

PINETOP-LAKESIDE SANITARY DISTRICT

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**REGULAR SESSION
MINUTES
July 11, 2018**

1. CALL TO ORDER

Board Chair Butler called the Board meeting to order at approximately 6:00 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; Neal Whittle, Board Vice-Chair; Patrick B. Place, Board Secretary; Christopher C. Kengla, Board Member and Paul W. Meier, Board Member. Staff Members present were: David Smith, District Manager; Mark Heberer, Finance Manager, Alexandria Shea, Planning & Design and Linda Lionberger, Executive Assistant. William R. Whittington, Legal Counsel for the Governing Board was also present by telephone.

4. CONSENT AGENDA

Board Member Kengla made a motion approving the Consent Agenda, which included the Minutes of June 13, 2018, Regular Session, Presentation, Approval and Payment of Bills, Invoices, Warrants and Capital Purchases; as presented by Staff. Board Secretary Place, seconded. Motion passed unanimously.

5. CALL TO THE PUBLIC

Board Chair Butler opened the Call to the Public at approximately 6:04 PM. The public member present did not request to address the Board. Therefore, Board Chair Butler closed the Call to the Public at approximately 6:06 PM.

6. 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 cleaned approximately 1,200 linear feet of sewer lines, inspected approximately 5,600 linear feet of sewer lines and 12 manholes. The camera was shipped out for repairs, the cost of the repairs was approximately \$750.00, the drive gear was repaired and the camera was received back on Tuesday, July 10, 2018. The area that the Collection System Crew has been cleaning and inspecting was Larson Road and South of Rainbow Lake they were cleaning roots and debris build up in the sewer lines. The crew also repaired two laterals and has been doing general cleaning on the District's grounds.

Update – Plant Department activities.

The District Manager reported that the average flows for the month of June 2018 were just under 0.9 MGD, Organic removal was at 98%; the nitrogen levels were at 2.4 mg/L.

The District Manager reported that the WWTP SCADA was still having communication issues and that Staff was working out some of the bugs, the Engineers believe it may be the cable between two PLC's. A cable has been ordered to hopefully solve the communication issues. The SCADA is not receiving any information from the effluent and return pumps. When the Staff shows up to correct the pumps there has not been a problem. However, the alarm from the SCADA does alert the Staff there was an issue when there wasn't.

The District Manager reported that the Composting Facility received 36 tons of paper/cardboard, compost sold was 204 yards. A number was not received from Staff for the amount of compost that was produced.

The District Manager reported that the Roof Project on the Composting Building was completed on July 6, 2018 and that the lighting project was being installed this week.

The District Manager reported that the roofing project cost was approved between \$7,130.00 and \$8,130.00 with only one change order, because of rotten plywood, the cost was under the \$8,130.00. The District Manager reported that the roof matches the main building.

The Manager's Reports concluded.

Accounting Report

The Finance Manager reported that the total sewer connections were 8,213, the revenues for fiscal year end 17/18 should end up with a positive cash flow of approximately \$130K, with the sale of the Camel Truck and savings in the District Staffing.

The Finance Manager reported that the District's Auditor's are scheduled to do their field work at the District the week of July 23rd.

The Finance Manager reported that the District's Newsletter was mailed out the first part of the month and Management was able to hold the sewer user fee rates without an increase for another year.

The Finance Manager's Reports concluded.

7. BUSINESS

Discussion, consideration and possible action: a District Open House.

The District Manager discussed that the District's Open House has been held in September in the past. However, September was a very busy month with several activities happening in Pinetop Lakeside. In the past attendance of 17 to 40 people have attended the Open House. The District Manager reviewed the local event calendar the District Manager then discussed that Saturday, August 18, 2018 appeared to be a date that there weren't too many events conflicting with the District's Open House. He also discussed that the District has served hot dogs in the past and that a timeframe for the Open House being considered was from 10:00 AM to 1:00 PM.

Board Secretary Place asked the District Manager if there were advertisements for the public to be aware of the Open House through the local media. The District Manager responded to Board Secretary Place that Staff does advertise in the local newspaper and there have been advertisements on the local radio station in the past.

Board Chair Butler stated that a District Open House was a good idea for the community to see what the District does even if the attendance was minimal.

Board Member Meier stated that a District Open House was a way to show the community how their dollars are being spent and how the District keeps the rates steady.

Board Vice-Chair Whittle stated that the Open House was a good time, very community minded and a good image for the District.

Board Member Kengla stated that the Open House gives us interface with the community and communicates to the public that because of the Board and Staff, who are very frugal with the monies spent, the sewer user rates did not have to increase this year. The District

was a unique entity, a conservative entity being community minded and that the public should be made aware of that.

Board Member Meier stated that in reading the minutes of the June 13, 2018, Board Meeting there was not any public in attendance. This relates in his mind the trust the public has in the District's Board and Staff in keeping the budget to a minimum without a sewer user fee rate increase.

Board Member Kengla stated that having the Open House in August may increase the attendance, because the summer population was still up here on the mountain.

The Board indicated that they would like to serve, hot dogs, sodas, water, chips and other refreshments for the Open House.

Board Member Kengla made a motion approving the District's Open House on Saturday, August 18, 2018 from 10:00 AM to 1:00 PM and to serve refreshments to include hot dogs, chips, sodas, water and other miscellaneous refreshments. Board Secretary Place, seconded. Motion passed unanimously.

Discussion – Brown Bear Tool Carrier Tractors with aerator attachments for Dry – Compost – Bioremediation.

The District Manager discussed his discussion with the representative of the equipment. The equipment that he was considering was used and had 500 hours; it included a turner head with a 170 – 180 horsepower diesel engine. The District Manager also discussed the current loader being used by Staff was purchased in 2005, it was still running, but was aging. The equipment being considered to replace the 2005 loader, was approximately \$80K with the attachments, it has a bucket/quick disconnect and auger that creates the piles. The auger would throw the compost over to one side for the windrowing and backfilling.

The District Manager stated that if the Board was not interested in the equipment he would not pursue contacting the representative regarding the equipment.

Board Member Meier asked the District Manager when the District purchased the loader in 2014 for \$68K was this with a trade in and was it new. The District Manager responded to Board Member Meier that was with a trade in and it was new.

Board Secretary Place asked the District Manager if the company would consider a trade in. The District Manager responded to Board Secretary Place that the representative would take a trade in and that the Staff just installed new tires on the 2005 loader.

Board Secretary Place asked the District Manager if there would be a warranty on the equipment. The District Manager responded to Board Secretary Place that he did not believe there would be a warranty, because it was used, but he could check into it.

The Finance Manager stated that the age of the 2005 loader would require replacement over the next 1 to 2 years.

Board Secretary Place asked the District Manager if the equipment being considered has an air conditioned cab. The District Manager responded to Board Secretary Place that the cab was all enclosed and that this was a popular piece of equipment with the cattle and dairy farms.

Board Member Meier asked the District Manager what was the cost with the attachments when it was new. The District Manager responded to Board Member Meier that the approximate cost probably was \$250K.

Board Member Kengla stated that it could be advantageous if they would consider a trade in to defray the cost.

The District Manager discussed that he would discuss with the representative that he was interested, but that he wanted to try the equipment for at least two weeks to see if it would meet the District's needs.

Board Member Meier suggested that the Staff does try out the equipment to see if it meets the District's needs. Staff does a great job with the District's equipment and we get a lot of use and years out of the District's equipment.

The District Manager discussed that an advantage of this type of equipment would be if it turns and moves the composting material within 1 to 1 ½ hours rather than Staff spending 2 to 3 days in the past turning and moving the piles. This would save in labor time and costs so they could do other duties around the Plant.

Board Secretary Place asked the District Manager was the 500 hours on the engine or equipment. The District Manager responded to Board Secretary Place that it was engine hours. He could check into the hours on the bucket and the auger.

Board Member Kengla asked the District Manager if the bucket came with the equipment. The District Manager responded to Board Member Kengla that the equipment did include the bucket.

Board Member Meier stated that the equipment appears to be geared towards the District's needs.

Board Member Kengla stated that perhaps the District should look at pursuing the equipment because of the cost of \$80K versus \$250K.

Board Chair Butler stated that perhaps Staff should try out the equipment.

Board Vice-Chair Whittle stated that he would like to see the specifications on the equipment. He was familiar with the equipment they appeared to be good machines and that some of these types of machines were used for snow plowing at airports.

Board Chair Butler directed the District Manager to contact the representative to check it out and try the equipment to see if it fits the District's needs.

Discussion of the relocation of the Piney/Slope Lift Station.

The District Manager discussed that Staff was considering relocating the Piney/Slope Lift Station to provide a more accessible location to service the Lift Station. The District Manager passed out a map of the location of the Lift Station to the Board. The Staff currently either has gone through the Mobile Home Park or through the field. The District does have an easement through the field behind the trailer park. The Mobile Home Park property owner did allow the crew access through the park to maintain the Lift Station. The crew wishes to access the Lift Station through the automotive shop property. The cleaning of the Lift Station is done every two to three months. The District Manager and Ms. Shea met with the property owner and her son regarding the easement to the Lift Station through the field located behind the automotive shop and the Mobile Home Park. Staff discussed with the property owners of the easement placing some heavier cinders to access the Lift Station with the Vac Truck. Staff wanted to make sure that the property owner did not have an issue with the placement of the heavier cinders on the easement. Staff also discussed the relocation of the Lift Station with the property owner and with Ethan Ellsworth of the irrigation district, regarding the access to the Lift Station. The property owner of the automotive shop was also contacted by Staff to discuss if there would be any issue with turning the Vac Truck on his property or obtaining an easement. The property owners and Mr. Ellsworth seemed to be agreeable to the District's proposal. The District's sewer lines are on a five year schedule to be cleaned and maintained. Staff was considering moving the Lift Station 200 linear feet to the West.

Board Secretary Place asked the District Manager if the Lift Station could be picked up and moved. The District Manager responded to Board Secretary Place that it could be picked up and moved, but the Lift Station was installed in 1994 and Staff would be leery of moving it.

The District Manager discussed the installation of a new control panel, a sliding pump and that the District's Staff would handle the relocation and construction of the Lift Station. The District Manager indicated that if all went well the estimated cost could be between \$12K TO \$15K; plus pipe and the wet well. If the property owners are willing to work with the District regarding the easements this would be a good time to move forward.

Board Member Meier stated that right now the property owners are in agreement with the District's proposal, the District should move forward.

Board Member Kengla asked the District Manager if the final payments were made to the Piney/Slope Sewer Improvement District. The Finance Manager responded to Board

Member Kengla that the final payment was made to the County for the Piney/Slope Sewer Improvement District.

Legal Counsel was disconnected on the telephone at approximately 6:39 PM.

The District Manager discussed that Staff would continue discussions on the easements and availability of driving on their property, with the property owners. There would also be a need for a temporary construction easement. If the Lift Station was relocated the automotive shop may be able to gravity and do away with their individual lift station.

Legal Counsel reconnected by telephone at approximately 6:42 PM.

There was a brief discussion of the property that was for sale along the highway and that the automotive shop would be a 4" private sewer line and if the District could install the private sewer gravity line.

This item was for discussion only with no action being taken.

Discussion, consideration and possible action regarding Ratification of the Terms of Engagement with Fester & Chapman, P.C., Certified Public Accountants to conduct the District's Audit for Fiscal Year End June 30, 2018 and Addendum To Agreement for Professional Services.

The Finance Manager discussed that this was a Housekeeping item and that the District's Auditing Firm request that the Terms of Engagement of what was expected of the Auditor's and the cost was acknowledged by the Governing Board and the Management of the District.

Board Member Kengla asked the Finance Manager how long the District has used the services of the firm. The Finance Manager responded to Board Member Kengla that over the past four years.

The Finance Manager recommended approval of the Terms of Engagement with Fester & Chapman, P.C. and the Addendum.

Board Member Kengla asked the Finance Manager if the District does entertain bids for these services. The Finance Manager responded to Board Member Kengla that the District does go out to bid and that this year the District was looking at going out to bid.

The Finance Manager explained that there are limited auditing firms that handle governmental auditing and that every four to five years the District does go out to bid.

Board Member Meier asked the Finance Manager would the cost decrease if the District went out to bid. The Finance Manager responded to Board Member Meier that the Auditor's cost has decreased. When their workload decreases that in turn decreases their annual costs to the District.

Board Member Kengla made a motion ratifying the Terms of Engagement with Fester & Chapman P.C., Certified Public Accountants and to include the Addendum To Agreement for Professional Services. Board Member Meier, seconded. Motion passed unanimously.

8. FUTURE AGENDA ITEMS

Board Chair Butler directed the Board Members if they have any items for the August 8, 2018 Board Agenda to contact the District Manager.

9. ADJOURNMENT

Board Chair Butler adjourned the meeting at approximately 6:50 PM.

Adopted and approved this 8th, Day of August, 2018.

/s/Diana W. Butler

Diana W. Butler, Board Chair