

Hello Neighbor,

The latest chart for spending through March is attached to the email.

**May 12, 2009 PSWID Meeting**

**Next regular PSWID Meeting: Thursday May 21, 2009 7:00 PM at the Pine Cultural Center**

**The May 21<sup>st</sup> meeting will be the rate hearing.**

1. Mr. Haney Explains Why PSWID Should Be In The Waste Water Business

- Mr. Haney stated that he won't ever discourage a board member or staff member from going after "free" money. He stated that grant money can be pursued by an employee without approval of the board. Approval of the board would be required to accept the grant money.
- Mr. Haney stated that it is easy to convert a water improvement district to include waste water. He said that they are too busy to get into the sanitary sewer business right now, but that it is in the interests of the district to look at that in the future. He said that any conclusions of a study would take 10-25 years to implement.
- Mr. Haney stated that there are two reasons for the board to be interested:
  - The majority of the community is on septic and there is a direct link between septic and ground water pumping and contamination. He said that he has been told that there are starting to be trace amounts of nitrates in some wells.
  - Waste water treatment would provide reclaimed waste water for non-potable uses like irrigation and recreation.
- Comment: PSWID was created by the property owners with a specific charter. Whether the money is "free" or not, the board needs to stay within what the public gave them permission to do. If it is easy to add coverage of waste water to the district, then do it before pursuing the issue. My read of the Arizona statutes is that there are two ways, one is a petition of the property owners and the other is by a vote of the County Supervisors.
- Comment: Septic shouldn't an issue for the deep aquifer wells.
- Comment: Not clear how reclaimed waste water could be of value to the community other than possibly by creation of a pond. To use reclaimed waste water you need a separate set of pipes to carry it to wherever it can be used. Since there is no industry or farming in the area, that pretty much just leaves making a pond.
- Comment: Over the months I have had different people tell me that in conversations that they have had with Mr. Pugel, that he has stated that taking over the water companies was just one piece of a larger plan. Perhaps this is the first sighting of another piece of that plan. Having a sewer system would certainly be beneficial to developers as it would allow them to develop their properties much more densely and at lower cost than they do now. While it looks like this is a discussion in the future, a couple of concerns are:
  - That PSWID will be used as a vehicle to avoid public agreement to pursue and fund sanitary sewers.

- There are a lot of fixed income property owners in the community. The cost of an assessment for the sewer running past their property and the cost to connect their home to it will be a big financial burden.
- Whether people will be forced off of their septic systems or it will be a free choice.

## 2. Strawberry Included in Water Hauling Charges

- The board voted to amend the proposed rate schedule to include residents in Strawberry in paying any possible water hauling charges this summer.
- There was some discussion as what an equitable way would be to allocate those costs amongst ratepayers. No conclusion was reached on the formula for calculating water hauling charges.
- Comment: Brooke was implementing the water hauling charging formula that was mandated by the ACC. Basically the water hauling costs were charged to a customer based on the ratio of their gallons used to the total gallons used by everyone. Much of the confusion seemed to come from the fact that this ratio was calculated from the prior month's usage.
- Comment: Since this is supposedly the last summer that we are under threat of water hauling charges, the board should just go with the ACC formula and cross their fingers that there is no water hauling required this summer. Although it would be a bit of karmic justice if the board ended up having to explain water hauling charges to an irate public.

## 3. Intervention in Condemnation Filed

- Mr. Gary Rogers filed a motion to intervene with the judge over-seeing the condemnation. Mr. Rogers indicates that he is the owner of some of the property that is included in the condemnation and has not agreed to the stipulation between Brooke and PSWID, and further has not been involved in any of the discussions between PSWID and Brooke. The motion is posted here: <http://www.waterforpinestrawberry.com/data%20pages/PurchasePSWIDDocs.htm>.
- He indicates that he only learned of the condemnation action a month ago and just learned of the stipulation the day before filing the motion to intervene.
- He requested that the Court schedule a hearing before PSWID is allowed to take possession.
- Comment: We just have the motion to the judge requesting expedited consideration of the motion to intervene and not the full motion where the details would be. We will see if we can get that. At a prior PSWID meeting, Mr. Gliege described the stipulation as requiring that everything be completed by May 22<sup>nd</sup>. Whether any delay introduced by this intervention will put the stipulation and/or financing at risk is not known.

## 4. Hiring of Operations Company

- Mr. Jones indicated that they have been talking to two operations companies about running the water system. Mr. Haney indicated that the length of time that one of these companies would be used would be measured in months, not years.
- Mr. Jones said that one of the companies has walked away because they didn't want to get involved with managing a water system that no one knew anything about. He said that talks with the remaining company continue.

- Comment: One of the issues that I have with the Economists.com analysis was whether the estimate for the labor cost had been done correctly. The Coe and Van Loo estimate was based on the district providing the employees, yet the board had always talked about hiring an operations company to run the system. To my knowledge this is the first time that the board has publicly stated a limitation to the length of that time.
- Comment: It would seem like the district will have to pay a pretty sizable premium to get an operations company to come in for just a few months. In the longer run it implies that the district will either have to hire its own employees to work alongside the operations company in order to later transfer operations to the district's employees or the district will need to pay the operations company to transfer its employees to the district. My opinion is that the duration will start out as being measured in months, but the operations company will be made permanent in the future.
- Comment: It will be interesting to see what happens if they can't get that final operations company signed up by May 22<sup>nd</sup>. That final company is in the driver's seat with regard to the negotiation since the district can't afford to take control of the water systems without anyone to run it.

#### 5. Preparation of 2009-2010 Budget

- Mr. Jones said that there has been no progress on putting together a budget. Mr. John Nelson, a manager for Gila County, was at the meeting and said that the budget needs to be in place by the third Monday in July in order for the County to have time to get the assessment in place.

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](mailto:WaterForPineStrawberry@hotmail.com). Emails on earlier meetings are available on our website: [www.WaterForPineStrawberry.com](http://www.WaterForPineStrawberry.com).

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](http://www.WaterForPineStrawberry.com), for more information. The website for PSWID is [www.pswid.org](http://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.