

Board of Directors of the Trujillo Trail DWID, SCC Arizona
Meeting Minutes May 26, 2022, 5:30 P.M. MTS Time via Zoom



1. **Call to Order and Roll Call:** Meeting convened at 5:46 p.m. MST via Zoom
Roll Call: Present were J. Combo, J. Jenkins, D. Luckadoo. Also in attendance were F. Cassidy, E. Stubbs and M. Flanders, P. Fitzsimmons, D. Sweetnam, C. Martin and M. Utecht.
2. **Approval of Agenda:** Motion to approve by J. Combo, seconded and unanimously approved.
3. **Summary of Current Events:** Need to respond with regard to elections by June 13, John will notify Ms. Schulz; Jackson followed up with WIFA appointed design firm and Eric came down to check on the scope of the project and committed to have a draft of the scope of the project by the end of the week; Ed reported that we are tracking well on the budget.
4. **System Operator Report:** Trujillo Trail yard volume is below acceptable levels; Echo Canyon is almost full, so may be producing more and/or consumption is down.
5. **Approval of the Minutes** of the May 18 Meeting. J. Combo moved to approve, the motion was seconded and unanimously approved.
6. **WIFA Loan Resolution** consideration. We may not get anything further from WIFA until after their next meeting which will probably be in June. WIFA had indicated that we were preapproved for \$700,000. We have the information we need to establish a budget using the \$700,000 with a \$500,000 forgivable and work from those figures since we won't have actual figures. We knew for the \$265K loan what the forgivable principal was because we would only have owed \$45K, but we don't know it for the larger amount. Further discussion tabled until we get more clarity from WIFA.
7. **Discussion and Possible Action** regarding a Reserve Fund plan. We need to open discussion about what level of reserve we need for unexpected capital projects. Our reserve fund now is \$8,000 which would be adequate for possible catastrophic issues with our current plan. WIFA may have requirements which we will investigate. Typically, reserve funds are based on four months of obligations plus 10% of installed costs.
8. **Discussion and Possible Action** with regard to budget, rates and fees. We need to have a tentative budget adopted by third Monday in July, July 18th. Then there will be a public hearing on the budget. Discussion of rates and fees would be at the same time. Time frame for assessments is different, the Monday before the third Tuesday in August. The county needs the assessment information in hand prior to that. If we have any assessment information, it needs to be to the County by the end of July. We will have a tentative Budget by June 10th and we will not be having any assessment or ad valorem tax this year. There may be some changes to the rates and fees with the increased loan amount. In preparing the budget, Ed will use the figure of \$700,000 as the loan amount and estimate a principal forgiveness of \$500,000 and go from there.
9. **Discussion and Possible Action** to hire a project manager. We need to draft a scope of what we are looking for. The loan criteria from WIFA dictates that we need someone who is familiar with the WIFA guidelines. We need to make sure that the hiring of a project manager adds value to the project.
10. **Discussion and Possible Action** regarding explanatory note to members. We don't presently have enough information, however, we do need to convey the seriousness of our water issues and that we

are working on ways to make our water system work. A draft will be drawn up and sent to the Board for edits.

11. **Discussion and Possible Action** on how to deal with high water users. Echo Canyon is producing well and Trujillo Trail is up and down from 25%. We will continue to monitor the high water users.
12. **Discussion and Possible Action** to find a new District Clerk. Any input would be helpful.
13. **Discussion and Possible Action** to approve the Call of Election. The deadline is 106 days prior to the elections which would be July 25th. The election can be cancelled on the 26th by the County. A call for elections must be published 2 consecutive weeks in Nogales International or mail the call for elections to all members in the district. If we can get people to confirm receipt via email it isn't necessary to use snail mail. The call needs to go out by June 11th. There is prescribed information stating that there will be an election for a board member for TTDWID on November 8th, last date and place for filing nominating petitions, the last date to register to vote. Time frame for submitting nominating petitions is between June 11th and July 11th. Any nominee must get 5 signatures (.5% of members in the district) on the petition. If someone wants to run and misses the deadline to file petitions, they can be write-in candidate and must also get 5 signatures. If there is only one candidate, the election can be cancelled. Qualified electors are those people who live in the District and are qualified to vote and run for election. We will probably want to have a mail-in ballot. We can coordinate with the County to get the ballots to the members that are registered to vote in Arizona but do not live in Santa Cruz County. The county has created an election quadrant for our District. There will be a cost from the County to prepare the ballot. Every term is a four-year term, and they are staggered. Frank will prepare the wording for the call for elections to send out to the members.
14. **Public Official Overview.** Not discussed
15. **Call to the Public.** C. Martin said we seem to be on the right track as we need the water and appreciates all the hard work.
16. **Announcements**
 - 16.1 **Future Meeting:** No date set at this time
 - 16.2 **Future Agenda Items:** Discussion and possible action of the following items: Approve Resolution to increase of loan amount; reserve fund, explanatory note to members; obtaining a new district clerk; hiring of Project Manager; rates and fees and budget; elections; discussion regarding how to deal with high water users, changing status of Well Site 42
17. **No Executive Session**
18. **Motion to Adjourn** made by J. Combo, seconded and unanimously approved. Meeting Adjourned at 6:46 p.m. MST