

Ms. Ball-Cummings: So, Mr. Chairman, you did not just bring this up just because of me, did you?

Mr. Sostarich: No.

Ms. Ball-Cummings: Just in general.

Mr. Sostarich: No, I'm also thinking of the Water Board Bible that says try to keep some fresh meat.

Ms. Ball-Cummings: Exactly.

Mr. Sostarich: That's what's really up here, you were a convenient excuse but

Ms. Ball-Cummings: Well that's good.

Mr. Sostarich: If it's between an Election Cycle and somebody stepped forward, it would become a matter of the Board interviewing that person if we needed to fill a slot.

Ms. Ball-Cummings: Yeah.

Mr. Sostarich: If we at least ask people and they receive a packet, and even if they don't fill it out, but at least they look in to it, at least there's somebody out there we know that's interested.

Ms. Ball-Cummings: Yeah, Mr. Chairman you can appoint someone too.

Mr. Sostarich: Yes.

Ms. Ball-Cummings: Exactly, and that's so important, so it's something to be a

Mr. Sostarich: Well I would be interested in appointing somebody that had an interest rather than drafting them.

Ms. Ball-Cummings: Exactly, we have to check around and find the right people that we choose that we want in here that will do a good job.

Mr. Sostarich: And that's the second issue to that subject. So I'm gonna ask Katy-Loretta to get about 8 packets sent to her so we can have something to draw on.

Ms. Ball-Cummings: Okay.

Mr. Sostarich: A final thing would be, yeah, a pool of interested parties. I've tried this before and it's hard to get people interested in anything out here.

Ms. Ball-Cummings: Yeah, no you're right it is, it's very much so true.

Mr. Young: My one neighbor was fairly interested.

Mr. Kendrick: Tommy?

Mr. Sostarich: Well, if everybody had one person that they could contact.

Mr. Young: No, it's Gary.

(inaudible overlapping statements)

Ms. Ball-Cummings: That's our inside joke, right Tony?

Mr. Sostarich: Another thing, another subject, do you have, do you still have that Engineering Report that Sig loaned you?

Ms. Ball-Cummings: No I already gave it back to him.

Mr. Sostarich: Oh, cause he's got mine and I want it.

Ms. Ball-Cummings: Yes I did, Mr. Danielson, yessiree.

Mr. Danielson: I don't recall ever getting it back, you said you'd bring it, but you did not bring it.

Ms. Ball-Cummings: Then it's got to be right on the table, no.

Mr. Danielson: You told me last meeting you were at, which was

Ms. Ball-Cummings: Are you sure?

Mr. Danielson the May meeting. I called you and ask you if you would bring it in, and ask you when you came to the May meeting and you said, no you forgot it.

Ms. Ball-Cummings: Okay I'll write it down, gosh I'm sure I thought I brought it to you, because I opened it up and we discussed on the phone, was there a signature on the inside and you said yes and I said I got it in my arms and I'll bring it in.

Mr. Danielson: Correct, yeah, because I do not have

Ms. Ball-Cummings: Okay I'll bring it in, I'll make sure, cause the table's cleared off and every thing's except all these packets and I'll make sure. I'm glad I'm at the bottom, it's taking time.

Mr. Danielson: a signed and sealed copy.

Mr. Sostarich: It's important to me because I've read all the books in my vast library and I'm down to reading engineering reports.

Ms. Ball-Cummings: Ohhhhh baby, well Sig needs to get one for me too.

Mr. Sostarich: Well, he's got my report, I loaned it to him so he could prepare this.

Ms. Ball-Cummings: Okay I'll check, I am sure I brought it.

Mr. Kendrick: Mr. Chair?

Mr. Sostarich: Yes.

Mr. Kendrick: Question for Katy, the booklet, packet or whatever I need to turn in by July or whatever, have we got those?

Ms. Walker: I've ordered three, and evidently they haven't come yet?

Mr. Danielson: I should pick them up in person.

Ms. Walker: She is mailing them to the P.O. Box.

Mr. Danielson: Oh, they haven't come.

Mr. Kendrick: Could you do me a favor and keep an eye on that for me?

Ms. Walker: Yes.

Ms. Ball-Cummings: Okay.

Mr. Sostarich: And speaking of that, speaking of you, how is, and Katy, how is your adventures going in streamlining these meeting minutes down to a manageable, are you throwing chairs at each other?

Mr. Kendrick: No, personally I, me, since we've cut down a lot of the side stuff that we're not talking about, like she says, they're manageable, 15 pages, 12 pages, that's not very much. I don't suggest we do anything until it gets back up to being a problem again, 20,30,40,50 pages again.

Mr. Peetoom: How about 60?

Ms. Ball-Cummings: I was surprised, I really was.

Mr. Kendrick: the last few months, you know, have been pretty reasonable.

Mr. Sostarich: So you feel that you've, your efforts were successful then?

Mr. Kendrick: I guess, yeah, I would say so yes, very successful.

Mr. Sostarich: Congratulations, your first mission was a success then, is that it? Okay any body else on Administrative details?

Mr. Kendrick: I know we talked a couple of months ago, since I wasn't here last month about Tony's second grade. Has he retested for that, took the fake test or whatever?

Mr. Danielson: No, we've been so busy we haven't had a chance to even

Mr. Kendrick: Cause I talked to Tony.

Mr. Danielson: I had it scheduled for 2 different classes and

Mr. Kendrick: Something came up.

Mr. Danielson: Water bubbling up through the middle of Sandy Street was a little more important than the class.

Mr. Kendrick: I did mention it to him and he said he's ready for the test so.

Mr. Danielson: Okay, I will arrange to get him to take it.

Ms. Ball-Cummings: You go.

(inaudible overlapping statements)

Mr. Kendrick: That's all I have.

(inaudible overlapping statements)

9. Announcement of the next scheduled meeting

Mr. Sostarich: Next scheduled meeting will be the 13th of August, 2012.

Mr. Danielson: Mr. Chair?

Mr. Sostarich: Yes.

Mr. Danielson: I will be out of town on that date.

Mr. Sostarich: Okay, anybody want to move it August 6, 1944?

Ms. Ball-Cummings: 1944, come on.

Mr. Sostarich: Oops, I meant

Mr. Kendrick: Are you going to be here August 6th?

Mr. Young: When are you going to leave out of town?

Mr. Kendrick: He can be here August 6.

Mr. Sostarich: Who?

Mr. Kendrick: Sig.

Mr. Danielson: I can be here on the 6th.

Mr. Sostarich: Isn't that a holiday though?

Ms. Ball-Cummings: I thought of that first.

Mr. Sostarich: A red line there or let's see, Nagasaki Bomb, it says Civic Holiday.

Ms. Ball-Cummings: Civic Holiday?

Mr. Sostarich: August 6, okay that's not a paid holiday, is it?

Mr. Danielson: It's not for us, no.

Ms. Ball-Cummings: You know in the back of my mind said for some reason, I don't know why the 6th, I was gonna circle it in my book, isn't that something?

Mr. Sostarich: Want to do the 6th of August?

Ms. Ball-Cummings: August 6.

Mr. Sostarich: I would prefer the 6th over the 20th, myself.

Mr. Kendrick: That's fine.

Mr. Danielson: Well I'm not 100% sure I'll be back on the 20th or I'll be just pulling in to town on the 20th.

Ms. Ball-Cummings: August 6.

Mr. Sostarich: Okay, August 6th, 1944 at, I mean 2012 at 1600 hours.

Ms. Ball-Cummings: 1944.

Mr. Sostarich: 5, I meant 1945.

Ms. Ball-Cummings: Oh you, my lord.

Mr. Sostarich: That's June 6, 1944. August 6, 2012 at 1600 hours.

Ms. Ball-Cummings: 1944, crazy, crazy.

10. Adjournment

It was moved by Mr. Peetoom, 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.**

The meeting was adjourned at 4:49 P.M.

Minutes prepared by
L. Katy Walker
Clerk of the Board