

## Sky Hi Water Improvement District

### Unscheduled Board of Director's Meeting July 11, 2018

#### Meeting Minutes

Board of Director's meeting called to order by the Chairman at 10:00am. In attendance, a full Board (Bill Lucas, Bill Bro, S. Rodriguez, M. Williams, R. Inman).

Call to the public. None in attendance.

Review the April 4, 2018 meeting minutes. Chairman gave a short review of the key points in the minutes. No discussion. Motion to approve (S.R.), 2<sup>nd</sup> (B.B.), passed unanimously.

Finances: The Chairman gave a short review of the quarterly financial spreadsheet provided by our accountant. Other than a couple system maintenance items, cost outlays were within our budgetary estimates. The usual higher summer usage volumes provided us with normal increased income. Our capital resources remain around \$101k in checking account, and around \$61k in our ..... account.

Waterworks: B. Bro presented correspondence from our operator that expressed that our overall system was working as designed. A highlight was that our 'water loss' had been decreased down to around 7% from a much higher level. This is well below the EPA standard of 15%. It is very difficult to quantify the reasons for general water loss, but we are confident that no serious leaks or malfunctions are occurring. Our well levels are holding at reasonable levels, although Mr. Harville again warns that is subject to short-term change. Our request for information from the operator was probably not given with enough reasonable response time. The Board set some scheduled quarterly Board meeting dates, and those will be forwarded to Mr. Harville, with the intension of also providing him a couple week letter of reminder.

Scheduled Board meetings: 10/3/18, 1/2/19, 4/3/19.

Administration: The Chairman asked the Sec. to give some information on the ADEQ water operator class held back in January, 2018. The Sec. replied that there was too much information to discuss at this time. It was agreed that the Sec. would parse out some of the key points of the workshop and provide a few major take-aways from the classes at the next several Board meetings, starting with our next scheduled meeting.

Chairman's Report: The Chairman gave a short review of the recent (6/30/18) open house event co-hosted with the Sky Hi POA. He thought it was a worthwhile event, with reasonable user attendance and interaction. It was informally agreed that we should continue to make it

an annual event, along with our Newsletter. It was agreed that our outreach effort was a good start in general and a good beginning to informing the user community of our current drought situation and deep well intentions.

The Chairman gave a short review of the recent ADEQ system assessment report. The report, initiated by our request for clarification of potential short and long-term risk to our aquifer from the nearby (1/3 mile) toxic heavy metal site (Pat Mullen cinder pit) was developed by three State hydrologists, but ended up being quite weak in answering our primary question, and provided no guidance for future management decisions.

The generic report does provide us with an overall site/system assessment, which was positive and a review that is recommended every few years for general oversight.

New Business: The Chairman mentioned his telephone talk with the legal firm of Brown & Brown, and that their discussion was positive, and he felt that no immediate formal retainer or relationship was needed at this point. He felt they could provide us with any necessary consultation as needed in the future.

The overall ongoing legal adjudication of the Coconino aquifer between current users and the Navajo Tribe and other entities is to be kept in mind, and should our District tap into this aquifer, we may wish to join with other users with legal representation and associated class action costs which would be passed on to our users. Clearly, these legal concerns need to be kept in mind as we move forward.

The subject of our needed creation of a current valid parcel owner mailing address list was discussed (to send out our formal Letter of Intent). Between the data from our accountant and the POA list, we probably have a basically current list. A discussion followed whether this list was valid enough to create our mailing with. It was agreed that the only way to have the best list was to verify with the Navajo Co. Assessor's Office. Bill Bro will create a merged spreadsheet from the POA and accountant lists. This list needs to be completed soon.

Financing: The broad subject of how to finance the deep well project was discussed at length. Although a bond assessment would distribute the cost equally to all parcel owners, the process is complex and lengthy, and the Board has been advised by several people that have been through the process that it is difficult. The financing method of a low-interest loan through WIFA or other public loaners is probably the most logical path for us. Dan Dialessi, CFO for WIFA has been contacted about necessary initial steps for application. The discussion on how best to pay down such a loan by rate increases, etc. is a complex discussion to be left for another meeting(s).

The Chairman brought to the attention of the Board a recent possibility related to him by Stephanie concerning an "Emergency Community Water Assistance Grants" program through the USDA. This is a true grant, not a loan. This exciting possibility will be followed up with by the Chairman with Stephanie and Barry and the USDA representative.

No further business. Chairman adjourns meeting at 11:26am


The next scheduled Board meeting is October 3<sup>rd</sup>, 2018, 10:00am, at the pump house.

Signed to approve these minutes:

  
Bill Lucas, Chairman

  
Susan Rodriguez, Outreach

  
Maurice Williams, Tres.

  
Bill Bro, Operations

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Richard Inman, Sec.

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