

Board of Directors of the Trujillo Trail DWID, SCC Arizona
Meeting Minutes, January 14, 2024 at 9:00 A.M. MTS Time via Zoom



1. **Call to Order & Roll Call:** Meeting called to order at 9:00 a.m. MST. J. Combo, D. Luckadoo, and J. Jenkins were present. Also present were E. Stubbs, K. Stubbs and M. Flanders and many members of the District.

2. **Approval of Agenda:** Agenda was unanimously approved.

3. **Approval of Minutes of November 16, 2023 Meeting and January 6, 2024 Meeting:** J. Combo moved to approve the minutes. J. Jenkins indicated that he had made some additions to the November 16, 2023 minutes were not in what was shown. M. Flanders indicated that the changes had been made, but the updated minutes not uploaded. Based upon the correction of the November 16, 2023 minutes, the motion was Seconded and unanimously approved.

4. **Call to the Public: Comments made during presentation.**

5. **State of Trujillo Trail domestic Water Improvement District** to include financial status, why we are here and where we are going, update on pipeline project. J. Combo told the meeting that the Trujillo Trail Domestic Water Improvement District (TTDWID) was formed on June 15, 2021. We are a public body, appointed by the County and subject to open meeting laws under the Arizona Revised Statutes. We are not a corporation, but a public body. We formed the District in order to get a better water supply to our community. As a public body we are able to apply for low interest rate loans with forgivable principal through the Water Infrastructure Financing Authority (WIFA). WIFA has State and Federal monies that they can loan. They also have regulations such as Davis Bacon, and various other requirements to be followed when they loan to an entity. One must be a qualified elector and a resident of the District in order to be on the board. A map was presented showing the boundaries of the District, which showed to areas beyond the Aliso Springs section. One is the parcel where the new well is located at 42 Aliso Springs Road and the other is a contiguous parcel that was able to join the District. A map was also provided showing where our water system presently is located within Aliso Springs, showing where pipe and valves are located. The next map generally showed where the water pipeline would run from the well yard at 42 Aliso Springs to the Trujillo Trail well yard. A question was asked whether the additional property outside of Aliso Springs have to contribute as the Aliso Springs members do. The answer is yes. They pay a monthly fee like other members. This does not pertain to the 42 well yard.

When we first were considering the loan with WIFA it was thought that we could possibly complete the pipeline project for \$250,000 to \$265,000. A loan was approved by WIFA of \$265,000 and \$220,000 was forgivable and we would have been repaying \$45,000 over 20 years. The engineers indicated that the project would cost much more than that. By going through WIFA we were able to get up to \$50,000 to get the engineering for the project done. We went back to WIFA and were told we could be approved for \$700,000 of which, \$370,000 was forgivable, so the loan would be for \$330,000 at 2.464%. \$2130 per month for the first 6 or 7 years of the 20 year term. After that it drops to around \$1700. WIFA allows us to use other governmental organizations, like Southeast Arizona Governmental Organization (SEAGO) to assist us with preparing the bid documents and make sure everything is being done properly. There were 8 or 9 contractors

to look at the site, however only 1 contractor submitted a bid. There were others who didn't have time to prepare the bid. The sole bidder came in at 1.7 million.

The balance sheet and financials were presented. In this P&L the board budgeted 10 payments to WIFA, however none have been made so far because the project has not started. We do pay \$196 per month that goes to a reserve fund that has been going on for over a year. The current infrastructure fee of \$64 is going to go up in July to service the debt. We are in a good cash position. The profit and loss and balance sheet are right where they should be, however, we only budgeted for 10 payments and there will be 12. The question was asked if we could reopen the bidding. We have gone back to WIFA to see if we could increase the loan amount and we have also reduced the scope of the project to get the costs down. We will go out to bid again with extended time so that bidders have the time to prepare the bid. A question was asked about any restrictions on the location of the possible bidder to extend our bidder base. The bidding is open to any contractor. The bid will be put out on many sites, so we are hoping for a larger bidder pool. Will go out to bid on January 19th and will open bids on the 20th of February.

Our number one priority is to get the pipeline in. Our next project will be to replace the water meters. The new meters have a guaranteed 20-year life span. At some point the information will be able to be picked up wirelessly. We are working with WIFA to get a grant rather than a loan. There is a lot of information available with the new meters, so that leaks can be identified and other items and assist in water conservation. WIFA may have grants available, or if a loan the principal forgiveness could be quite substantial. The water meters we are looking at are being used by water companies all over Arizona. In changing the water meters, we will be able to isolate the meters and install check valves to prevent backflow. WIFA is very interested in helping us to do what we can to conserve water.

There is a pipeline and electric and phone line up the hill from near Gary Brasher's to Guadalupe. There was a big storm a few years ago and the lines were exposed. If the utility company trenches along Guadalupe Lane down toward Combo's and Martin's to make the lines deeper, we could put our water line in there as well. UES told us back when this happened that a new trench would run \$17 per foot for about 1300'. This is a wild card, but something to keep in mind.

We continue to encourage the members of the District to be good conservation stewards of our water use. Please do your part to regularly look for leaks on your respective properties, such as irrigation systems, toilets, etc. It doesn't take much of a leak to drain our small system and having to haul water is very expensive. We thank the members of the District for assisting us with our water conservation efforts. When the system does not have enough water, we are forced to haul water, which is expensive. Your commitment to conservation is key.

There are requirements for wages and materials that the bidders have to comply with for the WIFA loan

The system began around 1975 and 2 of the wells are about 1000 feet deep. The 42 well is about 260 feet, Rock Canyon is about 350 feet deep. As new homes are built it puts more strain on the system. Having the pipeline in will mean we don't have to haul water.

7. Announcements:

10.A Next Meeting Date: February 20, 2024 for the bid openings

10.B Future Agenda Items: Discussion and Possible action of Bid openings. Bid openings; Discussion of new WIFA loan; Discussion and Possible Action to find new Clerk/Secretary, New meters and possible SEAGO grant.

8. **Executive Session:** None Required.

9. **Adjournment:** J. Combo told members that the Board Meeting would be recessed for the ASPOA Annual meeting started and would automatically adjourn at the end of the ASPOA Annual Meeting at 10:24.