

PINETOP-LAKESIDE SANITARY DISTRICT

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**REGULAR SESSION
MINUTES
August 10, 2016**

1. CALL TO ORDER

The Board Chair called the Board meeting to order at approximately 6:02 PM.

2. OPENING CEREMONY

The District Manager led the Board, Staff and Public in the Pledge of Allegiance.

3. ROLL CALL OF BOARD MEMBERS

Present were: Diana W. Butler, Board Chair and Dennis Bluhm, Board Member. Staff Members present were: David Smith, District Manager; Mark Heberer, Finance Manager and Linda Lionberger, Executive Assistant.

Present by telephone: Paul W. Meier, Board Secretary
William R. Whittington, Legal Counsel for the Governing Board.

Excused: Christopher C. Kengla – Board Vice-Chairman
Mark Wessel – Board Member

4. CONSENT AGENDA

Board Member Bluhm made a motion approving the Consent Agenda, which included the minutes of July 13, 2016, Regular Session; the Presentation, Approval, and Payment of Bills, Invoices, Warrants, Capital Purchases and the Navajo County Warrants Nos. 541900093 and 541900094, as presented by Staff. Board Member Meier seconded. Motion passed unanimously.

5. CALL TO THE PUBLIC

The Board Chair opened the Call to the Public at approximately 6:05 PM. The public members that were present did not request to address the Board of Directors. Therefore the Board Chair closed the Call to the Public at approximately 6:06 PM.

6. REPORTS AND CORRESPONDENCE

Board Chair's Report.

The Board Chair did not have a report.

Board Secretary's Report.

The Board Secretary did not have a report.

Manager's Report.

Update – Crimson Oak SLE Project #15-3.

The District Manager reported that the contractor has installed 3400' of the 8" sewer pipe and all the laterals on Sutter Drive and Crimson Oak. The District Manager also reported that the contractor was currently installing the service laterals on Spruce Drive; testing/compaction and asphaltting remaining to complete the project. The District Manager indicated that they should be completed over the next couple of weeks.

Update – Open House.

The District Manager reported that all the advertising has been placed in the newspaper and was in Tuesday's paper and would be in Friday's paper. Staff posted posters around the community. The Staff was working diligently on the grounds and building towards making the Open House a positive and beneficial event for the public.

The District Manager stated that he appreciated all of Mr. Peter La Barbera's work regarding the design of the Open House posters.

Update – Plant and Collection System Departments activities

The District Manager reported that the crew cleaned approximately 2,765 linear feet of sewer pipe, inspected 7 manholes and other inspections included servicing of laterals and inspecting of the Crimson Oak Sewer Project.

Board Member Meier's telephone connection was lost and he was reconnected by telephone.

The District Manager reported that the Plant treated .98 MGD; removal efficiency was at 98%; 43 tons of cardboard/paper received and compost produced/sold was 22.50 yards.

The District Manager reported that he did not have an update on the WWTP Project.

The District Manager reported that he was expecting the representative from PACE to be present at the District on Monday to start installing the WWTP SCADA.

Board Member Meier asked the District Manager if the valves were received for the WWTP Project. The District Manager responded to Board Member Meier that they were to be shipped to the District on August 26, 2016.

The Manager's Reports and discussions concluded.

Accounting Report.

The Finance Manager reported that this was the first full quarterly billing that Ms. Phillips processed the billing with minimal guidance and that the billing went very well.

Update – Recap of Operational Budget FYE 2015/2016.

The Finance Manager reported that the Recap of the Operational Budget did have 2014/2015 on the worksheet, but that the recap was for the 2015/2016.

The Finance Manager reported that revenues exceeded expenses and that the numbers were preliminary. The Finance Manager also reported that the sewer user fees were close to the budget and that the commercial sewer user revenues exceeded by \$23,000.00.

The Board Chair asked the Finance Manager if the Auditors were finished with their field work. The Finance Manager responded to the Board Chair that the auditors finished their field work at the end of July and that he was finishing his financial statements and reports. The Finance Manager also reported that the reports would need to be reviewed and corrected by the auditor and then the auditor submits the reports to the Senior Partner. Once the financials are finalized they are ready for the Board of Directors to review and be considered for approval at the October 2016, Board meeting.

The Finance Manager's Reports and discussions concluded.

7. BUSINESS

Discussion, consideration and possible action regarding: Resolution No. 2016-07, a Resolution and Order of the Board of Directors of the Pinetop-Lakeside Sanitary District, Authorizing, Adopting and Amending the Boundaries of the Pinetop-Lakeside Sanitary District; for the Inclusion of Assessor's Parcel Number 212-07-008B, known as the Johnson property, located by the Crimson Oak area.

The District Manager explained that the Johnson's have requested to annex their property into the Sanitary District's boundaries, they have fulfilled the District's annexation requirements and that they will receive sewer service from the Crimson Oak Sewer Line Extension Project #15-3.

Board Member Meier asked the District Manager if the property had changed ownership and why the property was not included initially. The Finance Manager responded to Board Member Meier that the property was located south of Webb Drive. The Finance Manager stated that all the properties in the project area are located north of Webb Drive.

The Board Chair stated that the map does show that they are located on the other side of the street of the project area.

Ms. Shea of the District's Planning and Design Department explained to the Board Members that the parcel was vacant and that the Johnsons' were relatives of Mr. and Mrs. Levan Webb. The Webb's' encouraged the Johnson's to annex their parcel into the Sanitary District Boundaries for the purpose of future development.

The Board Chair asked Board Member Meier if his question was answered. Board Member Meier responded to the Board Chair that his question was answered and thanked Staff.

Board Member Bluhm made a motion adopting Resolution No. 2016-07, accepting the inclusion of assessor's parcel number 212-07-008B, known as the Johnson property, located by the Crimson Oak area into the Pinetop-Lakeside Sanitary District's Boundaries. Board Member Meier seconded. Motion passed unanimously.

Board Member Meier exited the meeting by telephone and was physically present at approximately 6:13 PM.

Discussion of the possible future improvements for the District property.

The District Manager explained that this was just a discussion of some of the Staff's ideas of future improvements of the District's property. The District Manager explained that if the parking lot and entrance to the District's Business Office was relocated to the west this could give the public a clear vision of the entrance to the District's Building. There are times that the public is confused of how to enter the building and also when training classes are held at the building they are sometimes confused of where to park and enter into the conference room. By relocating the entrance to the west to the multipurpose room and customer service area this could eliminate the confusion of the public visiting the District or paying their bills.

The District Manager did a power point presentation of a proposed design of how there would be Office relocations, restroom relocation, employee lunch/break room and the Lab redesign. The District Manager explained that this was just a conceptual idea of a better use of the space. The outside entrance parking lot to the building would include a walkway along a wetlands area educating the public and offer better utilization of the gazebo, which could be more accessible to the public during District's functions.

Board Member Meier asked the District Manager if the Administration Building was on a concrete slab or sub floor. The District Manager responded to Board Member Meier that it was on a concrete slab. Board Member Meier stated that changing the plumbing could be extensive and costly. The District Manager responded to Board Member Meier that the plumbing would be moving the restroom and that could be minimal. There would also be some plumbing required for the employee lunch/break room. The District Manager indicated that most of the improvements would be the relocation of walls.

The Board Chair asked the District Manager was he asking for money and costs. The District Manager responded to the Board Chair that this was only a preliminary discussion to see if there was any interest regarding the improvements of the District property. The District Manager indicated that if the Board was interested then Staff would move forward with obtaining some of the costs; such as relocation of the fence and the proposed parking lot area. The District Manager stated that Staff did not want to cut trees they would work them into the landscaping/parking lot.

The Board Chair indicated that just glancing at the proposal to her indicates an expensive project.

Board Member Meier stated that there could be a lot more costs involved with the exterior changes than the interior changes, such as the parking lot area and with the ADA compliant requirements.

The Board Chair suggested that with possible new Board Members being seated in January 2017 that the proposed improvements could be rescheduled in the future for discussion.

Board Member Meier stated that he does like a lot of the ideas and he then asked Staff does the District potentially have the funds available for the proposed improvements. The Finance Manager responded to Board Member Meier that potentially there was funding available. The Finance Manager explained that he was considering the project at least one year out and that funding would be received from the Ad Valorem revenues collected for last fiscal year and that would keep the District at a comfortable level.

The Board Chair suggested that as the Board looks forward that the growth and the economy of the area be considered before a decision was made.

The Finance Manager stated that the Administration Building has been hodgepodge together and was not customer friendly.

The District Manager stated that the heating/cooling units of the building are dated and that newer modern and energy efficient units could be considered. The District Manager also stated that the false ceilings are not insulated as well as they could be.

The Board Chair suggested that there could be a prioritized list put together of areas that need immediate attention.

Board Member Meier asked the District Manager that with the current Treatment Plant upgrade was Staff contemplating any capitalized improvement projects that need to be considered in the Budget. The District Manager responded to Board Member Meier that there could be small Plant improvements that could be done by Staff. There was Phase I and Phase II suggested by the Engineers regarding the WWTP Improvement Project. There was approximately \$300K to \$400K that was suggested regarding improvements over the next five years. The concrete work that was done in the employee parking area was done for approximately \$60K to \$80K and was estimated at \$100K. The proposed parking area to the west would have 20 to 30 spaces and the design would need to be finalized per scale.

The Board Chair stated that it does give the Board something to think about, prioritizing an improvement listing, considering other plans and looking forward was always important.

This Agenda Item was for discussion only.

8. FUTURE AGENDA ITEMS

The Board requested that the following Agenda item(s) to be scheduled for the September 14, 2016; Board meeting:

- (1) Rotation of the Governing Board positions: Board Chair; Board Vice-Chair and Board Secretary Positions.

The Board Chair directed the Board Members if they have any items for the Agenda to contact the District Manager.

9. ADJOURNMENT

The Board Chair adjourned the meeting at approximately 6:29 PM.

Adopted and approved this 20th, Day of September, 2016.

/s/ Christopher C. Kengla
Christopher C. Kengla, Board Chairman