

PINETOP-LAKESIDE SANITARY DISTRICT

2600 W. ALISA LN. * LAKESIDE, AZ 85929 * PHONE (928) 368-5370 * FAX (928) 368-6039

**REGULAR SESSION
MINUTES
May 09, 2018**

1. CALL TO ORDER

Board Chair Meier called the Board meeting to order at approximately 6:00 PM.

2. OPENING CEREMONY

Board Member Kengla led the Board and Staff in the Pledge of Allegiance.

3. ROLL CALL OF BOARD MEMBERS

Present were: Paul W. Meier, Board Chair; Diana W. Butler, Board Vice-Chair; Neal Whittle, Board Secretary; Patrick B. Place, Board Member and Christopher C. Kengla, Board Member. Staff Members present were: David Smith, District Manager; Mark Heberer, Finance Manager and Linda Lionberger, Executive Assistant. William R. Whittington, Legal Counsel was also present.

4. CONSENT AGENDA

Board Vice-Chair Butler moved approving the minutes of April 11, 2018, as presented by Staff. Board Secretary Whittle seconded. Motion passed unanimously.

Board Member Kengla made a motion approving the Payment of Bills, Invoices, Warrants and Capital Purchases, as presented by Staff. Board Member Place seconded. Motion passed unanimously.

5. CALL TO THE PUBLIC

Board Chair Meier noted that there was not any public present.

6. REPORTS AND CORRESPONDENCE

Board Chair's Report.

Board Chair Meier did not have a report.

Board Secretary's Report.

Board Secretary Whittle did not have a report.

Manager's Report.

Update – Collection System Department activities.

The District Manager reported that the Collection System crew cleaned 7,200 linear feet, inspected 12 manholes and inspected approximately 12,000 linear feet of sewer lines.

The District Manager reported that there was a lateral installed on Lee Lane in Pinetop, they installed two gate valves on the Chlorine Contact basin and added a water spigot for the Camel Truck loading.

The District Manager reported that Staff was sealing the manhole behind Blue Ridge Schools, which is the Moonridge Interceptor because they suspected illegal septic dumping. The line was inundated with grease and there wasn't any type of business close by that would have contributed to the grease in the sewer line.

Update – Plant Department activities.

The District Manager reported that the average flows for the month were less than 0.62 MGD, Organic removal was at 88%; the organic removal number was a result of the presence of filamentous, the nitrogen results were 2.0 mg/L.

The District Manager reported that the Composting Facility received 40 tons of paper/cardboard, compost produced was 105 tons and compost sold was 267 yards.

Board Member Place asked the District Manager if Staff considered using polymer to help settle the solids. The District Manager responded to Board Member Place that the Staff does use polymer, Staff initiated the second clarifier. The District Manager explained that the second clarifier has not been needed until recently and that the suspended solids were at 12 mg/L.

Board Chair Meier asked the District Manager if the decreased flows affect the treatment process. The District Manager responded to Board Chair Meier that the decreased flows do affect the treatment. The District Manager explained you have an increase in the organics because of the decrease in the water. The time of year also has an effect because of the water temperature changing slowly, but that was not an excuse for the Treatment Plant problems.

The District Manager reported that the crew was planning to start coating the building flat roof with a silicone sealer that cost approximately \$200.00, per five gallon bucket. The District Manager explained that this sealer was recommended for the low slope roofs.

The Manager's Reports and discussions concluded.

Accounting Report

The Finance Manager reported that there was a net of twelve new connections bringing the total sewer connections to 8,199. The residential billing that was mailed in April exceeded the budget and the commercial billing should meet or exceed the budget for 2017/2018.

The Finance Manager reported that Staff was working on changes to the billing cycle to expedite the online bill payments by the first part of 2019. The Banks are moving towards Electronic Funds Transfer (EFT) referencing the Bank online bill payments. The Finance Manager also reported that 85% of the sewer user fee revenues are collected in the first month of the billing period.

The Finance Manager's Reports concluded.

7. BUSINESS

Discussion, consideration and possible action relating to the following: Rotation of the District's Board of Director's Positions: Board Chairman; Board Vice-Chairman; Board Secretary; Board Member and Board Member.

The Finance Manager explained that this was a housekeeping issue per the Board's By-laws.

Board Chair Meier noted that the following positions would move forward: Diana W. Butler, Board Chair; Neal Whittle, Board Vice-Chair; Patrick B. Place, Board Secretary; Christopher C. Kengla, Board Member and Paul W. Meier, Board Member.

Legal Counsel Whittington advised Board Chair Meier that a motion was required.

Board Member Kengla made a motion approving Diana W. Butler as Board Chair; Neal Whittle as Board Vice-Chair; Patrick B. Place as Board Secretary; Christopher C. Kengla as Board Member and Paul W. Meier as Board Member, per the PLSD Rotating Worksheet, as presented by Staff. Board Chair Meier seconded. Motion passed unanimously.

Discussion, consideration and possible action relating to the Influent Building replacement of the roof.

The District Manager explained that he received four bids for the Influent Building roof replacement Project. The roofing would be a metal roof for the Influent Building to match the blue metal on the District's Office Building. The warranty for the replacement roofing from Quality 1st Roofing carried a warranty for 20 years, with a zero dollar limit on the standing water, snow and ice. The District Manager also explained to the Board

that there could be additional cost replacing plywood if needed. The District Manager recommended accepting the bid from Quality 1st Roofing, Inc., as they were the lowest responsible bidder with an amount of \$7,130.00.

Board Member Place asked the District Manager what was the square footages of the roof replacement. The District Manager responded to Board Member Place that the area of the roof was approximately 30 x 30. The roof area for the additional building was 15 x 20.

Board Member Kengla made a motion to accept the roofing replacement of \$7,130.00 from Quality 1st Roofing, Inc., plus an additional amount for possible wood replacement costs not to exceed a total of \$8,130.00. Board Vice-Chair Butler seconded. Motion passed unanimously.

The District Manager explained to the Board that the Addendum to the Agreement for Small Construction Projects would be utilized for signature by the contractor.

Legal Counsel Whittington advised the Board that there were some recent legal updates that would need to be included on the Addendum to the Agreement.

Discussion consideration and possible action relating to the lighting replacement in the Composting Facility Building.

The District Manager discussed that the replacement lighting for the Composting Facility Building was a combination of a safety issue and that some of the light fixtures were not in working order, making the workspace dark for the Staff. Staff was replacing the lights with LED's and that some of the light fixtures would be lowered so that they could be changed by Staff in the future. The lights fixtures are currently 34 feet high. The District Manager also discussed that he requested four bids and only received two.

The District Manager explained that Complete Electrical Services did break down his bid into three phases and that Staff was only requesting approval of Phase I. The District Manager recommended that the Board consider approval of the bid proposal from Complete Electrical Services & Supplies in the amount of \$13,655.00, Phase One – Corrosive Spec.

Board Member Kengla made a motion to award the lighting replacement in the Composting Facility Building to Complete Electrical Services & Supplies Inc., in the amount of \$13,655.00, plus sales tax. Board Member Place seconded. Motion passed unanimously.

Discussion, review, consideration and possible action regarding the District's Operating and Non-Operating Budget for Fiscal Year End: 2018/2019; Rates and Fees; Revenue – Operational and Capital; Recap of Operations; Expenses – Collections, Treatment and Administration; Expenses and Revenue; Capital Funding Sources and Capital Project Expenditures.

The Finance Manager discussed that there weren't any changes to the proposed Budget FYE 2018/2019 that was presented at the April 11, 2018, Board Meeting.

The Finance Manager explained that the recommended changes were to the rates and fees schedule per the consumer price index and that affected the: Excess Density Fee (capacity) and Annexation Fee. With the increase to the Excess Density Fee that would affect the Connection Fee formula. The Finance Manager also explained that there would not be a need to increase the sewer user fees for Fiscal Year End 2018/2019.

Board Member Kengla asked the Finance Manager if there was an allowable increase added to the District's fuel costs, based on the forecasted increases to crude oil. The Finance Manager responded to Board Member Kengla that there was flexibility in the budget to handle the increase to the forecasted increases in crude oil.

Board Member Kengla asked the Finance Manager why there was a projected increase of \$1,000.00 in Lab Materials & Supplies. The District Manager responded to Board Member Kengla that the Staff has increased the in-house testing, to keep on top of the Treatment process.

There was no action on this item it was for discussion and informational purposes only.

Discussion, consideration and possible action regarding Resolution No. 2018-02, a Resolution Setting Time and Place for the Hearing on Fees Charged by the Sanitary District.

The Finance Manager discussed that this was a requirement to Notice the Public of the proposed District's Schedule of Changes to the Rates/Fees for Fiscal Year End 2018/2019. The Public Notice would be published in the Newspaper not less than 20 days and not more than 30 days.

Board Member Kengla made a motion approving Resolution No. 2018-02, a Resolution Setting Time and Place for the Hearing on the Fees Charged by the Sanitary District. Board Chair Meier seconded. Motion passed unanimously.

Discussion, consideration and possible action regarding Resolution No. 2018-03, a Resolution tentatively adopting a Budget for Publication and Setting Time and Place for the Hearing on the Proposed Budget for Fiscal Year End 2018/2019.

The Finance Manager discussed that this was a requirement to Publicly Notice the proposed District's Budget for Fiscal Year End 2018/2019. The Public Notice would be published in the Newspaper not less than 20 days and not more than 30 days.

Board Chair Meier moved approving Resolution No. 2018-03, a Resolution tentatively adopting a Budget for Publication and Setting Time and Place for the Hearing on the

Proposed Budget for Fiscal Year End 2018/2019. Board Member Kengla seconded. Motion passed unanimously.

Possible vote to go into Executive Session pursuant to A.R.S. §38-431.03 (A)(3), discussion or consultation for legal advice with the attorney or attorneys of the public body: regarding the Little Colorado River Basin Water Adjudication litigation, aka: the Little Colorado Coalition.

Legal Counsel Whittington advised the Board that he offered to discuss the Little Colorado Coalition with Legal Counsel Brown. Legal Counsel Brown was pressed for time and unable to discuss any information with him on the phone, but Legal Counsel Brown did offer to phone in during the Executive Session.

Legal Counsel Whittington advised the Board that the District Manager did have some factual information for the Board in Executive Session.

Board Member Kengla moved to go into Executive Session at approximately 6:30 PM; pursuant to A.R.S. §38-431.03 (A)(3), discussion or consultation for legal advice with the attorney or attorneys of the public body: regarding the Little Colorado River Basin Water Adjudication litigation, aka: the Little Colorado Coalition. Board Chair Meier seconded. Motion passed unanimously.

Board Chair Meier reconvened in Public Session at approximately 6:58 PM.

8. FUTURE AGENDA ITEMS

Board Chair Meier requested that the following Agenda items were scheduled for the Board Meeting of June 13, 2018:

- (1) Draft of a District Newsletter.
- (2) Public Hearings Rates/Fees and Budget for 2018/2019.
- (3) Adopting the Rates/Fees and Budget for 2018/2019.

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

9. ADJOURNMENT

Board Chair Meier adjourned the meeting at approximately 7:02 PM.

Adopted and approved this 13th, Day of June, 2018.

/s/ Diana W. Butler

Diana W. Butler, Board Chair