

**MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
OF THE
WHITE MOUNTAIN SUMMER HOMES
WATER IMPROVEMENT DISTRICT**

April 25, 2025

A regular meeting of the Board of Directors of the White Mountain Summer Home Water Improvement District of Navajo County, Arizona was held on Friday **April 25, 2025** in the District Office located at 2950 Aspen Loop in the White Mountain Summer Home Subdivision, Pinetop, Arizona. **Chairman Ladigo** called the meeting to order at **8:05 AM** and upon roll call the following Directors/Guests were present:

P. Ladigo, Chairman
M. Pace, Vice Chairman (phone)
J. Suft, Treasurer (phone)
G. Koether, Secretary (phone)
R. Thompson, Office Manager
T. Deming, Water Operator

Approval of Minutes

Chairman Ladigo called the meeting to order with a quorum and asked if there were questions or comments before approving the minutes from **September 20, 2024**. The motion was made by Treasurer Suft and a second by Secretary Koether. Motion carries.

Operations Report

Operations Manager Deming announced the system is running great and our shallow wells considering little snowfall which was a maximum of 18 inches. We put a new pump in well 7 this month and it's working great. It's likely we will need to rely on it this summer due to the lack of precipitation. The meter on wells 1 and 2 stopped functioning and a replacement is ordered, so the water loss is unknown for last month.

Six new fire hydrants were just ordered, which will leave 3 hydrants left that will need to be replaced next year. At that point they will all be the new style, which should never need replacement, only maintenance.

Robin updated the format of the long-range budget and it is more sufficient for viewing the individual wells, rather than trying to group everything together.

I have a report and estimate from Midco Diving for the water storage tanks inspection and cleaning. Chairman Ladigo interjected to the Board that the cleaning is \$4000 and the reports are several hundred dollars each. He added this is something we do periodically and we need to do it again. Trevor continued that he agrees and mentioned that the deep wells pump some sand and the shallow wells get some cinders so the tanks definitely get some sediment in them. We've budgeted to have it done every 5 years and we are on year 6. It will let us know if we need painting or repairs. The rate on the proposal is a discounted rate due to multiple water companies in the area needing the same service at the same time. The contract needs to be signed and then we will schedule it.

Treasurer Suft inquired as to why we needed to replace the pump on well 7 with it being so new. Trevor responded that it's not so new, being in place since 2018. He added that the well should ideally pump 200 gallons per minute, but by the end of last summer it lost production to about 120 gallons per minute. At half the production, it's too expensive to pump that well with that little water. There is a great chance that we will need to rely on that well this summer due to the lack snow. The pump was not bad but there was an inch and a half hole that blew in one of the columns. It's not wise to pull a 7 year old pump and then put it back down the hole. Vice Chairman Pace asked if the water was eating through the casing. Trevor's response was that it's not unusual for the water to eat through the material. Some opt to use stainless steel pipe on the bottom as opposed to steel pipe. You risk the chance of needing to replace the pump, every 7 to 10 years anyway. The bowls and the propellers are stainless, but the column pipe is not. When they replaced the pump, they also moved the column pipe up so that what had been in the water is not currently in the water to prolong the lifespan. Vice Chairman Pace then asked how much more is it to use stainless. Operator Deming did not know offhand and would need to find out. Our old pump will be rebuilt so that we have it as a spare for number 7 and Trevor will get an estimate.

Chairman Ladigo stated that he would like Operator Deming to work with Office Manager Thompson on the list of suspect meters she created. Operator Deming offered that the typical lifespan of meters varies. Meters are claimed to have a 2-million gallon lifespan. We have a lot of meters over 2-3-4-million gallons. They may still be working fine. With higher usage, the chances of inaccurate reads increase and the likelihood that we aren't making the money on the water use that we should be, also increases. Operator Deming estimated that to replace those 20 meters will cost the District roughly \$7500, with labor and material. Office Manager Thompson created a spreadsheet of the meters and readings, organized highest to lowest. There are over 20 that are over 3 million gallons. The lowest reads are very suspicious that the meters may be reading to the wrong placement. They may only calculate one for every thousand gallons, where they should be programmed to read every gallon. These stood out to her because some of the homeowners who spend a lot of time here, have only 700 total gallons for the life of their meter, of more than 7 years. Operator Deming added that we purchased the equipment to program and re-program any meters that are not reading to the one-gallon placement. Operator Deming recommended that we at the very least replace the top 20 high read meters. This does not include any that need to be replaced that are not scheduled replacements due to breakage or deficiency. Chairman Ladigo asked the cost to replace a meter and Operator Deming replied the cost is \$150 labor to replace a meter. The meter is \$230. Vice Chairman Pace asked if we could receive a discounted rate due to the amount needing replaced, and being able to designate time to replace a lot at once. Trevor declined due to the \$150 being an average. Some of the meters have to be dug up and some will be an easy replacement. He continued that there is equipment that can be purchased that will test the accuracy of the meters. This prevents replacing meters before they go bad. The equipment runs about \$2500. Chairman Ladigo added that this would be equipment owned by the District and not your equipment. Trevor explained that if he bought the equipment then he would charge the District for use. Chairman Ladigo continued that we have never addressed faulty meters in the past and Robin is on to a smart system. If we are committing to replacing 20 meters, we might as well spend the \$2500 and own the equipment and it belongs to us. Vice Chairman Pace made a motion to purchase the equipment to test the accuracy of the meter and to replace not more than 20 bad meters for the next fiscal year. Director Suft seconded the motion and the motion passed.

Operator Deming offered that unless anyone had questions, his report is complete. Chairman Ladigo informed the Board that Operator Deming would be excused after providing his report so that he would not be tied up and could tend to his business.

Office Managers Report

Office Manager Thompson began by informing the Board that the aging report is excellent. There are only a handful of accounts that have only portions of their statement due. Last year this time, we had \$25,000 past due.

Also there is a Memorandum of Agreement between WMSHA and WID that Manager Thompson wasn't aware of until recently. She announced that a redlined copy of suggested changes is provided to the Board. The Board will need to come to an agreement on any changes. She pointed out there is one area that has to be updated because it references a former employee, Kathy Garcia. Office Manager Thompson added that she would gladly offer assistance to the WMSHA if necessary and that could be arranged at that time, however she would not agree to a contract in this vague manner on her behalf. Additionally there are items in the current agreement, that are no longer relevant. Office Manager Thompson also pointed out that utilities are not divided, however the WMSHA uses the majority of these resources through electricity and gas. It would be wise for the Board to consider splitting the cost. Also, the rental rate needs to be reviewed and determined by the Board. The contract outlines a review of agreement every 3 years and it has not been reviewed since 2018. Office Manager Thompson informed the WMSHA staff that the WID Board would be reviewing and possibly proposing a revised agreement. Chairman Ladigo added that some of these expenses have increased tremendously. The cost of propane has gone up substantially and there is an increase in electricity that will go into effect July 2025. Treasurer Suft requested that Office Manager Thompson prepare a comprehensive study so that the Board can determine what needs revision. Secretary Koether suggested that the Board vote on this at the next meeting after having more time to review.

Office Manager Thompson is working on a newsletter that will primarily be a reminder to homeowners that the Board voted and approved late fees last year. They will take effect on the first billing cycle of 2025. Additionally there will be step by step instructions to view and pay statements online and enroll in auto-pay. These measures are for homeowners to avoid late fees. Treasurer Suft inquired about any negative feedback or conversations with homeowners about the base rate increase. Her response was not a single one. Treasurer Suft continued that it confirms the decision about the increase.

Financial/Treasurers Report

Director Suft pointed out the key areas on the P&L that indicate we are below budget by \$42,000 on income, but we are about \$100,000 below budget on expenses, which puts us at \$58,000 net income, and is a good thing. We have a \$53,000 expense for the well 7 reconditioning pending. Essentially we are pretty good on budget. That \$42,000 shortfall will probably become positive in the next couple of months when we begin billing. Historically May and June income are over budget.

The balance sheet shows we are in great shape regarding the cash on hand. Chairman Ladigo interjected that the 3-month CD will be reevaluated when it becomes due in May. We will decide if we would like to roll it over for another short term or as we get closer to our fiscal year, we may decide to invest it if we do not need the cash on hand.

Chairman Ladigo asked if there were questions or comments and there were none.

New Business

No new business.

Old Business

No old business.

Executive Session

No Executive Session was held.

Call to Public

No comments from the public.

Announcements

Unless otherwise directed the next meeting will be May 16, 2025, at **8:00 AM** in the Water District Office located at 2950 Aspen Loop.

There being no further business to come before the board, Chairman Ladigo called for an adjournment of the meeting. Meeting adjourned at **8:47 AM**.

Respectfully Submitted,
Robin Thompson