

NO
COMMENTS
PASSED

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

MINUTES
Regular Board Meeting – July 16, 2009

1) CALL TO ORDER

Pine-Strawberry Water Improvement District meeting was called to order at 7:00 PM by
Bill Haney - Chair

2) PLEDGE OF ALLEGIANCE

3) ROLL CALL

Board Members Present:

- | | |
|---------------------------|----------------------|
| 1. Bill Haney - Chair | 5. Don Smith |
| 2. Terry Schleizer-absent | 6. Tom Weeks |
| 3. Mike Greer | 7. Richard Dickinson |
| 4. Ron Calderon | |

There was a Quorum – 6 Board Members present.

Also Present:

Harry Jones – Interim District Manager

Number of public attendees not noted.

4) APPROVAL OF MINUTES

- a. Regular Meeting June 20, 2009

Motion to approve minutes – Ron

Second – Don

Vote 6 -0 approved

- b. Special Meeting July 7, 2009

Motion to approve minutes – Don

Second – Ron

Vote 6 – 0 approved.

5) TREASURERS REPORT

Mike Greer gave Treasurer's report for period ending June 30, 2009. Beginning balance for June was \$110,738.81. Deposits totaled \$1,187.41. Warrants redeemed totaled \$37,344.79 leaving an ending balance of \$74,581.43. The Reserve account had a beginning balance is \$3,450.45 with deposits of \$3.43 leaving an ending balance of \$3,453.88.

Motion to approve Treasurer's Report – Don

Second – Tom

Vote 6 – 0 approved.

6) DELEGATE REPORTS

No Delegate Reports.

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

Sherri Earp, Pine resident, expressed her frustration for water shortage, and due to Stage 3 restrictions, she is not able to water her garden. She reminded members of the board that during the recall election their slogan was "we have water now."

8) PUBLIC HEARING ON PROPOSED FY '09 – '10 BUDGET

Forrest McCoy, Pine resident, questioned if Milk Ranch well was included in the budget. Answer: Yes. He commented that there should be more specific line item figures for such a large budget.

Sam Schwalm, Pine resident, asked question related to the \$100,000 carry over. He indicated that the carry over appeared to be less than \$100,000, and wanted to know if the PSWID Board had plans to raise property taxes higher to adjust for discrepancy. Mike Greer, Treasurer, explained the difficulty in calculating the amount of carry- over from original documents received, and that the budget was an estimate. Bill Haney explained that the budget was an estimate, and could not go higher than the proposed budget. Sam also asked how the Board arrived at \$300,000 tax levy to cover potential legal expenses. Bill Haney explained the figure was based on advice from PSWID Board's legal counsel.

Bruce Bremer, Strawberry resident, offered comments in support of the proposed budget. He compared previous budgets developed by previous PSWID Board members to the current proposed budget, and indicated he understood that this budget was designed to run a business should the water companies be acquired.

Fred Krafczyk, Strawberry resident, offered comments in support of current PSWID Board. He indicated that he felt the majority of the residents of Pine and Strawberry were pleased with the "way things were going" and he thanked the Board for its efforts.

Pam Mason, Pine resident, indicated that the largest property tax levy in the past was \$231,000, and that tax levy was imposed by Harry Jones when Gila County was running the District, and that budget was not voted on by elected Board members.

Gary Sherlock, Pine resident, commented that this proposed budget should have more specific line item data and that this proposed budget is not a good way to present a budget.

Paul Paul, Strawberry resident, commented on PSWID Board's efforts to acquire the water companies.

9) OLD BUSINESS

- a. Discuss and take action on the proposed FY '09 – '10 Budget.

Harry Jones reviewed the '09 – '10 FY budget.

Motion to approve the \$9,401,000 '09 – '10 FY Budget – Don
Second – Ron

Discussion by the Board members followed. Bill Haney explained the possibility that if an agreement on acquisition could be obtained before the Gila County submission of budget deadline, he would call a special meeting to address the property tax levy, and reduce it.

Vote on motion 6 – 0 FY '09 – '10 Final Budget approved.

- b. Discuss and take possible action regarding the agreement between the District and Compass Bank for funding the acquisition of the assets of the Pine and Strawberry water systems and related improvements to the systems.

Bill Haney explained that the loan commitment obtained from Compass Bank will expire on July 31, 2009. He indicated that the cost of continuing the commitment would be approximately \$5,000 per month, and that an extension of 2 months should be sufficient to meet the Board's needs.

Sam Schwalm had questions regarding purchase of Milk Ranch Well. Will there be an appraisal before purchase if purchase is required. The Board will evaluate the Milk Ranch Well's condition and it will be appraised. Sam asked additional questions related to the closing conditions of the loan commitment from Compass Bank. Mr. Haney responded and explained closing conditions and procedure to evaluate the Milk Ranch Well.

Motion to authorize District Manager to negotiate a 2 month extension of the loan commitment from Compass Bank to extend it to September 30, 2009 – Don

Second – Tom

Discussion on the motion indicated no finite dollar amount at this time.

Vote 6 – 0 motion approved.

Motion to move to Executive Session – Richard

Second – Mike

Vote – 6-0

Move to Executive Session approved.

10) EXECUTIVE SESSION

Motion to open Executive Session – Richard

Second – Tom

Vote – 6-0 approved.

- a. Discuss the acquisition of the Pine and Strawberry water systems by the Pine-Strawberry Water Improvement District.

Motion to end Executive Session – Don

Second – Tom

Vote – 6-0 Executive Session ended.

Motion to re-open public session – Richard

Second – Tom

Vote 6-0 public session re-opened.

11) OLD BUSINESS FOLLOWING EXECUTIVE SESSION

- a. Discuss and take possible action concerning the acquisition of the Pine and Strawberry water systems by the Pine-Strawberry Water Improvement District.

Question was asked by Sam Schwalm regarding the status of finding an operations company. Harry Jones responded and indicated that there are currently two companies available, and a contract is ready to be signed when appropriate.

Bill Haney reported on meeting with BUI Board Members on July 7, 2009, and indicated another meeting was held today (July 16, 2009). He indicated the attendees have agreed to report only that they are continuing to talk, and the meetings have been productive.

12) CALL TO ADJOURN

Motion to adjourn – Don

Second – Tom

Vote 6 – 0 Meeting adjourned.

Reports Available directly from PSWID by request for April 16, 2009

1. *File # PSWID – Treasurers Report Ending June 30, 2009- Mike Greer– 07162009*
2. *File # PSWID – FY '09 – '10 Approved Budget - 07162009*