

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

MINUTES
Regular Board Meeting – September 18, 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. Tom Weeks | 6. Don Smith |
| 3. Richard Dickinson - Secretary | 7. Terry Schleizer (by telephone) |
| 4. Michael Greer - Treasurer | |

There was a Quorum – 7 Board Members present.
Number of public attendees not noted.

4) APPROVAL OF MINUTES

- a. Regular Meeting August 21, 2008.
Motion to approve minutes – Ron Calderon
Second – Tom Weeks
Vote 7 – 0 Motion passed unanimously.
- b. Special Meeting August 30, 2008
Motion to approve minutes – Don Smith
Second – Ron Calderon
Vote 6 – 0 Motion passed. (Terry Schleizer – abstention)

5) TREASURER'S REPORT

Mike Greer read Treasurer's Report. Receipts totaled \$242.52, Warrants totaled \$ 21,199.10 leaving current balance in checking account of \$ 16,819.73 (not including Reserve Account). Reserve account \$ 46,597.91 less Warrant to Coe and Van Loo.

Motion to approve Treasurer's Report – Ron Calderon
Second – Tom Weeks
Vote – 7 to 0 motion passed.

6) OFFICER AND DELEGATE REPORTS

Supplemental Water Committee – Don Smith reported Supplemental Water will meet September 30, 2008 at Bishop Realty office.

Richard Dickinson reported on Pine and Strawberry Water Co. site visit by Victor Khoury, consultant engineer from CVL. The representatives from the water companies provided little assistance or cooperation related to helping Victor Khoury locate sites that were difficult to find. The water company representatives advised us that the CVL consultant could not take pictures, ask questions, or take field measurements. They did

cooperate by opening pump houses when asked to do so at facilities we were able to find. Many of the facilities especially in Pine were in disrepair, needing paint, fences, gates, locks, and new doors.

Bill Haney reported on a meeting at Stone and Youngberg in Phoenix. Purpose of the meeting was to inform Stone and Youngberg Investment Banking consultants of current situation regarding acquisition of water companies. Several scenarios related to financing the acquisition were discussed. Attendees included Mr. Gliege, Bill Haney, Richard Dickinson, and consultants from CVL and Stone & Youngberg.

7) OLD BUSINESS

- a. Discuss and take possible action regarding the hiring of a part-time interim general manager.

Job description for general manager was introduced by Mike Greer. Discussed the need and utility provided by a general manager, especially those duties a manager could perform instead of counsel. This would save money since a general manager would be paid less than legal counsel. It was pointed out that the PSWID Board needs an experienced water utility manager to perform day to day operations on a more regular basis.

Motion to advertise for a general manager to be contracted with the PSWID Board – Richard Dickinson

Second – Don Smith

Vote 7- 0 motion passed unanimously.

- b. Discuss and take possible action regarding quarterly newsletter to public from PSWID Board.

Richard Dickinson as chair of the Public Information Committee will take responsibility for meeting with committee to develop newsletter. Raylene Krafczyk, and Terry Schleizer have volunteered to participate on the committee as well. Methods of distribution including mail out, electronic mail, printed copies available for pickup were all discussed. Ray Pugel offered to donate the paper and printing.

8) NEW BUSINESS

- a. Discuss and take possible action regarding solidifying commitment from owners of new water resources by Supplemental Water Committee.

Pam Mason commented on violations of ADEQ guidelines by several small water districts.

Don Smith, chair of Supplemental Water Committee reported that he has identified 5 potential additional water sources that he will be contacting to confirm water availability. The purpose of this issue is not to contract (at this time) with well owners, but to confirm cooperation or obtain commitments.

- b. Discuss and take possible action regarding scheduling Special PSWID Board Meeting to obtain public input regarding acquisition of Pine and Strawberry water systems.

Sam Schwalm suggested citizens groups should all be given 20 minutes after the PSWID Board presents its progress report to public.

Richard and Terry plus Public Information Committee to work on scheduling and format of proposed meeting.

Bill Wise suggested more water storage capacity.

Ray Pugel suggested this meeting should not be a debate. It should be a factual update from the PSWID Board with an opportunity to ask questions.

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

Forrest McCoy discussed letter from MLCC that was addressed to Bill Haney. There was discrepancy as to how Mr. McCoy obtained letter addressed to Mr. Haney from MLCC.

Bernice Winandy questioned water rates. She wants equitable rates for all customers.

Fred Krafczyk thanked Board for their hard work. Announced ACC Hearing and RCW Meeting.

Bob Cassaro readdressed financial data discussed at the August 21st meeting, and presented it to Mr. Schwalm.

Tamara Morken addressed water rates.

10) CALL TO ADJOURN

Motion to adjourn – Don Smith

Second – Mike Greer

Vote 7 – 0 Meeting adjourned.