Mayer Domestic Water Improvement District
Minutes of Regular Meeting
September 28, 2023

1. MEETING OPENING

1.1. CALL TO ORDER **6:00 p.m.**

1.2. ROLL CALL OF MEMBERS

Chairman Kathy King – Present, Clerk Shasta Guthrie – Present, Member Keith Francen – Present, Member Kevin Jones – Present, Member Jacque Burruss – Present via ZOOM

Manager Mardi Befort, Project Manager Tom Thurman, were also present at the meeting.

1.3. PLEDGE OF ALLEGIANCE

1.4. COMMENTS FROM THE PUBLIC – **4 members of the public were present –**
Mike Murphy commented that the quality of the water has improved and the chlorine is more consistent not extremely high any more. The District is doing a good job.

2. CONSENT AGENDA

2.1. Approval of May 2023 Financials

2.2. Approval of June 22, 2023 Meeting Minutes

Member Jones moved to accept the consent agenda, Clerk Guthrie 2nds, Vote – Chairman King – Aye, Clerk Guthrie – Aye, Member Francen – Aye, Member Jones – Aye, Member Burruss – Aye - MOTION PASSED

3. ADMINISTRATION/STAFF REPORTS

3.1. & 3.2 Manager's Report/Office Report – By **Manager Mardi Befort**

- We had 7 blue stakes as of today.
- We had 2 leaks in Poland Junction this month. We can discuss this during the agenda item 5.6
- We hired a new field operator, Bobby, so far he is working out and the guys are all meshing really well together
- Bobby did a DOT inspection on the dump truck before Bill Roberts was going to use it and discovered the U bolt that holds the leaf spring was broken. Once we are done with some projects he is going to go over all of the trucks and start getting all of the little things repaired.
- We had 2 booster pumps got out in Poland Junction.
- ARPA Grant update: No Update still waiting on engineering to be completed.
- Oakhills, No Update
- Racetrack well: We started the line extension in the ADOT ROW Monday and will be finished tomorrow.
- Sandfilter update: I have had contact with the County and engineer the plan is to have this completed by the end of October.
- Meter Replacement Grant: No Update
- In your packet there is some information on PFAS, a manufactured chemical used in consumer products since the 1940"s and the EPA's proposed limit of 4 PPT in drinking water which would equal to 1 drop in an Olympic size pool. And an email from ADEQ came out and tested our system on 9/19/2023. I do

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not have those results yet. This was a free screening and the results will help us come up with a strategy before the EPA makes a final determination at the end of this year. I am bringing this to your attention because if we do test above the proposed MCL we will be required to treat our water. I have signed up for an online workshop with ADEQ for the 6th of November to learn more about the upcoming regulations on this.

- Poland Junction Project. We will begin this next week after we pick up the donated generator on Monday.
- BOTW switch over to BMO is not smooth. We could not deposit checks for a week and we are now having issues with Tom's credit card.
- Water Turn Off's/Past Due Account
  - This month we sent out 64 past due bills.
  - There were 14 people on the shut off list this month. 2 are still off.
- Water usage this month and last month
  - It took 3 days to read meters.(We also did a lid inventory for the meter replacement grant.)
  - September water pumped 3.37 million gallons, water sold 2.60 million gallons, water loss 22.78% This is due to the 2 water leaks this past month.
    - 40 (6%) customers used 10,000 or more gallons of water totaling 741,200 gallons which is 32% of the water sold
    - 107 (17%) of our customer used between 5000-10,000 gallons of water totaling 739,000 which is 31% of the water sold
    - 399 (63%) of our customers used between 1-5000 gallons of water totaling 866,700 which is 37% of the water sold
    - 87 (14%) of our customers used between zero gallons of water
- Website usage
  - In the past 30 days our website has had 321 views and 194 unique visits
- Hours worked by employee last 2 pay periods (4 Weeks total)
  - Week One
    - CC – 37.47 hours plus 4 hours holiday (Office)
    - CP – 80 hours reg, 4.35 OT plus 4 hours holiday (Field)
    - MV – 58.02 hours plus 4 hours holiday (Field)
    - TT – 3.6 hours plus 4 hours holiday (Field)
    - MB – 76.82 hours plus 8 hours holiday Office/Field)
  - Week Two
    - CC – 38.95 hours (Office)
    - CP – 75.13 regular 0.60 OT (Field)
    - MV – 71.37 hours 0.88 OT (Field)
    - TT – 21.23 hours (Field)
    - MB – 87.47 hours (Office/Field)
    - BM – 34.13 hours (Field)
- Direct deposit payroll transfer check for the Bank of the West:
  - $15,695.37
- Correspondence in your packets.
  - Ms. Ingolia made a request for why the Board made the decision they made our response is in packet for you to review.
  - ADEQ email and PFAS information.

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- A customer cut off a lock that was locked out for nonpayment. We filed a police report and charged the customer for the replacement of the lock. A copy of the letter I sent the customer and the police report are in your packet. funds

4. OLD BUSINESS ACTION AND DISCUSSION ITEMS

NONE

5. NEW BUSINESS ACTION AND DISCUSSION ITEMS

5.1. Discussion and possible action on entering a Mayer Water District truck in the Mayer Daze Parade on Saturday, October 7th, along with a trailer for passengers.

Ms. Befort emphasized that this topic comes up annually due to the use of district resources and the payment of a district employee for participating in the parade.
This year, there's a unique request from Chris to have his girlfriend decorate the trailer and have her and her nieces ride in it.
Clerk Guthrie raised a question about why this request is permissible now, while it wasn't according to the attorney's advice the previous year.
Ms. Befort clarified that the previous attorney, Tosca Henry, was concerned about taking non-employees on tours of the district as it might interfere with regular operations. Clarification that this request is for a specific event (parade) rather than general tours. If allowed, participants would need to sign a waiver.
Chairman King expressed that this participation is beneficial for community engagement and public relations.

Member Francen moved to enter a Mayer Water District Truck in the Mayer Daze Parade Saturday October 7th , along with a trailer for passengers, Member Jones 2nds, Vote – Chairman King – Aye, Clerk Guthrie – Nay, Member Francen – Aye, Member Jones – Aye, Member Burruss – Aye, MOTION PASSED

5.2. Discussion and possible action on safety shirts for employees.

The conversation centers around the choice of safety apparel for Mayer Water District employees. Ms. Befort explains that the request for shirts instead of vests comes from the employees, as vests are very hot to work in. She provides pricing for 5 short sleeve and 5 long sleeve shirts for each employee, offering both high and low-end options.
Clerk Guthrie inquires about how often employees work after dark. Ms. Befort shares that it happened twice in the past week with five employees working in the dark on both occasions. She adds that predicting such occurrences can be challenging due to unforeseeable circumstances.
The discussion turns to the choice of reflective shirts over non-reflective ones, as it offers an all-in-one solution. Clerk Guthrie presents a thin mesh vest as an alternative, but Ms. Befort explains that these tend to wear out quickly. She (Ms. Befort) stated that in the past she purchased higher-quality vests to ensure longevity.
The topic of cost arises, with Clerk Guthrie highlighting a cost-effective $3 vest. However, she expresses reluctance towards t-shirts, emphasizing that they are clothing, not safety equipment. She suggests lighter, more weather-friendly vests or reflective bands for arms.

Jackets are also discussed, with Ms. Befort mentioning that one was donated and another was purchased for an employee. Concerns about high traffic areas and the need for high

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visibility are raised by members.
Chairman King supports the idea of an identifying logo and emphasizes the importance of employees returning safety gear upon leaving the District. Clerk Guthrie questions why t-shirts are the sole alternative, advocating for lighter-weighted vests.
Member Jones stresses the need for high visibility for employees working in the streets. Mike Murphy(member of the public) emphasizes the importance of safety shirts over vests due to their durability. He highlights the speeding issue on Mayer streets, emphasizing the necessity for visible safety gear.
Chairman King recalls a past instance of using t-shirts which had a positive impact. The conversation eventually shifts towards conducting further research on vests, with concerns about their potential bulkiness.
In summary, the conversation primarily revolves around the choice of safety apparel, considering factors like visibility, comfort, and cost-effectiveness for Mayer Water District employees.

Chairman King moved to provide checked out five long and five short, with logo, safety shirts for the 6 employees, Member Jones 2nds, Vote – Chairman King – Aye, Clerk Guthrie – Nay, Member Francen – Aye, Member Jones – Aye, Member Burruss – Aye, MOTION PASSED

5.3. Discussion and possible action on appraisal and assessment of rental property.

The discussion centers around the need to revise paperwork, particularly concerning the rental property. It is revealed that the rental property in question is a two-bedroom house. Concerns about termites are raised, with Ms. Befort explaining that although the property was treated in 2021, the termites have returned, and the exterminator has not honored the warranty.

Member Burruss highlights the complexities of rental contracts in Arizona, citing examples from the Arizona Association of Realtors designed to protect both landlords and tenants. She emphasizes that Arizona's statutes regarding rental properties are extensive and were last updated in May 2023, spanning 50 pages of rules and regulations. Not following this can lead to potential legal disputes between tenants and landlords, possibly involving the State of Arizona under the Arizona Landlord Tenants Act.

Member Burruss offers her professional opinion, suggesting that it might be prudent to consider hiring a professional property manager due to the intricacies involved. She provides examples of local property management companies, such as Pierce Management, CMA Management, and Creek Management, which typically charge around 10%-11% of the rent along with initial fees, although some may not have these upfront costs.

Regarding current rental prices in the area, Member Burruss indicates that the average monthly rent for a 740 square foot property in Prescott Valley is $1592. Dividing this figure in half for Mayer, the estimated monthly rent would be approximately $796. She further compares this with two available properties for rent in Mayer, one priced at $1592 and the other at $1250, though she is uncertain of their square footage.

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Member Burruss stresses the comprehensive services provided by property managers, including finding renters, conducting credit checks, reviewing references, inspecting the property, ensuring proper documentation according to the Arizona Landlord Tenant Act, handling rent collection and depositing it into the owner's account, addressing tenant concerns, overseeing move-ins and move-outs, managing property maintenance, conducting year-end accounting, preparing 1099 forms, and performing monthly drive-by inspections, among other responsibilities.

In her view, engaging a property manager appears to be the recommended approach for handling the rental property.

Chairman King inquired about the current individual responsible for the maintenance of the rental property.

Ms. Befort clarified that the district takes care of maintenance, and the tenant promptly notifies them of any issues. She pointed out that the washer and dryer belong to the tenant, while the stove and refrigerator are property of the district. A used fridge was installed a few years back. The tenant also assists by accepting packages, securing gates if left open, and keeping a watchful eye on the property.

Mr. Thurman expressed the need to address the situation, given the unique arrangement with the tenant having limited access and use of the property, along with responsibilities related to high-value equipment.

Regarding the rental payments, Ms. Befort explained that the tenant typically pays a month in advance, about two weeks ahead of time. She also mentioned that the tenant handles payments to APS for electricity, but not for water.

Ms. Befort also noted that the addition of a second gate at the garage has enhanced security for the District. She further clarified that the property consists of two parcels, extending from the road to the fence.

In response to a question from Mr. Thurman about the tenant's family situation, Ms. Befort explained that the household includes the tenant, her granddaughter, and her daughter.

Member Burruss added that initially, it was just the tenant from the bank, but now there are three occupants, including a toddler.

Clerk Guthrie raised an important question regarding the fiscal viability of maintaining the property as a residential rental. She suggested considering the possibility of selling the parcel instead.

Ms. Befort pointed out that currently, the area from the garage to the back is utilized for storing equipment, parts, and materials. If the parcel was subdivided to only include the

house, there would be no remaining facilities. She expressed uncertainty about whether the county would permit the subdivision of such a small parcel.

Mr. Thurman added that they would likely need a non-conforming zoning map change from the county to allow the separation of the small parcel.

Clerk Guthrie emphasized that they have various options for utilizing the property, including as a rental for income or for relocating the boardroom or Ms. Befort's office. She proposed that they don't necessarily have to keep it as a residential rental. If they do, she supported Member Burruss's suggestion of employing a property manager to handle the responsibilities, thereby reducing liability and workload for the district, and professionalizing the arrangement. She highlighted that the current arrangement is fairly informal, which is acceptable as long as everything goes smoothly. However, if any issues arise, it could pose challenges.

Clerk Guthrie also proposed having an assessor evaluate the property's value to assess if it is being utilized to its fullest potential for the district.

Chairman King suggested getting an appraisal and official evaluation of the property's condition to formulate a clear plan.

Mr. Thurman proposed investigating the feasibility of subdividing the property and conducting an inspection, including locating the septic system. Member Jones emphasized the advantage of maintaining control over the property, especially given the valuable equipment stored there.

Ms. Befort shared that the rental income significantly outweighs any associated costs, with no expenses incurred the previous year. Chairman King and Member Jones both presented the idea of repurposing the property for employee housing.

The conversation then shifted back to the potential involvement of a property management company. Member Burruss provided examples of management firms, and there was a discussion about whether they could offer inspections. Member Jones and Chairman King expressed reservations about ceding control over to property management, highlighting the cost of repairs and the benefits of the current setup where Ms. Befort handles it efficiently.

Member Francen shared his past experience with property management companies, indicating a preference for self-management. Member Burruss reiterated that Ms. Befort is not a qualified rental manager, and her primary focus should be on the water company rather than rental management.

Chairman King suggested starting with an inspection and creating a comprehensive maintenance file and to gather more information. She emphasized that major decisions

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can be deferred until more feedback is obtained, and then a lease can be worked on.

Clerk Guthrie expressed readiness to make a motion, but Chairman King clarified that it might not be necessary at this point. Ms. Befort suggested that the board could provide direction to gather additional information and discuss further action at a later meeting once more is known. Clerk Guthrie inquired about the need for a motion to hire a property inspector.

Clerk Guthrie moved to hire a property inspector for evaluating the property and determine its value and condition. Member Burruss pointed out that determining value and assessing the property's condition are two separate tasks. Member Jones confirmed this distinction.

Member Francen raised a question about the cost of hiring an inspector. Chairman King suggested directing Ms. Befort to research inspectors and obtain cost estimates, but not actually proceed with an inspection. She also advised initiating the setup of a file and considering potential lease options, with plans to revisit the topic next month.

The motion to hire a property inspector was not seconded and therefore died for lack of a second.

5.4. Discuss and review water district customer applications.

Chairman King addressed the recurrent issues between landlords and tenants regarding water services, which was a topic discussed during their working session. Member Burruss proposed restructuring the application process for water services into three distinct categories: residential, rental, and commercial. She suggested that while the current application covers a wide range of services, it could be streamlined to avoid overwhelming applicants with unnecessary information.

Member Burruss emphasized the need for more detailed contracts, particularly for rental water services, which would clearly outline the District's responsibilities and limitations. She referred to an example from another water company for reference. These contracts should be comprehensive to safeguard the District's interests and explicitly state that it will not violate any aspects of the landlord-tenant act, regardless of the property owner's preferences.

In the event of conflicts between landlords and tenants, the District's stance should be defined and legally sound. Chairman King suggested that the board work together to develop a strategy in this regard.

Chairman King presented the idea of having three distinct types of applications: one for property owners, one for renters, and one for commercial entities. However, she expressed the need for further consideration before implementing this change.

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Clerk Guthrie expressed her interest in the concept and inquired about who would be responsible for designing these applications.

Chairman King suggested that each board member review the water customer applications provided by Member Burruss from a water company and highlight elements they find beneficial. They could then compile their feedback for Ms. Befort to create a draft.

Member Jones raised a concern about the scenario where a renter moves out without paying their water bill, questioning whether the owner would be held liable.

Ms. Befort explained that according to the current policy of the Water District, the owner is ultimately responsible for the bill.

Member Burruss countered by referencing the landlord-tenant act, indicating that legally, if the bill is in the lessee's name, the property owner would prevail in court.

Ms. Befort clarified that the issue at hand pertains to policy rather than application content. The application reflects existing policies, and applicants are expected to understand and agree to these terms.

Chairman King acknowledged that the situation has been challenging, and the District has addressed it by raising deposits and adhering more closely to the shut-off policy. However, she expressed discomfort with the current approach and suggested that it might be time to reevaluate the policy. She proposed trying a new approach for a year and reverting if it proves ineffective.

Ms. Befort raised concerns about financial implications if a renter leaves with an outstanding balance exceeding their deposit. She questioned who would cover that cost, highlighting that the District currently doesn't collect social security numbers or utilize collections.

Member Burruss suggested implementing the collection of social security numbers, enabling the pursuit of unpaid water bills and judgments against renters, regardless of their relocation.

Ms. Befort noted that employing a collection company is not cost-prohibitive.

Clerk Guthrie expressed the need for a dedicated work session to address the policy, as it poses challenges in various aspects. She supported the idea of separate applications for different uses and emphasized that policy matters need thorough consideration.

Chairman King confirmed that a work session would be scheduled to review the policy.

Mr. Thurman presented a hypothetical scenario involving a past renter who left a $350 water bill. He inquired about the collection process under the current policy.

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Ms. Befort explained that under the existing policy, water service would be terminated until the outstanding balance is settled. Whether it's the previous or new property owner, payment must be made before water service is reinstated. The water meter is associated with the property, making the property owner ultimately responsible for the bill. The landlord also signs a contract stating that if a tenant departs with an unpaid water bill, they are accountable for it.

Chairman King pointed out an example of a property like Harley Davidson, which falls under the commercial category.

Ms. Befort stressed the importance of establishing policies before delving into applications. She highlighted the need to differentiate between commercial and residential properties, given the various scenarios and the unique rules governing Special Districts.

Member Burruss emphasized the importance of adhering to Arizona government rules and distinctions between commercial and residential properties. She advocated for higher deposits for commercial properties and underscored the significance of ensuring the District's rules align with Arizona regulations.

Ms. Befort provided an example highlighting the distinct differences in how utilities can be handled by landlords and tenants, underscoring the leeway and room for rule-making within Special Districts' purview.

Chairman King and Ms. Befort discussed how certain properties, like the Harley Davidson building, would be considered commercial. They acknowledged the complexity of different scenarios, including buildings originally designated as commercial but now used for residential purposes. They emphasized the need to first address policies regarding commercial and residential properties before developing specific applications.

Clerk Guthrie mentioned that defining commercial versus residential properties was already a matter for the attorney to handle, and subsequent applications could be based on that distinction.

Member Burruss highlighted the challenge of formulating policies without clear guidelines. She stressed the importance of understanding the various rules set by the Arizona government for commercial and residential properties. Member Burruss also suggested that commercial properties should require higher deposits to mitigate potential risks. She emphasized the need to adhere to state regulations to avoid legal liabilities.

Chairman King clarified that the District operates under Special District regulations, not the Arizona Corporation Commission.

Ms. Befort provided an example to illustrate a key difference: If a landlord has APS (Arizona Public Service) in their name and turns it off, the tenant can independently

reactivate it. However, in the case of water services under the District, the landlord's permission is required to restore water if it has been shut off. She highlighted the distinct regulatory framework governing Districts versus private companies, emphasizing the flexibility and autonomy to establish rules that can stand up in court.

5.5. Discussion and possible action on office clerk hours.

The conversation revolves around the role of an office clerk and the allocation of hours for the position. The participants discuss job expectations, responsibilities, and the need for training. There's a discrepancy between the ideal job description and the actual tasks being performed within the allocated 20 hours per week. The conversation touches on the challenges of balancing fieldwork with office duties and the importance of having someone in the office consistently. There's a suggestion to reevaluate the position's hours based on actual workload and the need for cross-training. The discussion ends with a decision to revisit the topic later, especially in light of upcoming projects.

5.6. Discussion and possible action on water loss.

Discussion around concerns about high water loss since January, which is averaging around 19.29%. This is considered high compared to the expected 10% or below. The discussion covers various efforts to address the issue, including using leak detection equipment, drones, and examining old lines from the 1980s and 1990s.

There's a focus on a significant leak in the Poland Junction area, accounting for 6.97% of water loss. The conversation also touches on the challenges of finding leaks, especially in rocky terrain. The team is considering using a specialized device to locate leaks more accurately.

The Board discusses the potential benefits of investing in leak detection equipment, emphasizing the substantial water savings it could lead to. They also consider seeking grants for funding.

5.7. Discussion and possible action on meeting date and time for November and December.

Discussion on scheduling meetings for November and December. The Board discusses the challenges of the holiday season, with Thanksgiving and Christmas. They agree to hold the November meeting on the 16th and the December meeting on the 14th to avoid conflicts with the holidays.

There's a brief discussion about the meeting time, with some members suggesting an earlier time like 4 o'clock while some members indicate they are unable to attend at 4 o'clock.

Member Burruss moved to schedule the meetings at 4 o'clock on November 16th and December 14th, Clerk Guthrie 2nds, Vote – Chairman King – Aye, Clerk Guthrie – Aye, Member Francen – Nay, Member Jones – Nay, Member Burruss – Aye, MOTION PASSED

6. ANNOUNCEMENTS

6.1. Next regular board meeting Thursday, September 28 at 6:00 p.m.

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7. ADJOURNMENT

Member Jones moved to adjourn at 8:00p.m., Member Francen 2nds, Vote – Chairman King – Aye, Clerk Guthrie – Aye, Member Francen – Aye, Member Jones – Aye, Member Burruss – Aye, MOTION PASSED

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