

Hello Neighbor,

This email is from the group Water For Pine Strawberry. We will be sending out an email after each of the PSWID meetings with a summary of what the board did, additional facts that are relevant to what went on, and some commentary. Please forward this email to friends and neighbors that are interested in the local water issues. If you would like to be added to or removed from the list for these emails, please reply to waterforpinestrawberry@hotmail.com. Emails on earlier meetings are available on our website.

April 17, 2008 PSWID Meeting

1. Treasurer's Report.

- Mr. Greer stated that the PSWID account has a balance of \$114,952. He stated that the escrow account has a balance of ~\$287,000 after a payment to HSI (HSI is providing the management of the K2 project for the PSWID board) of ~\$13,000.
- Mrs. Schleizer stated that the \$45,000 for conservation efforts that she has proposed for the 2009/2010 budget is only for the incentives and that additional money will be needed for public education

2. Delegate reports

- Mr. Smith talked about hiking to Bradshaw tank and his desire for the district to fund a horizontal well there. His desire is to see Pine Creek flow year round. A horizontal well in that location is thought to be able to provide large quantities of water. Usage of that water would require the construction of a reservoir and water treatment facilities.
- Mr. Smith indicated that he has put the PSWID archive information into filing cabinets for easier access.
- Mrs. Hall discussed the November PSWID board election where 4 board seats will be voted on. The county will be charging PSWID ~\$10,000 for the election. She will have election packets available next month. Packets would have to be returned in the July/August timeframe.

If you have an interest, we would encourage you to run for the board. All of the votes taken by the new board have been 7-0 or 6-1, with Mrs. Hall being the only dissenting vote. Typically such one sided thinking doesn't lead to the solutions that are best for the community as a whole. Think about running so that there can be some 5-2 and 4-3 votes.

3. Preparation of the 2008/2009 Budget

- The board is trying to get all of the budget items together for 2008/2009. Some board members have submitted their requests to Mr. Greer. Others discussed their desires in the meeting.
- Mr. Greer stated that it may be possible to keep the current assessment.
- Mr. Smith indicated that he would be asking for \$1,000,000+ in the 2010/2011 budget for the horizontal well
- Mr. Smith proposed completing the underground survey of Pine. Cost ~\$20,000.
- Mr. Haney proposed hiring a part-time administrative assistant for the board. No dollar figure mentioned.
- Mr. Haney proposed \$1000 for travel. This would reimburse his travel cost and any travel by the board to meetings in Phoenix.
- Mr. Haney proposed hiring a part-time general manager at \$33,000.
- Mr. Haney noted that the retainer of \$12,000 per year for Mr. Gliege needed to be added
- Mr. Haney noted that the budget would need to cover the legal fees above the retainer. The amount for that is not known at this time. This will be a very substantial item as they pursue the purchase of the water companies and breach the K2 contract.

4. Removal of a parcel from the District

- Mr. Curtis Chaney requested the boards help in removing a parcel that he owns from the district. Mr. Chaney owns two adjacent parcels that he wants to combine into one. This is not legally possible because one parcel is in the PSWID and the other is in the Pine Water Association DWID. He receives his water from Pine Water Association DWID. The board took his materials and will study the matter.

5. Application for USDA Rural Development loans and grants

- Mr. Calderon presented information that he received from attending a meeting on the topic. The community is eligible to apply for them.
6. Application for Blue Ridge Water Development Program
- The board discussed whether to pursue involvement in the Blue Ridge pipeline project. Mrs. Hall described the findings of an earlier PSWID board. At that time it would have cost \$17,000,000 to bring the water to the community and to build a water treatment plant. Because Pine-Strawberry would be so far down the list, the water would not be guaranteed during times of drought.
 - Discussion continued about whether to participate so that the water rights could be traded or leveraged for other things, like SRP ground water.
7. Public Comment
- Mr. Schwalm asked the board to address the following issues at their next board meeting (full text can be found on the website):
 - A. Whether the board is going to do its due diligence on the water quality, capacity, and operability of the Milk Ranch and Strawberry Hollow wells prior to deciding the fate of the K2 project.
Note: This morning I received two documents on the Milk Ranch well that address the concerns over water quality and sustained yield. One report talks about the sand issues, but there isn't a definitive position on whether the sand will be an operational problem. Both documents have been posted to our website, www.waterforpinestrawberry.com.
 - B. An explanation of the PSWID board's position that PSWID is already a domestic water district and whether the PSWID board is seeking concurrence in that position by the Gila County Attorney.
 - C. At the end of the last meeting under the former board, Mr. Calderon went around telling people that the recall candidates were in possession of a letter of intent from Mr. Pugel to provide water if the new board was elected. The board needs to address why this letter of intent has not been made part of the public record and what other deals that board members negotiated prior to their election.
 - A gentleman requested that a status report on the K2 site development be provided
 - Mrs. Greer commented that it is very important for the district to participate in the Blue Ridge project because water rights in this area are "as good as gold".
 - Mr. Breninger (he is the project manager for Pine Water Company for the K2 well) commented that the description of the meeting that was held between himself, Ms. Brogdan, Mr. Greer, and Mr. Dickinson that was entered into the minutes was incorrect. There was a sharp disagreement between the parties as to what actually transpired in the meeting and what Pine Water Company had asked the board members to do.
8. The board meet in executive session for half an hour.
9. Proceeding with water Company Acquisition
- The board returned from the executive session and voted to pursue the acquisition of the water companies and enter into negotiation with Brooke Utilities.
 - Mr. Haney indicated that he and Mrs. Schleizer would be the representatives from the board for those negotiations.

Next special PSWID Meeting: Thursday May 1, 2008 7:00 PM at the Pine Cultural Center
Next regular PSWID Meeting: Thursday May 15, 2008 7:00 PM at the Pine Cultural Center

Water For Pine Strawberry is a group of residents who are concerned about the communities water issues and how they can best be resolved. Visit our web site, www.waterforpinestrawberry.com, for more information. The website for PSWID is www.pswid.org.

Clarifications can be submitted by anyone who is explicitly named, implicitly identifiable, or a board member to items in this email. Clarifications will be posted on our website. We reserve the right to post a response. Clarifications must deal with the topics discussed in the email that relate to the individual or the board. They must be in family friendly language and be non-abusive. When the clarification is accepted, it will be posted to the website and notice of that posting will be added to the next email.