

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

MINUTES

Special Board Meeting – April 3, 2008

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. 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

No action taken.

5) CALL TO THE PUBLIC FOR ITEMS ON CURRENT AGENDA

1. Mike Blaes regarding agenda item 6a. Requested public support by forming committees or working groups to keep momentum going.....
2. Ray Pugel regarding agenda item 6a. Provided clarification of his intention to remain in PSWID provided district was in control of water supply.....support of Mr. Gliege
3. Walt Smith regarding agenda item 6a. Spoke in favor of Mr. Gliege as counsel.
4. James Hill regarding agenda item 6a. Offered to supply water to district.....spoke in favor of Mr. Gliege as counsel.
5. Pam Mason regarding agenda item 6a. Asked board to reconsider decision to hire Mr. Gliege.

6) OLD BUSINESS-DISCUSSION/ACTION

Motion by Terry to move item 6a. of Old Business ahead of Executive Session. Seconded by Don.
Motion carried 6 – 0.

- a. Approval of an agreement for legal services between the PSWID and Gliege Law Offices, PLLC.

Discussion:

Barbara Hall questioned Mr. Gleige regarding charge for time at meetings.

Terry questioned Mr. Gleige regarding retainer carry over and discounted rate.

Motion by Terry to approve agreement for legal services between the PSWID and Gliege Law Offices, PLLC. Seconded by Don Smith. Motion carried 5 – 1. Barbara Hall voting no.

Motion by Terry to move to Executive Session. Seconded by Richard. Motion carried 6 – 0. Board Members exited room and moved to Executive Session.

EXECUTIVE SESSION

- a. Discussion of the Joint Well Development Agreement between Pine Water Company and the Pine-Strawberry Water Improvement District as amended and the associated Escrow Instructions.
- b. Discussion of the acquisition of area private water companies owned by Brooke Utilities, Inc.
- c. Discussion of standardized water augmentation agreements.

Board returned to public meeting room for Open Session.

Motion to move back to Open Session by Terry. Seconded by Ron. Motion carried 6 – 0.

(6) OLD BUSINESS

- b. Review and take possible action concerning the March Treasurer's Report.

Michael Greer updated Board members on his review and understanding of the March Treasurer's Report. Barbara moved to accept March Treasurer's Report. Seconded by Terry. Motion approved 6 – 0.

7) NEW BUSINESS

Motion by Terry to move up New Business item 7a. Discuss and take possible action concerning the indefinite waving of a strict interpretation of Roberts Rules of Order for conducting PSWID Board meetings. Second by Richard. Motion carried 6 – 0.

Motion by Terry to approve indefinite waving of a strict interpretation of Roberts Rules of Order for conducting PSWID Board meetings. Second by Don. Terry gave explanation of reasoning to approve. Motion carried 6 – 0.

(6) OLD BUSINESS cont.

- c. Discuss and take possible action concerning the Joint Well Development Agreement between Pine Water Company and the Pine-Strawberry Water Improvement District as amended and the Associated Escrow Instructions pursuant to Executive Session.

Chairman Bill Haney discussed options including continuance as amended or termination of the Agreement. Motion to table discussion by Barbara. Seconded by Don. Motion carried 7 – 0. Discussion tabled.

- d. Discuss and take possible action to appoint Designated Representatives of the District for the Joint Well Development Agreement between Pine Water Company and the Pine-Strawberry Water Improvement District as amended and the associated Escrow Instructions.

Bill Haney discussed Jim Richey's role in contacting HSI (drilling consultant) resulting in putting the project on hold and the need for immediate action on the agreement and escrow.

Chairman Haney appointed Richard Dickinson and Michael Greer as assigned representatives of the District for the Joint Well Development Agreement, and Ron Calderon and Don Smith as assigned representatives of the District for associated Escrow instructions.

(7) NEW BUSINESS cont.

- b. Discuss and take possible action concerning the acquisition of area private water companies owned by Brooke Utilities, Inc. pursuant to Executive Session.

Bill Haney led discussion on possibilities for K2 and area wells, and questioned what approach the Board should take with Brooke Utilities, Inc. Any action should involve the entire Board. Terry moved to draft a letter to Brooke Utilities, Inc. to explore the acquisition of the water systems. Mike second the motion. Motion approved by vote 7 – 0 to draft a letter to Brooke Utilities to explore opportunities to purchase the water systems.

- c. Discuss and take possible action for the development of a standardized water augmentation agreement to be used by PSWID pursuant to Executive Session.

Bill Haney led discussion on standardized water sharing agreements including the value of consistency across all customers, potential to eliminate conflict of interest, and reduction of attorney's fees. Don Smith moved to take action to develop standardized water augmentation agreements. Second by Terry. Motion approved by vote 7 – 0.

- d. Discuss and establish short term and long term goals for the current PSWID Board of Directors.

Board members offered their goals.

Don – Pine Creek supplemental water program

Terry – Water conservation program to encourage wise water use

Mike – discovery on infrastructure

Ron – possible Federal or State grants to install fire hydrants

Barbara – equitable pricing and bringing water to system

Richard – facilitate the utilization of currently available water from existing wells

Bill – long term, capital investment program to address infrastructure

- e. Discuss possible change of day for Regular Board meetings to Saturday to facilitate travel for out of town members and public.

Discussion involved scheduling difficulties. It was decided to leave Regular Board meeting scheduled for 3rd Thursday of every month. There will be many special meetings scheduled for the short term.

- f. Respond to concerns voiced during Call to the Public from the meeting on March 27, 2008.

Terry addressed concerns from Ms. Pam Mason and Mr. Sam Schwalm.

- g. Discuss and take possible action concerning the appointment of Board members to various committees/delegate positions.

Bill Haney led discussion and made appointments.

Richard – Press Relations

Don – Supplemental Water

Mike – Water Development Committee and Budget Committee

Barbara – Election Delegate (to select a committee)

Ron – Audit

Terry – Water Conservation

8) SET NEXT MEETING DATE

The next meeting date will be Saturday, April 12th at 2:00 pm.

9) CALL TO THE PUBLIC

There were four requests from the public to address the Board.

Tamara Logsdon – Requested that meetings involving Executive Session be timed to minimize public need to wait for Board to reconvene.

Fred Krafczyk – Suggested Board develop plan to track down and identify system leaks.

Mitze Paul – Thanked Board for selecting Mr. Gliege as legal counsel.

Raylene Krafczyk – Thanked Board for “open process” of meetings.

Barbara Hall turned in keys given to her by Forrest McCoy to Bill Haney.

10) ADJOURNMENT

Motion to adjourn by Don. Seconded by Terry. Motion approved 7 – 0. Meeting adjourned.

Reports Available directly from PSWID by request for April 3, 2008

1. File# PSWID – Report - Treasurer – 042008