

Board of Directors of the Trujillo Trail DWID, SCC Arizona
Meeting Minutes, April 27, 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, F. Cassidy, E. Bender and M. Flanders.
2. **Approval of Agenda.** J. Combo made a motion to approve the agenda. The motion was seconded and unanimously approved.
3. **Approval of Minutes of April 13, 2024 Meeting.** The correct spelling for Bobby DeAngelo, is DeAngelo. J. Combo made a motion to approve the Minutes of the April 13, 2024 Meeting be approved as amended. The motion was seconded and unanimously approved.
4. **Chair, Board Member and/or Treasurer and Clerk Report.** J. Combo reached out to Mike Luebke to see if he still had the tools to update the spreadsheet for the present water system to meet ADEQ requirements for mapping our water system. Mike is checking.
5. **System Operator Report.** Tabled due to technical issues.

D. Luckadoo attended the Kickoff meeting with KE&G. Due to some long lead items which are valves, the start date is delayed. They have six months to complete, KE&G will not start until they have a firm date on the valves. They will start based on valve delivery so they can work right through. It is a manufacturing issue because of Davis Bacon requirements.

6. **Call to the Public.** None

7. **Discussion and possible action** regarding refunding paid hookup fees when property is combined into a parcel that is already hooked up to, and consuming water from TTDWID. Property which E. Bender just purchased is paid up to \$5,500. She has now combined it with her present property. There is a precedent for the reimbursement of such Capital Improvement funds. There are other properties that have a possible ability to be joined with other properties which are already served by the TTDWID. Murphy's and Munger's are possibilities. Any future issue could be handled administratively. There is a meter box at the Munger property. E. Stubbs encouraged the Board to approve the refund. There are other parcels which will be hooking up in the near future as well. E. Stubbs said that the District is in a good cash position except for the possibility of starting our work on the 42 ASR yard, which will be in the nature of \$35,000 to \$40,000. E. Bender stated that they are not in a rush and want to do what is best for the DWID. J. Jenkins made a motion to refund the prepaid capital improvement fee of \$5,500 as soon as the next hookup fees are received. The motion was seconded and unanimously approved.

8. **Discussion and possible action** to order long lead items from 42 ASR yard that would be a part of the hookup of the pipeline to equipment in that yard. J. Jenkins asked what our long lead items would be and what are the costs. VFD to run the pump. David sourced one at \$1,200 and an enclosure for another \$1,600. It would not be a long lead time. The next thing would be the actual motor and pump and we still have some

research to do. We want to buy a 30 gallon per minute, 165 psi head system that matches the motors we have. That will be about another \$5,000. There is another \$1,000 for a totalizer. We may be able to do some welding now depending on our need to haul water. If we closed off Echo Canyon and make Trujillo Trail work more. It would cost about \$200 to empty 42 ASR in order to get the welding done on 42 ASR, so it can be back in service for when we may need water hauling in June or July. Trujillo Trail will only work intermittently. It is 100% now and Echo Canyon is almost 65% full. We have a request in for an estimate for the repairs to 42 ASR. \$35,000 is the estimate in the 2024/2025 budget for 42 ASR. It was discussed that we need to do the repairs to 42 ASR as soon as possible. If we spend \$10,000 now, that would leave a prospective expense of \$25,000. The \$680,000 for the pipeline will not be coming out this year. Discussion was had about why we can do it for so much less than KE&G bid, and that is because KE&G's bid for labor was exorbitant. Between the long lead item and items affecting the tank at 42 ASR we could approve \$10,000. E. Stubbs and D. Luckadoo would then prioritize the work to be completed. \$25,000 would then be included in the budget for fiscal year 2024/2025. We would prefer not to draw any money prior to pipeline completion because of possible contingency item overruns. We have \$60,500 in the bank at this time. How much do we need for contingency overruns? We do have a monthly income and will be raising rates and fees. We have money budgeted for water hauling and we should probably do that now under this fiscal year's budget. The north well is only being used periodically, when Echo Canyon is opened Trujillo Trail fills, but as warmer, dryer months come along, Trujillo Trail would not keep up with the need. We can transfer the water easily between Echo Canyon and Trujillo Trail. We can turn off Echo Canyon and let Trujillo Trail drop, so there is room to empty 42 ASR. J. Combo made a motion to authorize the expenditure not to exceed \$10,000 for long lead items at 42 ASR yard which would include welding on the 42 ASR and water hauling paid out of election. the existing budget. D. Luckadoo and E. Stubbs will prioritize the work to be done. The motion was seconded and unanimously approved.

J. Jenkins will close the community valve at Echo Canyon before noon today. We will check with Allan at Converse to be sure of the needed equipment.

9. Discussion and possible action regarding receipt of notice requiring notification to the SCC BOS regarding participating in the November 2024, to include approaches, and manner of approaches for possible candidates. When we first started, J. Jenkins and J. Combo had 4-year terms and D. Luckadoo had a 2-year term. In 2022 D. Luckadoo was reelected for a 4-year term. J. Jackson and J. Combo terms are expiring. At that time we solicited possible candidates. F. Cassidy said that we need to publicize, to included email because we are a small district, a call for elections before June 8th. We have to have the election on the November 5th ballot if there are other candidates. There is a nomination/petition document that needs to be filled out by any candidate and signatures obtained. If there are no other candidates, we would ask the Board of Supervisors to cancel our election. There is also an opportunity for a write in candidate within a short time before the election. The first step is to decide to have an election as part of the normal election process, and whether we want a mail ballot or to be part of the regular ballot. If we did a mail ballot it would be expensive for the County to administer and we might want to find someone else to do the mailing. This would be moot if there are only the two present candidates, and we don't need to have an election. The County needs to be notified by the 9th of May and they need to know if we want them to administer it. There is a charge for the County to administer the election, but it is not excessive. A notice is to be sent to the membership. Only registered voters in Arizona can vote in our District election. The notice must also be published in the newspaper. Notification must be made no later than June 8th. Frank will send out the timeline and the documents to us. J. Combo moved that we notify Alma Schulz at Santa Cruz County that we want an election

on November 5, and it will be on the regular election ballot. The motion was seconded and unanimously approved.

10. Discussion about preliminary budget and elements for fiscal year 2024/2025 to be proposed later this fiscal year. The budget needs to be done by the end of June. Rates and Fees public hearing can follow after approval of the 2024/2025 budget. E. Stubbs has already made some adjustments, i.e. he adjusted from \$35,000 to \$25,000 because the \$10,000 will come out of this year's budget. David made an adjustment showing \$17,885 deficit to correspond with Ed's latest version. In the 2024/2025 budget we are showing a \$17,000 short fall, but there will be a carryover from this year's budget. With regard to Rates and Fees, there is an increase from \$64 to \$66; Tier 1 to Tier 4 consumption fees are not increased; meter fees are increased by \$2; connection fees increased from \$7,800 to \$8,200, which may not be enough. We may need to consider \$8,500. Paper invoicing goes from \$5 to \$20, and the Disconnect fee and reconnect fee has gone up to reflect costs. Late fees have gone up \$5 to \$20. Transfer fees are set by the State, so that remains at \$150. The footnote with regard to water hauling fees has been deleted. The water hauling budget item has been lowered from \$15,000 to \$4,000, based on this year's numbers. Contingency income increased from \$40,000 to \$50,000; dropped uncategorized expense items from \$15,000 to \$4,000 because, going through this year's books year to date, everything that is reflected, including legal fees, accounting is based off 2023/2024 data. We are assuming that we are going to spend all of the \$688,000 of WIFA income next year. We will spend \$5,000 at Trujillo Trail and \$25,000 at 42 ASR for the build out. It could be up from there, but it won't be \$225,000. 10 months of WIFA payments. We don't have a draw schedule yet. The 1st draw could come in July but could be later. ACH draws that WIFA draws are reflected in the 2024/25 budget under item **21330**. Our Rates and Fees need to be published over a two-week period. The Public Hearing can be a zoom meeting and we could have something in person at the Community Center as well. Change connection fee to \$8500. Our bottom line is \$16,585 deficit. E. Stubbs will provide a cash flow chart which will show us what the next few months will look like, including cash on hand and what might be able to be carried over into the next fiscal year. Do we want to use the savings account for reserves. We need to make sure what WIFA will need. There may be items that are concerned with the pipeline construction. This will be tabled for the next meeting.

11. Announcements.

11.A Next meeting date: To Be Determined within the next two weeks.

11.B Future Agenda Items: KE&G issues, 2024/2025 Budget, , Lead and Galvanized pipe inventory.

12. Executive Session:

13. Adjournment: D. Luckadoo moved to adjourn the meeting. Motion was seconded and unanimously approved. The meeting was adjourned at 10:26 AM.