

MARANA DOMESTIC WATER IMPROVEMENT DISTRICT

Draft Board of Directors Meeting Minutes

August 6, 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, August 6, 2012**

1. Call to order and Pledge of Allegiance

Chairman Mr. Sostarich called the meeting to order at 4:01 P.M.

Mr. Sostarich ask Ms. Walker 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

One members of the Public present

3. Consent items

A. Approval of meeting minutes from the July 9, 2012 meeting

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

5 Ayes

0 Opposed

4. System Manager's Report

1. Mr. Danielson reported: We've not had any problems with the system since the last BOD meeting.
2. June billing included 133 late notices, which is lower than average. That's July billing, excuse me.

3. We did 4 shutoffs in July, which is also below average.

Accounts Payable	\$ 44,004.63
Capital Expenditures	\$ 0
Accounts Receivable	\$ 49,646.51
Balance	+ \$ 5,641.88
MDWID Balances Brought Forward:	
MDWID Balance at Pima County	\$ 88,466.55
N B of AZ Checking	\$ 10,000.00
WIFA Reserve Account	\$ 58,494.92
RD General Account	\$ 318.01
RD Reserve Account	\$ 14,484.02
RD O&M Account	\$ 9,337.59
RD Replacement Account	\$ 7,877.50
RD Bond Account	\$ 17,599.46
Bills Pending Balance	\$ 1,144.99

That concludes the Managers Report.

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

Ms. Ball-Cummings: Yes, Sig?

Mr. Danielson: Yes ma'am.

Ms. Ball-Cummings: You have none whatsoever, Capital Expenditures at all?

Mr. Danielson: Not for last month.

Ms. Ball-Cummings: Okay, nothing, none at all.

Mr. Danielson: No.

5. Call for Public Comment

Mr. Sostarich: We've got Michael Sniffin here. You got any comments you want to make?

Mr. Sniffin: No, thank you, I am just observing.

6. Discussion and Possible Action Concerning FY 2011-2012 Budget vs Actual

Mr. Sostarich: Sig.

Mr. Danielson: Okay, first page of your Budget vs. Actual, summary, we original budgeted expenses of \$629,650. Actual was \$488,327. So we were under budget \$141,323 on expenses. Revenue, again we budgeted \$629,650, we took in \$502,492, which is \$147,158 also under budget. Our net profit for the year based on cash flow was \$18,543. Next page, details the operating expenses, basically we were under budget in all major categories, we were only over budget in a couple of minor items. We had budgeted for operating expenses \$535,750 and we actually spent \$441,979. Next page is Capital, we had budgeted a total of \$54,000 and we spent \$14,109, basically \$40,000 under budget. Our revenue, we had budgeted \$629,650 on revenue and our actual revenue was \$502,492. Water sales portion of that was \$456,720. Sales and use receivable was \$32,239. Our Residential Security Deposits was \$4,190. Residential Account Establishment fees were \$4380. and the Leak Detection Summary, we were reimbursed by WIFA \$4,963. Anybody got any questions on it?

Mr. Kendrick: Which checking account do we keep our deposits in for our customers?

Mr. Danielson: All those are at the Pima County.

Mr. Kendrick: In the big one, the 88,000 one?

Mr. Danielson: Yes. The \$10,000 in the National Bank of Arizona is strictly to pay our Electronic Fund Transfer Payment System and since not everybody accepts American Express, we've also got Master Card and Visa Cards against that account in case we ever have to buy anything where they won't take American Express.

Mr. Kendrick: Okay.

Ms. Ball-Cummings: Mr. Chairman?
Electronic Fund Transfer at the Bank?

Sig, now that's

Mr. Danielson: Yes, right we have to do that to pay Federal Withholding Taxes, Social Security and Medicaid.

Ms. Ball-Cummings: Okay I was just making sure what Gary said

(inaudible overlapping statements)

Mr. Danielson: We do a wire transfer with a, what's it called, I've drawn a mental blank, you know what it is.

Ms. Ball-Cummings: Defiantly.

Mr. Danielson: for monthly WIFA Payment. We put the money in to a certain account and tell them it's there, then they go get it. But it's through the Treasurers Office.

Mr. Young: I have a question. Do we need that American Express Card? I know in our company, we had American Express and they charge you annually for it and we told them we didn't want it anymore.

Mr. Danielson: We'll take a look at it.

Mr. Young: Cause I know they have an annual fee and we didn't like that.

Mr. Kendrick: Do we ever use it?

Mr. Danielson: All the time, all the time, we're using American Express Card, all the time. What it got to be, Gary, is before we got them back, and we've probably had them for at least 8 years. Prior to that, we couldn't keep enough petty cash to go and buy a toner cartridge, go and buy a whatever, Then after the break-in, and they found out that we lost about 100 checks on our account, that they had stolen about 100 checks, blank checks, nobody would take a check from us, absolutely nobody.

Mr. Young: Well Master Charge does the same service, right?

Mr. Danielson: Yeah.

Ms. Ball-Cummings: Correct.

Mr. Kendrick: Mr. Charmian, I have a question for Sig.

Mr. Sostarich: Shoot.

Mr. Kendrick: Under Capital Needs, MDWID Funded, and Capital Needs, WIFA Funded, I know under the WIFA Funded, we went over \$763. Should we not have taken that from the Leak Detection Study, the \$2800 we budgeted?

Mr. Danielson: We had budgeted for the Leak Detection Study, a total of \$7000, of which our portion was going to be \$2800 and WIFA would reimburse us on \$4200. When we finished Leak Detection Study, and I did the paperwork to get reimbursed by WIFA, I was expecting them to send me \$4200

Mr. Kendrick: Right.

Mr. Danielson: and they sent me a check for \$4963.

Mr. Kendrick: Oh, okay.

Mr. Danielson: So I called Arselus up, and I says what's the deal, here I thought you were only gonna send \$4200? He said well we got a little extra money, we'll pay for the whole thing.

Mr. Kendrick: Cool

Mr. Danielson: I said, okay fine.

Mr. Sostarich: Serendipity.

Ms. Ball-Cummings: Serendipity, what did you say that for, Mr. Chairman?

Mr. Sostarich: Do you know what the word means?

Ms. Ball-Cummings: Yeah, well what was that pertaining to?

Mr. Sostarich: What he just said, he was unexpectedly lucky, or favored or whatever.

Ms. Ball-Cummings: Oh, okay.

Mr. Sostarich: So we're not bleeding a bunch of black ink or red ink, which is it?

Ms. Ball-Cummings: Yes.

Mr. Danielson: We're still in the black, have been for 3 years in a row, right around, well we ran between 30 and \$33,000 for 2 years in a row, this year we ran \$18,000 in the black. But we also purchased a new pick-up truck and we did the 6 year tank inspection.

Mr. Young: And the Engineering.

Mr. Danielson: And the Engineering, so by the time that's all said and done, you're back up to at around \$33,000.

Mr. Sostarich: Well I, go ahead.

Mr. Kendrick: I was just going to say, with that 18,000, we're going to put it back in to our Infrastructure, right, to fix our Infrastructure stuff?

Mr. Danielson: That will be part of it, yes, we'll be, I'll be a little bit more willing to spend a little bit extra money under Infrastructure Repair cost this year than I was after The Capital Expenditures last year. Realize, last year, 7 out of the 12 months, we ran in the red.

Mr. Sostarich: You realize if this was the Federal Government, they would cut your budget for next year, don't you?

Mr. Danielson: Because I ran in the black?

Mr. Sostarich: Because you didn't live up to the proposed budget, therefore you must not need the money, therefore you wouldn't get it.

Mr. Young: Let's say we're doing better than our Government.

Mr. Danielson: I think so

Mr. Sostarich: We have to.

Ms. Ball-Cummings: Mr. Chairman?

Mr. Sostarich: Yes.

Ms. Ball-Cummings: What did Gary just ask Sig, I'm sorry.

Mr. Sostarich: What did Gary just say?

Ms. Ball-Cummings: Yeah, I was writing.

Mr. Sostarich: What did you just say?

Ms. Ball-Cummings: What did you ask him about the Infrastructure?

Mr. Kendrick: I just ask him, the 18,000 that we have, in profit, was that going to go toward infrastructure?

Ms. Ball-Cummings: That's what I thought and he said yes.

Mr. Sostarich: Well we discovered a few meetings ago that any such thing as profit will be absorbed in repairs and other such things, because that's all we have to go by now. Any other questions for Sig?

Mr. Kendrick: Not on this budget, but this years new budget, was that done last meeting, the changes to the new budget? You approved the changes, or we approved the budget last month.

Mr. Danielson: Yes.

Mr. Kendrick: I just, there was some changes made to it, and we did that in last months meeting? I can't remember.

Mr. Danielson: We made, there were some minor changes made to the budget at the June Regular Meeting.

Mr. Kendrick: Uh-huh.

Mr. Danielson: I made those changes in the published version that went to the newspaper to be published.

Mr. Kendrick: Then we approved it?

Mr. Danielson: And then at the June, what is that fourth Monday in June?

Mr. Kendrick: 25th.

Mr. Danielson: The 25th, the budget was approved.

Mr. Kendrick: Okay, that's all I have.

Mr. Danielson: And the Public Hearing was held, there was no public.

Mr. Kendrick: That's all.

7. Discussion and possible Action concerning USDA-RD Grant and Loan Program/Application

Mr. Danielson: Mr. Chairman, Members of the Board of Directors, Member of the General Public, I am totally unprepared to talk about this subject today. I had hoped to have data prepared today, however at 7 o'clock last night, I had a micro burst come through my home which peeled my awning off, busted out windows in my living room, tore awning off my travel trailer. I didn't get to work until after 2 o'clock this afternoon, in order to attend this meeting. I spent the morning trying to at least secure the house well enough for us to live in it, so the prep time that I would have put in on that, didn't happen today.

8. Discussion and Possible Action Concerning Administrative Details

Mr. Sostarich: Anybody got anybody got anything they want to bring up?

Ms. Ball-Cummings: Yes I do Mr. Chairman.

Okay I would like to ask Mr. Danielson if Gary did his test and did he complete,

or any training or anything on that for his grade 2?

Mr. Kendrick: Tony?

Mr. Danielson: Tony?

Ms. Ball-Cummings: Yes

Mr. Danielson: I had Tony scheduled in to a training class toward the, in the middle of June and that particular day we had water bubbling up in the middle of Sandy Street

Ms. Ball-Cummings: Okay.

Mr. Danielson: at 13360 Sandy

Ms. Ball-Cummings: Oh boy.

Mr. Danielson: And therefore he missed that training class and there is really nothing scheduled for August except for one class up in, I think it's in Kingman.

Ms. Ball-Cummings: Now is that something feasible for him?

Mr. Danielson: That particular class is strictly on laboratory analysis procedures and that's not something as a field tech, he would use anyway.

Ms. Ball-Cummings: Okay so

Mr. Danielson: Normally what happens is now that quite a bit of the testing and some of the training is being coordinated by Gateway Community College in Phoenix

Ms. Ball-Cummings: Okay.

Mr. Danielson: They closed down for the summer.

Ms. Ball-Cummings: All right so then in the near future.

Mr. Danielson: In the near future I need to get Tony back in to a math class. He did take a practice exam.

Ms. Ball-Cummings: Okay.

Mr. Danielson: Which he almost passed, and again the problem was with the math. He's

Ms. Ball-Cummings: Not scrubbing good? No, teasing.

Mr. Danielson: Well the thing is, you know, my _____ questions and my public

health questions and that kind of stuff, he has no problem with. It's, okay, you've got a 600,000 gallon tank out here and you're chlorine residual level is .3. You need to pump 10 feet of water in to that 600,000 gallon tank and it gives you the dimensions and you want to end up with a final of a .6 residual of chlorine which is double. So sit down and figure how much chlorine to add to a 12-1/2% solution do you need to add in order to make that happen. He has no real good grasp on how to calculate something like that out.

Ms. Ball-Cummings: Okay, now can he get help on that?

Mr. Danielson: Yes he can.

Ms. Ball-Cummings: Get some help.

Mr. Sostarich: Isn't that kind of help available on-line?

Mr. Danielson: Yeah it is.

Mr. Sostarich: Does he have a computer?

Ms. Ball-Cummings: Does he have access?

Mr. Danielson: Yes.

Mr. Sostarich: Then he has no excuse.

Mr. Danielson: Uh-huh. Another thing that I'm gonna do is, I've got a Distribution System Training Manual that, I think he's got a copy of it, I'm not sure, but I'm just gonna go through and pick out some math related things for him to do.

Ms. Ball-Cummings: Okay.

Mr. Danielson: The problem I've got, and the problem that Tony's got with me, is with my background as being an Engineer, math comes so extremely simple to me that I can't bring it down to the level in order to help him. And I've had this problem with other people in the past.

Ms. Ball-Cummings: Well that's understandable because you have a higher I.Q. and you've been at it for so long.

Mr. Danielson: Uh-huh.

Ms. Ball-Cummings: It comes natural to you so, you know.

Mr. Danielson: Yeah.

Ms. Ball-Cummings: That's to be expected.
Maybe he needs something that he could do, maybe on his lunch time,

maybe a short brief summary of what he can, do that on a daily basis, just so

(inaudible overlapping statements)

Mr. Danielson: Yeah.

Mr. Sostarich: And if that doesn't work,
maybe you should start watching TV shows, like South Park or something.

Ms. Ball-Cummings: South Park.

Mr. Sostarich: To get a good mindset of where these other people are at.
Hey I work in a professional environment and that's what they watch.

Ms. Ball-Cummings: And I have one more question when you get done, Gary.

Mr. Kendrick: Mr. Charmian?

Mr. Sostarich: Yes.

Mr. Kendrick: I had mentioned to you to maybe check in to Pima County,
did you check in to that?

Mr. Danielson: Yeah they're not running any programs until fall.
Other than they have a back flow prevention program
coming up here sometime in the next week or two.

Mr. Kendrick: Would that benefit him?

Mr. Danielson: Not really, we've only got 1,2,3,4,5 back flow prevention devices
in the entire district.

Mr. Kendrick: Just one more thing, I just want to say, Tony is a smart guy.

Mr. Danielson: Oh yeah.

Mr. Kendrick: He's very knowledgeable on a lot of things.
It's been how long since he's been out of school,
so I can understand him needing a math refresher class. I would need one.

Mr. Danielson: Yeah.

Mr. Young: He just needs to be taught, that's all.

Mr. Sostarich: I get the impression that everybody here seems to think
that it's Sig's doing to force this information down Tony's throat.

Ms. Ball-Cummings: Not at all.

Mr. Kendrick: No not force it down, just provide a class for him.

(inaudible overlapping statements)

Mr. Danielson: I did shoot off Fred Ragsdale an Email about a week and a half ago, which he has not responded to, which tells me that Rag's probably taking the summer off too. I've sent Tony to a couple of classes that Fred has taught and Tony really likes him as a teacher and if he's, although Fred has not been doing much training in Arizona. most of it has been in New Mexico lately. But I tell you if there comes a chance to send him to a training class in Lordsburg or Demming for 4 or 5 days, I'm going to send him.

Ms. Ball-Cummings: That would be a good choice.

Mr. Sostarich: Any other questions on Administrative details, anybody want to bring something up?

Ms. Ball-Cummings: One more, Sig did you let Mr. Chairman know that I did turn in the book from Mr. Martinez?

Mr. Danielson: Yes, I did.

Ms. Ball-Cummings: Okay, now does everyone have a copy except for I?

Mr. Danielson: No, I've still got Tony's.

Mr. Sostarich: You're referring to the Engineering Report?

Ms. Ball-Cummings: Yes, I am, sir.
He did have it and he misplaced it and I had brought it to him, so you need to discuss this with your System Manager, what's up?

Mr. Danielson: We discussed it extensively last week.

Ms. Ball-Cummings: Cause I had turned it in to him last month or so prior.?

Mr. Kendrick: I've got a couple of things.
A couple months ago we had a customer come in and complain about his insurance on his house going up because of a fire hydrant that was inactive.

Mr. Danielson: Yes that was one of the,
that was part of the training class that Tony was going to.

Mr. Kendrick: My question is, is that fire hydrant still inactive?

Mr. Danielson: It is still inactive. We can turn it on for the fire department and they can use it. We normally get called when there is a fire.

Mr. Kendrick: What's it going to take to fix it?

Mr. Danielson: Somebody that knows how to fix it and I've had 2 different training sessions set up just on the fire hydrant repair with Metro Water and either they have or we have had to cancel both of them. I'll try to get something scheduled with Chris later on in the month.

Mr. Kendrick: Yeah.

Mr. Young: Well when we talked about it, that was an oddball hydrant.

Mr. Danielson: Yes it is.

Mr. Young: And we talked about just swapping that out and put a Waterous hydrant in so all of our hydrants match.

Mr. Danielson: Yeah that is an oddball. We really don't know what we're getting in to on that but Chris Hill of Metro Water, he can show them what's wrong with it also. I've been trying to talk Chris into sending a guy out here.

Mr. Young: Send a box of doughnuts over there, that will get them out here.

Mr. Kendrick: Do we ever

(inaudible overlapping statements)

Mr. Sostarich: They're not cops, they're firemen.

Mr. Young: Same difference.

Ms. Ball-Cummings: They still like the doughnuts.

Mr. Sostarich: They do?

Mr. Kendrick: Do we have a replacement for it, if it needs to be replaced?

Mr. Danielson: No, we would have to buy one, they're about a thousand bucks.

Mr. Kendrick: And wouldn't the Fire Department incur some of that cost?

Mr. Danielson: No.

Mr. Kendrick: No.

Mr. Danielson: By the time it's all said and done, when we installed the 8

hydrants up here, 2 at the South end and 6 up here, we did those, probably 5 years ago. By the time we got all the permits in place, we got all the parts and pieces, got the contractor to dig them, got Louis up here to tap them and everything like that, I think the final bill was right around 40,000 bucks, for 8 hydrants to be installed, and that was, like I say, about 800 to 1000 per hydrant. They were the Waterous.

Mr. Young: How did we end up with 1 oddball hydrant?

Mr. Danielson: Cause the developer down there put it in and we told him Tucson Water Standards and that particular hydrant is accepted by Tucson Water.

Mr. Young: But as a water district, we didn't have to accept that hydrant.

Mr. Danielson: We didn't have to accept that hydrant.
Probably should not have at the time or told him what to buy.

Ms. Ball-Cummings: Mr. Chairman, I would like to ask Sig something.
You heard anything from the Cooper Brothers?

Mr. Danielson: Talked to them, it's been since the last BOD meeting.

Ms. Ball-Cummings: Anything going on?

Mr. Danielson: They're ready to start, but they've got to see a better looking economic picture than what they're seeing right now.

Ms. Ball-Cummings: So at least they have some

Mr. Danielson: Yes, they, and one of the reasons for the phone call was that they had gotten the final approval of the entire grading plan for the entire plot.

Ms. Ball-Cummings: Good.

Mr. Young: Well I know a lot of people are sitting on their hands until after the election.

Mr. Danielson: Yeah.

Mr. Sostarich: Is this question and answer,
in reference to that development over there on the other side of Derringer?

Mr. Kendrick: No.

Ms. Ball-Cummings: No, down yonder.

(inaudible overlapping statements)

Mr. Danielson: The South half of section 3

Mr. Kendrick: Avra Vista?

Mr. Danielson: 380, yeah.

Ms. Ball-Cummings: Cause that one's still standing.

Mr. Danielson: Phase 2 of Avra Vista which they have renamed Cottonwood Ranch, 384 homes.

Ms. Ball-Cummings: How is this one

Mr. Danielson: This one I got an inquiry about 5,6,7 weeks ago and I had to write a letter to Pima County Zoning, Ms. Marchbanks that yes we did have the ability to supply water to various lots and if those lots were developed, yes we would supply water, so I don't know what's happening and those were out of the, those were 6 lots that were not part of the original scope of Wrens Creek, they weren't owned by the owners of Wrens Creek. Those 6 lots are on the West side of Derringer, just down from your neighbor, Tony, going South. There are 6 lots along there that are not owned by the Wrens Creek Development.

Mr. Kendrick: Mr. Chairman?

Mr. Sostarich: Yes.

Mr. Kendrick: I just have a question for Sig, or a request. Just for next months Board Meeting, or next months packet, I would like the fringe benefits, a breakdown of what is paid each month for each employee, for the fringe benefits. Then, you know, I can never remember what you call it, the itemized breakdown of the monthly thing that has 10 pages or whatever, you know got them taped together. You know what I'm talking about?

Mr. Danielson: Uh-huh, yeah.

Mr. Kendrick: I just want to request to get the last 3 months, May, June and July, just for next Board Meeting.

Mr. Danielson: Okay, I've got May and June sitting on my desk right now.

Mr. Kendrick: Okay.

Mr. Sostarich: What do you propose to do with that, may I inquire?

Mr. Kendrick: Just look at it.

9. Announcement of Next Scheduled Meeting

The next scheduled meeting of the Marana Domestic Water Improvement District Board of Directors shall be on Monday, September 10, 2012 at 4:00 P.M., at The District Office

Mr. Kendrick: I do have a new phone number, I had forgot to give it to you.

10. Adjournment

It was moved by Mr. Peetoom, seconded by Ms. Ball-Cummings, carried that; **This meeting of the Board of Directors of the Water Improvement District shall be adjourned at 4:30**

and unanimously
Marana Domestic

5 Ayes

0 Opposed

Minutes prepared by
L. Katy Walker
Clerk of the Board