

BOARD OF DIRECTORS
PINE/STRAWBERRY WATER IMPROVEMENT DISTRICT
P.O. Box 134 - Pine, Arizona 85544-0134

MINUTES

Regular Board Meeting – April 17, 2008

1) CALL TO ORDER

Pine-Strawberry Water Improvement District meeting was called to order at 7:02 PM by Bill Haney - Chair

2) PLEDGE OF ALLEGIANCE

3) ROLL CALL

Board Members Present:

- | | |
|----------------------------------|-----------------|
| 1. Bill Haney - Chair | 5. Ron Calderon |
| 2. Terry Schleizer – Vice Chair | 6. Don Smith |
| 3. Richard Dickinson - Secretary | 7. Barbara Hall |
| 4. Michael Greer - Treasurer | |

There was a Quorum
Number of public attendees not noted.

4) APPROVAL OF MINUTES

- a. Regular Meeting March 27, 2008
Motion to approve – Barbara Hall, second – Don Smith
Motion carried 7-0
- b. Special Meeting April 3, 2008
Motion to approve – Don Smith, second – Barbara Hall
Motion carried 7-0
- c. Special Meeting April 12, 2008
Terry noted that dollar amount for Water Conservation Project in Budget should be listed as over \$45,000.00.
Motion to approve as edited – Don Smith, second – Terry Schleizer
Motion carried 7-0

5) TREASURERS REPORT

Mike Greer gave Treasurer's Report indicating new format, Quick Books. Books now spot on with Gila County records. Current balance is \$ 114,952.37.

Motion to approve Treasurer's Report – Ron Calderon, second – Don Smith
Motion carried 7-0

Mike explained that \$ 300,000 in escrow funds had been accounted for on books.

File# PSWID-Report – Treasurer – 04172008

6) **DELEGATE REPORT**

Supplemental Water Report - Don Smith. He has organized archives. Distributed his report of hike he took with Harry Jones to Bradshaw tank. Local well owners are positive regarding selling water to district once we are purveyor of water.

File# PSWID – Report – Supplemental Water – 04172008

Election Report - Barbara Hall. Next election in November will cost about \$ 10,000, less that cost of recall election. Dixie Mundy at Gila County Elections to send packet for elections to PSWID Board. Explained next election process.

Motion to approve Delegate Reports – Terry Schleizer, second Richard Dickinson
Motion carried 7-0

7) **OLD BUSINESS**

1. Discuss and take possible action regarding 2008/2009 Budget.

Mike Greer discussed items included for Budget, looks like same tax rate as last year. Additional items include second stage study by Zonge - \$ 20,000. Elections and Water Conservation program have been submitted. Don Smith requested \$ 1,200,000 for directional bore reserved for 2009 / 2010 Budget. Add \$ 500 – Secretary needs, \$ 1,000 for Travel, General Manager \$ 32,000, Legal - \$ 12,000.

2. Discuss and take possible action regarding the formation of committees to assist Board officers/delegates in the performance of their duties by adding public volunteers expressing interest at last special meeting.

Richard Dickinson read list of volunteers for various committees. (Noted in previous minutes). Volunteers added Mark Fumusa – Supplemental Water, Tamara Morken – Conservation, Mike Greer, Paul Paul – Water Development (Bore Hole), Fred Krafczyk, Steve Morken – Loan and Grants (Finance).

Motion to accept committees as noted – Terry Schleizer, second – Barbara Hall
Motion carried 7-0

8) **NEW BUSINESS**

- a. Discuss and take possible action regarding request for assistance by Curtis Chaney to provide him assistance in submitting a petition to the PSWID Board requesting one of his parcels 301-22-001D be transferred to Pine Water Association Domestic Water Improvement District.

Discussion of issue by Bill Haney. Mr. Chaney explained situation and desire to remove one of his parcels from PSWID. He desires to join two parcels, and must have both in same water district to accomplish as per county information from Dixie Mundy. Mr. Chaney provided information from Gila County to PSWID Board for review. Richard Dickinson to review and contact Mr. Chaney. No other action taken at this meeting.

- b. Discuss and take possible action regarding application for USDA Rural Development loans and grants program.

Ron Calderon reported on meeting attended by Richard Dickinson and himself. Federal dollars available to qualifying rural communities for grants and loans that could be used for purchase of water company and / or development of infrastructure. \$ 100,000,000 available for Arizona. Board to review for later meeting.

Motion to table discussion until later meeting – Terry Schleizer, second Mike Greer.
Motion carried 7-0.

- c. Discuss and take possible action regarding involvement in the Blue Ridge Water Development Program.

Richard Dickinson opened discussion. Don Smith and Barbara Hall reported on past PSWID Board research and conclusions. Project was considered very complex and expensive. Seventeen million dollars suggested as cost for involvement. Bill Haney added his understanding of how shares would be divided by participants with SRP. Bill Haney encouraged participation. Issue in Verde Valley discussed. Possible litigation between SRP and shallow well owners in Verde Valley. Bill Haney to discuss with administrators of SRP, and others and report back to PSWID Board at future meeting.

- d. Discuss and take possible action regarding the hiring of an administrative assistant.

Bill Haney led discussion and reported on value of previous administrative assistant to the board. Discussion of job description and salary (\$ 12 / hr.).

Motion to advertise in paper for an administrative assistant – Don Smith, second Ron Calderon. Motion carried 7-0.

9) SCHEDULE NEXT SPECIAL MEETING DATES

Next regular meeting scheduled for May 15th. Bill Haney and Don Smith not able to attend. Next special meeting scheduled for Thursday, May 1, 2008 to discuss 2008/2009 Proposed Budget.

10) CALL TO PUBLIC FOR NON-AGENDA ITEMS (3 minutes per speaker)

Sam Schwalm – Questions for PSWID Board. Does Board plan to evaluate feasibility of Milk Ranch and Strawberry Hollow wells before killing K2 Well? Is Board sure that it is a Domestic Water Improvement District – should justify. Question regarding letter of intent from current well owners to provide access to their well water.

Bruce Brammer – Questioned timing of water availability from K2 Well. Current status of K2 Well site.

Ellen Greer – Support of Blue Ridge Water Project

John Breninger – Asked adjustment to minutes regarding JWDA Special Report from Mike Greer. Discussion ensued. Minutes to stand as approved.

Motion to move to Executive Session – Don Smith, second – Terry Schleizer.
Motion carried 7-0.

11) EXECUTIVE SESSION

Motion to open Executive Session – Terry Schleizer, second – Don Smith
Motion carried 7-0.

- a. Discuss and take possible action concerning the acquisition of the Pine/Strawberry water systems.

Motion to end Executive Session – Don Smith, second – Ron Calderon
Motion carried 7-0.

12) NEW BUSINESS FOLLOWING EXECUTIVE SESSION

Motion to return to Open Session – Barbara Hall, second – Ron Calderon
Motion carried 7-0.

- a. Discuss and take possible action concerning the acquisition of the Pine/Strawberry water systems.
Delegates for negotiations with Pine and Strawberry Water Companies – Bill Haney, Terry Schleizer

Motion to enter into negotiations with Pine Water Co. and Strawberry Water Co. to purchase the water companies- Don Smith, second – Mike Greer.
Motion carried 7 – 0.

13) CALL TO ADJOURN

Motion to adjourn – Don Smith, second – Barbara Hall
Motion carried 7-0.

Reports Available directly from PSWID by request for April 17, 2008

1. *File # PSWID – Report – Treasurer – 04172008*
2. *File # PSWID – Report – Supplemental Water - 04172008*