

**PINETOP-LAKESIDE SANITARY DISTRICT**

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**REGULAR SESSION  
MINUTES  
June 13, 2018**

1. CALL TO ORDER

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

2. OPENING CEREMONY

The Finance Manager led the Board and Staff in the Pledge of Allegiance.

3. ROLL CALL OF BOARD MEMBERS

Present were: Diana W. Butler, Board Chair; Patrick B. Place, Board Secretary 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 for the Governing Board was also present by telephone.

Excused: Paul W. Meier, Board Member  
Neal Whittle, Board Vice-Chair

4. PUBLIC HEARINGS

Fees for Services charged by the Pinetop-Lakeside Sanitary District and the Final Budget for Fiscal Year End 2018/2019.

The Finance Manager explained the only rates that were increasing based on the Consumer Price Index were the Annexation and Density Fees. An increase to the Sewer User Fees was not being requested by Staff.

***Board Chair Butler opened the Public Hearings at approximately 6:02 PM.***

***Board Chair Butler noted for the record that there was not any public present in person or by telephone.***

***Board Member Kengla made a motion closing the Public Hearings at approximately 6:04 PM. Board Secretary Place, seconded. Motion passed unanimously.***

5. CONSENT AGENDA

Board Member Kengla asked the District Manager if the roofing replacement project was completed and if it went well, noting the payment to the roofing contractor check number 14648. The District Manager responded to Board Member Kengla that the roofing project was scheduled to start on Monday, June 18<sup>th</sup> and be completed by June 20<sup>th</sup>. The payment was the 50% due, per the contract.

***Board Member Kengla made a motion approving the Consent Agenda, which included the Minutes of May 09, 2018, Regular and Executive Sessions, Presentation, Approval and Payment of Bills, Invoices, Warrants and Capital Purchases and the Navajo County Warrant No. 541900102; as presented by Staff. Board Secretary Place, seconded. Motion passed unanimously.***

6. CALL TO THE PUBLIC

***Board Chair Butler noted that there was not any public present.***

7. REPORTS AND CORRESPONDENCE

Board Chair's Report.

Board Chair Butler did not have a report.

Board Secretary's Report.

Board Secretary Place did not have a report.

Manager's Report.

Update – Collection System Department activities.

The District Manager reported that the Collection System crew was cleaning easements off of Willow Run in the Lakeside Forest Estates Subdivision. The crew cleaned approximately 8,100 linear feet; inspected 10 manholes and approximately 5,400 linear feet of sewer lines.

The District Manager reported that the Collections Crew was also cutting some dead trees around the District's grounds.

The District Manager reported that a representative had demonstrated a piece of equipment that is set from manhole to manhole and it sends sound waves detecting restricted sewer pipelines. The sewer pipelines restrictions are indicated by a rating of -0-

to 10. The purpose of the equipment was that you didn't have to drop the camera down the sewer pipe each time. The District Manager then reported that the representative was pressed for time and the demonstration was only an hour and a half. If the District Staff was interested in pursuing the equipment as a replacement of the camera equipment then Staff would request a more detailed demonstration, check out the feedback on the equipment from other entities that have purchased and are using the equipment and compare the costs to the District's current camera method. The equipment cost was approximately \$35,000.00 and a replacement camera van and equipment could be up towards \$250,000.00.

Board Secretary Place asked the District Manager if there was a way to check the accuracy of the ratings received through the equipment other than sending the camera down the manhole. The District Manager responded to Board Secretary Place that the ratings are based on the accurate distance of the pipe from manhole to manhole. If you don't have the correct distance the equipment could give an inaccurate rating. A rating of less than 5 would indicate a restricted line and there could be roots or debris hindering the flow; a rating of 6 or higher would indicate a non restricted sewer line and you would leave the sewer line alone. There could be items to interpretation as to the accuracy of the equipment.

Board Secretary Place asked the District Manager if he knew of the other entities that have purchased the equipment and if he has discussed the equipment with them. The District Manager responded to Board Secretary Place that he hasn't discussed it with any other entities that have purchased the equipment. He has viewed it on YouTube under SL Rat and based on the cost and possible reduction of Staff time to utilize the equipment it could be worth checking into.

Board Chair Butler stated that it would be a good idea to check into the equipment based on the cost to replace the camera.

The District Manager reported that he would check into the equipment and may bring it back to the Board in the future.

#### Update – Plant Department activities.

The District Manager reported that the average flows for the month were 0.72 MGD, Organic removal was at 98%; the nitrogen levels are okay and that there are WWTP SCADA communication issues being addressed. The District Manager then reported that the WWTP SCADA's warranty has expired.

Board Secretary Place asked the District Manager if there was an extended service plan. The District Manager responded that to extend a service plan the cost was approximately \$2,000.00, per quarter for onsite and remote.

The District Manager discussed that there are several PLC locations and it appears that it was a communication issue between two PLC's. There has been a technician here since Monday working on the WWTP SCADA issues.

Board Secretary Place asked the District Manager if they were charging by the hour. The District Manager responded to Board Secretary Place that they were charging by the hour and that it could be a firmware update that is needed to fix the bugs.

Board Secretary Place asked the District Manager if the PLC's still were under warranty. The District Manager responded to Board Secretary Place the card for the PLC would be approximately \$140.00. Staff and Pace were working on fixing the bugs.

The District Manager reported that the Composting Facility received 46 tons of paper/cardboard, compost produced was 36 tons and compost sold was 337 yards.

The District Manager reported that Staff has completed coating the flat roofs with the silicone roof sealant.

The District Manager reported that he discussed the Joint Meeting with the Town Manager and that he indicated they were looking at hosting it in the fall. The Town Manager indicated that he wanted to wait until they were in their new building.

***The Manager's Reports and discussions concluded.***

#### Accounting Report

The Finance Manager reported that the total sewer connections were 8,205, revenue should exceed expenses and that the Staff was upgrading the billing programs to offer paperless billing in October 2018. Staff was also upgrading the District's website offering fillable forms. The District's Auditor's will be at the District the week of July 23<sup>rd</sup> to do their field work.

Board Member Kengla asked the Finance Manager what percentage did the revenues exceed the expenses. The Finance Manager responded to Board Member Kengla that the revenues are projected to be at 2.3% and the expenses at 2.15%, with a revenue surplus of \$200K, which included the \$60K for the sale of the Camel Truck.

Board Secretary Place asked the District Manager if there would be any other sales that could affect the revenues for next fiscal year end. The District Manager responded to Board Secretary Place that there are some items for sale, but that it has been difficult finding a market for the items.

***The Finance Manager's Reports and discussions concluded.***

8. BUSINESS

Discussion, consideration and possible action regarding Resolution No. 2018-04, a Resolution amending the schedule of fees for the Pinetop-Lakeside Sanitary District Fiscal Year July 1, 2018 to June 30, 2019.

The Finance Manager explained that the rates that were increasing were the Annexation and Density fees and that there was not an increase projected for FYE 18/19 for the sewer user fees. The Finance Manager also explained that there was a reduction of five Classifications under the Sewer User Rates instead of six.

***Board Member Kengla made a motion approving Resolution No. 2018-04, a Resolution amending the schedule of fees for the Pinetop-Lakeside Sanitary District Fiscal Year July 1, 2018 to June 30, 2019. Board Secretary Place, seconded. Motion passed unanimously.***

Discussion, consideration and possible action regarding Resolution No. 2018-05, a Resolution adopting the final budget for the Pinetop-Lakeside Sanitary District Fiscal Year July 1, 2018 to June 30, 2019.

The Finance Manager explained that the Budget was discussed at the May 09, 2018; Board Meeting and by rearranging some of the categories the Collections System Budget increased and the Treatment Plant Budget decreased. There was a reduction in the electrical costs and the Ad Valorem Tax rate decreased from .2727 to .2603.

***Board Secretary Place made a motion adopting Resolution No. 2018-05, a Resolution adopting the final budget for the Pinetop-Lakeside Sanitary District Fiscal Year July 1, 2018 to June 30, 2019. Board Member Kengla, seconded. Motion passed unanimously.***

Discussion consideration and possible action regarding a District Newsletter.

The District Manager discussed the draft of the District's Newsletter and asked the Board for any changes or recommendations for the Newsletter.

Board Member Kengla asked the District Manager what the cost would be to mail out the Newsletter. The District Manager responded to Board Member Kengla that there would be approximately 7200 copies mailed and the cost was approximately \$3,400.00.

The Finance Manager explained that the printing company will print the tri-folds, fold them and mail them out to the customers. The District Staff would not spend any additional time handling the Newsletters. The cost would be \$3,404.00, for 7000 printed Newsletters.

Board Secretary Place asked the Finance Manager if the District could email out the Newsletter to those customers with emails on file. The Finance Manager responded to

Board Secretary Place that the District's billing program at this time did not have the capabilities to email the Newsletter. Staff was working on that for the future in conjunction with the email billing.

Board Chair Butler asked the Finance Manager then you could fill out the form using the email address and send it to the District's Staff. The Finance Manager responded to Board Chair Butler, yes, once it was received by the District, Staff will send a confirmation. The Finance Manager indicated that next year Staff plans to have an email data base available.

Board Member Kengla said that he likes the text of the letter and that it was great to have communication of what the District has accomplished over the past year mailed out to the customers.

Board Secretary Place asked if Staff knew what links where hit on the website. The Finance Manager responded to Board Secretary Place that the biggest number of hits was: the location of the District; Rates and Fees and change of address.

***Board Member Kengla made a motion approving the District Newsletter to be mailed out to the customers and not to exceed a dollar amount of \$4,000.00. Board Secretary Place, seconded. Motion passed unanimously.***

9. FUTURE AGENDA ITEMS

Board Chair Butler requested that the following Agenda items were scheduled for the Board Meeting of July 11, 2018:

- (1) Discussion of a District Open House.
- (2) Sewer Line Extension Project by the Lakeside Forest Service Campground/Lodge.

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

10. ADJOURNMENT

Board Chair Butler adjourned the meeting at approximately 6:35 PM.

Adopted and approved this 11<sup>th</sup>, Day of July, 2018.

/s/ Diana W. Butler

Diana W. Butler, Board Chair