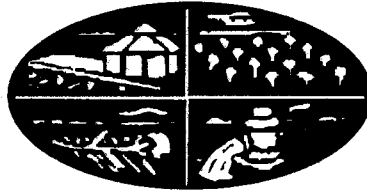


ROOSEVELT WATER CONSERVATION DISTRICT

Post Office Box 100
Higley, Arizona 85236



Water Department
(480) 988-9581

Administration
(480) 988-9586

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**Minutes of a Regular Meeting of the
Roosevelt Water Conservation District
Board of Directors at the District Office
Higley, Arizona December 7, 2004**

President Mark W. Dobson called the meeting to order at 9:08 a.m.

Present were: Craig M. Berge
Mark W. Dobson
Dave B. Lamoreaux
Dan J. Reeb
Darnall L. Riggs

Excused were: John Scremin
Dawnie Sue Stewart

Also present were Michael O. Leonard, General Manager, Shane M. Leonard, Associate General Manager, and William C. Petty, Associate General Manager.

VISITORS

Mr. Dobson welcomed Karen Young from the Town of Gilbert and Frank McRae from the City of Mesa to the meeting.

GENERAL MANAGER'S REPORT

Mr. Mike Leonard presented the Board with his report concerning the following topics:

a. Water Supplies for 2005. The District learned of its CAP water supplies during late-November 2004. During calendar year 2005, the District has available 45,000 AF of CAP Incentive Recharge water from Active Resource Management, LLC; 16,000 AF of CAP Incentive Recharge water from the City of Mesa; and, 7,850 AF of CAP Agricultural Settlement Pool water.

General
Manager's
Report

Water
Supplies
for 2005

b. Land Development Issues. District staff have reviewed each water delivery location and water use of its current agricultural users. The results of such review leads to the conclusion that most agricultural lands will convert to non-agricultural uses during the next three to five years.

Land
Development
Issues

c. Estimated Impacts Upon 2005 Budgets. Preliminary budget projections based upon the foregoing water supplies and land development issues indicate that a 25% increase in water rates along with a 200% to 300% increase in minimum annual rate per acre charges would be required for the District to achieve a balanced budget in 2005.

Est. Impacts
2005 Budgets

PUBLIC COMMENT

Hearing no public comments, the meeting proceeded.

APPROVAL OF MINUTES

Mr. Riggs made a motion that the Minutes of the Special Meeting held on November 23, 2004 be approved. Mr. Lamoreaux seconded the motion; and, the Board unanimously approved the Minutes.

11/23/04
Minutes
Approved

COMMITTEE REPORTS

Audit Committee: Mr. Lamoreaux reported on the Audit Committee meeting that was held prior to the regular meeting. The budget analysis and the check register were reviewed by the committee; and, the financial report was accepted as presented.

Committee
Reports

AUDIT

Labor Committee: No report.

Water Committee: Mr. Dobson asked Mr. Petty to present the committee's report. Mr. Petty presented the water recapitulation report for the month of November 2004. The District delivered about 3,300 AF of water during November 2004 compared with about 3,500 AF budgeted. Mr. Petty stated that the District had completed the use of approximately 2,500 AF of Salt/Verde Surface Water during October leaving a balance of 388.17 AF in stored surface water credits; and, that the District would complete the use of approximately 136 AF of Active Resource Management CAP Incentive Recharge Water during December.

WATER

11/2004
Water Recap

Ways & Means Committee: No report.

APPROVAL OF RESOLUTION 12-04

Mr. Riggs made a motion to approve Resolution No. 12-04: Roosevelt Water Conservation District Resolution Providing for Registration of District Voters. Mr. Berge seconded the motion; and, the motion was approved unanimously by the Board.

Resolution
12-04
Approved

2005 OPERATING BUDGET AND RESULTING RATES

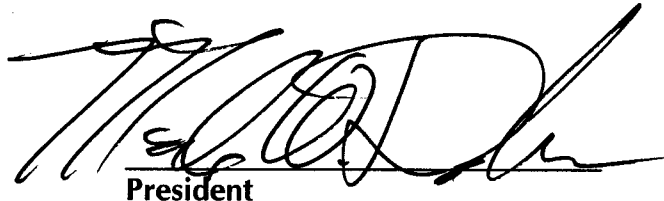
After extensive discussion by the Board concerning the District's 2005 Operating Budget and resulting rates, the Board instructed management to complete the following tasks:

2005 BUDGET

- a. Provide the Board with a comparison of the water rates and minimum annual rate per acres charges of other irrigation districts.
- b. Contact the managers of the City of Chandler, the Town of Gilbert, and the City of Mesa and request written comments from the managers concerning the District's budget process.
- c. Increase the budgeted funds for magnacide and legal expenses.
- d. Provide the Board with a proposed 2005 operating budget and a five-year budget projection.

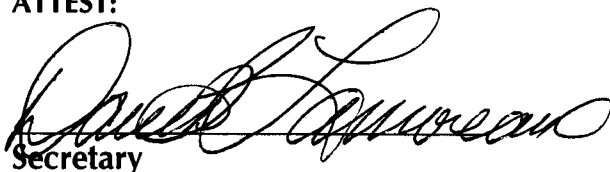
ADJOURNMENT

There being no further business to come before the Board, Mr. Berge made a motion that the meeting adjourn. Mr. Riggs seconded the motion and the Board unanimously approved the motion. Mr. Dobson adjourned the meeting at 10:37 a.m.



President

ATTEST:



Secretary