

PINETOP-LAKESIDE SANITARY DISTRICT

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**REGULAR SESSION
MINUTES
October 10, 2018**

1. CALL TO ORDER

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

2. OPENING CEREMONY

Board Member Meier led the Board, Staff, Legal Counsel 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, Melissa Kenchiovva, Plant Operations Supervisor 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 complimented the Executive Assistant regarding the preparation and completion of the minutes.

Board Member Kengla made a motion approving the Consent Agenda, which included the Minutes of September 12, 2018, Regular Session, Presentation, Approval and Payment of Bills, Invoices, Warrants, Capital Purchases and Navajo County Warrants Nos. 541900103 and 541900104; as presented by Staff. Board Secretary Place, seconded.

The vote was as follows: Board Chair Butler, yes; Board Vice-Chair Whittle, yes; Board Secretary Place, yes; Board Member Kengla, yes and Board Member Meier, yes. Motion passed unanimously.

5. CALL TO THE PUBLIC

Board Chair Butler read the Call to the Public statement and opened the Call to the Public at approximately 6:02 PM. The public members present did not respond to the

Call to the Public, therefore Board Chair Butler closed the Call to the Public at approximately 6:05 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 18,000 linear feet of sewer lines, they televised approximately 9,000 linear feet of sewer lines and inspected 16 manholes.

The District Manager reported that the Collections System Crew had a demonstration today on CCTV equipment; the crew installed the replacement unit for the Pinetop Lakes #2 Lift Station, this Lift Station was originally installed in the mid 1970's. The replacement unit is an above ground unit, it was replaced with a Smith and Loveless Unit and the approximate cost was \$49K. Staff was completing the electrical service and the Lift Station was running good. The Lift Station was a vacuum prime. The District Manager also reported that the vacuum could be problematic because the vacuum pump kicks on and draws the raw sewage up and then it kicks the pump on. This replacement Lift Station holds the vacuum well.

Board Vice-Chair Whittle asked the District Manager if the Lift Station had above ground controls and electric. The District Manager responded to Board Vice-Chair Whittle that the controls and electric were above ground.

Update – Plant Department activities.

The District Manager reported that the average flows for the month of September 2018 averaged <.8 MGD, Organic removal was at 97% to 98%; the nitrogen level was at 2.8 mg/L.

The District Manager reported that the mixer in the ditch had a seal failure (Banana Blade). The motor was sent to the shop for repair. The result appears to be a factory defect. Board Member Meier and Board Member Kengla asked the District Manager if it was the same mixer that had been repaired prior. The District Manager responded to Board Member Meier and Board Member Kengla that it was the same one that was

repaired. The District Manager then reported that the cost to repair could have been \$4500.00; but because of the factory defect the cost to the District was approximately \$300.00 to \$400.00 for the labor. The labor was because of a pinch in the power cable, which was the District's fault. The District Manager also reported that everything else appeared okay.

Board Secretary Place asked the District Manager how many issues until the District requests a new unit. The District Manager responded to Board Secretary Place that he wasn't sure.

Board Member Meier confirmed with the District Manager that there were two mixers installed and he asked was there any issues with the other mixer. The District Manager responded to Board Member Meier that there were two mixers and the other mixer hasn't had any issues.

The District Manager reported that Staff checks for water in the oil and there was a seal leak detection that shuts off the motor before the motor is ruined.

The District Manager reported that the Composting Facility received 37.5 tons of paper/cardboard received from Waste Management. Compost produced was 71 yards with 112 yards sold. The screening equipment for the Composting Facility was delivered the finer screen was not delivered and was back ordered. Staff did test the screening process and was pleased with the performance of the screen.

Board Vice-Chair Whittle asked the District Manager how the Staff liked the new screening equipment. The District Manager responded to Board Vice-Chair Whittle that they were pleased with it. Ms. Kenchiova the Plant Operations Supervisor also responded to Board Vice-Chair Whittle that the screening equipment was working out well and that they were doing finals in one day rather than over several days.

The Manager's Reports and discussions concluded.

Accounting Report

The Finance Manager reported that there were six new sewer connections bringing the total connected users to 8207; the billing was mailed on October 1st and that there were 127 customers that were e-billed for the first time offering of the service. The e-bills were successful with minute errors and Staff will push for more sign-ups for the next billing in January 2019. The e-billing works out good for the seasonal customers, because they don't have to continually change their address back and forth and/or have their bills forwarded.

The Finance Manager reported that the commercial accounts billing was changed this quarter to be billed with the residential billing. Staff changed the billing method to average the commercial accounts water reads based over the past year and bill the customer on an equal basis over the next four quarters. Staff will receive the water reads

next July and recalculate the consumption amount over the past twelve months and figure the average and bill them on that amount. The billing amount would be adjusted with the October billing for the commercial customers. In working with the commercial customers there was indication that for them preparing their budget based on an equal amount was advantageous to them. The changing of the billing process also saves the District man hours calculating the water consumption every quarter and obtaining the water reports from the water companies each quarter.

Board Member Meier asked the Finance Manager how the District would bill a new customer that would not have any previous water reads. The Finance Manager responded to Board Member Meier that Staff would set up the new business with water reads. Depending on the type of business Staff could look at like businesses or if it's just Office space could be set up on the minimum billing.

The Finance Manager's Report and discussion concluded.

7. BUSINESS

Discussion regarding Recycling.

Board Chair Butler discussed that this was from the previous Board Meeting and there was interest that the District handles additional recycling other than the paper/cardboard.

Board Secretary Place discussed that his thoughts were a realistic approach to answer questions, would be what the problems have been and how could they be solved. Board Secretary Place stated that the community was aware of the problem with the Recycling Center closing and there wasn't an outlet for the other recyclables in the area. Board Secretary Place suggested that a solution was a combined effort of the District's Staff and the Town of Pinetop Lakeside's Staff's working together.

Board Member Meier discussed that he was reviewing the recycling plan that the Town of Pinetop Lakeside has discussed tentatively putting in place. Board Member Meier stated that after reading the minutes from the last Board Meeting he reviewed the Town of Pinetop Lakeside's plan, with a budget of approximately \$320K, to complete a facility to handle all of the recycling. The Town was planning to move forward and have it in place by the end of April of 2019. Their proposal included acquiring property and running a full scale recycling center for the community.

Board Chair Butler asked the District Manager if he had met with the Town. The District Manager responded to Board Chair Butler that he did have a meeting with the Staff of the Town of Pinetop Lakeside and that there could be a fee for the customers that utilize the facility; it may be open 6 to 7 days a week.

Board Secretary Place stated that the Town was depending on the people to bring their recyclables to the facility.

The District Manager discussed that the Staff of the Town are considering purchasing the property next to the Public Works Building on Woodland Road and also hiring Staff to man the recycling facility so that it would be monitored to receive the recyclables.

Board Vice-Chair Whittle stated that hopefully the recycling facility would be a clean facility.

Board Member Meier stated that the Town's Staff onsite should keep the facility clean.

The District Manager stated that they would be taking household trash and that could help out the community keeping the trash out of the forest and the illegal dumping that happens in the community.

Board Chair Butler explained to the public that the District has had to make several hard decisions in moving the recycling of the cardboard/paper to the District, because of the illegal dumping. The bins had to be moved into the fenced yard at the District because of the non recyclable materials that the District was receiving before and after business hours. The community members have been understanding of why the bins were moved inside the fenced area and are available during the District's business hours.

The District Manager stated that he had hoped that with the bins out front and the camera that the individuals that were illegally dumping would be less likely to leave their trash and non recyclables.

Board Member Kengla discussed that the reason the District does recycling was because it dovetails with the District's program. The District doesn't have to haul the sludge to the landfills and that is positive for the community, the District receives a gold star. Does the District want to get into full scale recycling? No, the District's customer base should not have to spend the funds to do so, the District's customers pay approximately \$1.00, from their sewer user fee, for the recycling that is used to produce the compost and that is a bargain and the cost of doing business and this keeps the sludge from ending up in the landfill. He said that he was a proponent of what the District does and always will be. A question to answer was does the District want to get into full blown recycling. First of all we are an autonomous District and until we are approached by the Town as an olive branch to work together, that's one thing, the District hasn't been approached. The District has a well oiled machine and should stay the course and call it a day. Board Member Kengla stated he is green and likes to see it on the mountain, but it wasn't located at the District's Facility.

Board Secretary Place stated that he was looking at it from an overall prospective and not necessarily just the District and he thought this might be a good first step for the community, but he didn't think it would solve the problem.

The District Manager stated that the District was being compared to the larger cities such as Mesa, Tucson and Phoenix they have 2800 people per square mile and the Pinetop Lakeside area has only 350 people per square mile you can't expect the same results from

the District's budget. The District can't offer the mass recycling services for free that the Phoenix area can offer. The District's responsibility was to keep the sewer flowing and treating it at the Plant.

Board Chair Butler stated that the District couldn't do an additional facility for recycling this would be a tremendous amount of change and cost for District in what the District does at the Plant. We couldn't do as well with what we do if we took on the additional recyclables.

The District Manager stated that there would be additional traffic on the residential roadways.

Board Chair Butler stated that the District's Facilities are not prepared for a full recycling facility.

Board Member Kengla stated that another issue is the logistical issue everything would have to be trucked out of the area. The cost would be astronomical for the District to truck it to Phoenix or Tucson.

Mr. Rob Ingels, a customer of the District, fulltime resident of the community since 1978 and who owns several properties located within the District requested to speak.

Board Chair Butler asked Mr. Ingels to address the Board.

Mr. Ingels said that he has attended more than one meeting at the Town regarding considering recycling. Mr. Ingels passed out a copy of the Town's recycling plan to each of the Board Members.

Mr. Ingels said that one thing he wanted to reiterate that came up at the Town's Council Meeting was the ability for them to take hazardous waste in a liquid form. The olive branch of the government for those of us that look at government for a collective responsible action didn't locate anything in the mission statements within the Sanitary District's homepage of the website. That didn't say you shouldn't be open minded to how can the Sanitary District benefit from collaborating resources with those who maybe would be providing the collection, sorting and provide the clean product to the Sanitary District. The Digester generating compost and at this point in time he wanted to say that both as a citizen of the Town of Pinetop Lakeside and customer of the Sanitary District's Boards decisions, it seemed like an appropriate time to look at what can you do and if the homepage of the District's website had a little more information of the value of the Digester. He looked back and Joan Baeza wrote a good article about the Digester in 2003 and if he heard it right the District has grown from 6300 customers to 8207 sewer connections. He and His wife have a commercial property and a residence and five other properties that are within the Sanitary District. He discussed that he pays through his Navajo County taxes an Ad Valorem tax and contributes to the overall existence of the Sanitary District and he looks to the Board to maybe not dismiss any other possibilities of recycling but look at the benefits of working with those that are going to try and create.

If you have a chance to review with a little detail of the plan the Town has put forth that they may be able to provide a good portion of the 37.5 tons of cardboard/paper that was received by the District. The recycling center that does get built was also known as the enterprise fund and the Town will have to borrow money and the hope is that in April of 2019 it would be up and running. They hope to take trash possibly at \$2.00 a bag from someone who drives up. Hopefully to cut down the material that has to go to the landfill by providing a convenient location for all the waste. He interpreted the plan to be able to select and remove the hazard waste working with ADEQ. As a citizen he has looked over the history of the District and in the realm of the Sanitary District Board would be how could we better educate the public and as citizens what could we do better to make the operation run smoothly and what could you do for the citizens who are supporting the operation of this to make everything gel smoothly. He suggested on the District's website's homepage to include something regarding the promotion of the compost and turning your waste into something good and maybe room for a student from Blue Ridge School to help provide information on the webpage. He appreciated that this was considered to be placed on the Agenda for a discussion item. He hoped that in the future there might be an item for action and a vote to state what a policy might be from the Board and Management.

Board Chair Butler stated as time goes on things could happen and the District continues to work with the Town of Pinetop Lakeside. The District Manager meets with the Staff of the Town of Pinetop Lakeside and discusses the recycling program they are working on putting together. The District continues to work with the Town and down the road we will hear more. She appreciated Mr. Ingels providing the leaflet regarding the Town's Recycling Plan.

Board Chair Butler thanked Mr. Ingels for his comments.

There was no action this was a discussion item only.

Discussion, consideration and possible action regarding the District's Compost Product Pricing.

The District Manager presented the current compost pricing to the Board and stated that the pricing structure has been in place for several years.

The Finance Manager stated that the pricing structure has been in place since 2003.

The District Manager discussed that the current pricing structure is 0-10 yards - \$10.00; 11-20 yards - \$8.00 and 21 yards and up is \$7.00, which generated approximately \$8600.00 per year over the past several years.

Board Member Meier asked the District Manager if he had any idea if the District averaged out those dollar amounts per yards would have been approximately 1000 yards the District was selling per year or was that a ballpark figure. Board Member Meier also asked the District Manager if he knew a rough percent of what was being hauled out in

the large loads at \$7.00 per yard and how much was being hauled out in the small loads at \$10.00 per yard. The District Manager responded to Board Member Meier that he did, it was \$7.00 per yard to the large haulers. The large haulers haul out 200 to 300 yards at a time; these haulers are the local schools, Town of Pinetop Lakeside and Perkins Cinders.

Board Chair Butler asked the District Manager where the compost goes. The District Manager responded to Board Chair Butler that it was used at the new Jack Barker Memorial Park, the schools use it on their athletic fields, and other entities use it to make a blend to sell to the public.

Board Member Kengla stated that he asked for this to be on the Agenda, because the District does sell it way under market, green waste material right now was \$20.00 a yard. He went through the numbers and increasing the pricing to \$15, \$12 and \$10, the compost per yard was still a bargain and should continue to move the product out the door. The District doesn't want a back log of compost. The purchase of the new equipment for the Composting Facility with the increase in the pricing structure should help defray some of the costs. He said that he was capitalist and he would like to cover the costs with a fair value for the compost product.

Board Member Meier asked Board Member Kengla if 27 cubic feet was equal to a yard. Board Member Kengla responded to Board Member Meier that was a cubic yard. Board Member Meier asked Board Member Kengla what was the size of a bag of compost that he sells. Board Member Kengla responded to Board Member Meier that he doesn't sell compost but the size of his bag was ½ cubic yard and that his Nursery makes a blend. Board Member Meier asked Board Member Kengla what was the size of a bag that Home Depot sells. Board Member Kengla responded to Board Member Meier that a bag of compost at Home Depot was 2 cubic feet as a comparison and it sells for approximately \$3.00.

Board Chair Butler stated the Board could consider a pricing structure change as it is listed on the Agenda.

Board Member Kengla stated that was his proposal to increase the pricing of the compost per yard and see if there was any pushback, which he doubted that there would be any whatsoever and it would increase revenues of the product sales.

Board Member Kengla stated that Staff wants to be sure that it was a clean product weed free and spraying for grass around the area.

Board Vice-Chair Whittle mentioned spraying for invasive species.

Board Secretary Place mentioned that tomato seeds and pumpkin seeds grow in compost.

Board Member Kengla stated that tomato seeds do not digest.

The District Manager stated that the heat would kill off the species and seeds at 150 to 155 degrees Fahrenheit.

Board Member Kengla stated that the seeds with the heat may not be killed.

The District Manager stated that once the compost comes outside that's when the yard was being mowed the grass could have filtered into the compost.

Ms Kenchiova stated that she did discuss with the Staff the grass and that they were cleaning it up.

Board member Kengla stated that the waste stream was a much cleaner product.

Board Member Kengla made a motion to increase the compost pricing to 0-10 yards at \$15.00; 11-20 yards at \$12.00 and 21 and up to \$10.00 per yard. Board Meier seconded.

The vote was as follows: Board Chair Butler, yes; Board Vice-Chair Whittle, yes; Board Secretary Place, yes; Board Member Kengla, yes and Board Member Meier, yes. Motion passed unanimously.

Discussion, consideration and possible action regarding the Treatment Plant Clarifier Rebuilding Project.

The District Manager discussed that looking over the Plant equipment and what could possibly fail next prompted him to place this on the Agenda. Looking over the long term when the Staff moves on he would like to leave the Plant in good condition for the future Management and Staff. The Clarifier was currently working but as one of the Plant's important pieces of equipment he thought he would check into the refurbishing of the equipment, the Clarifiers were installed in 1987. He contacted the manufacture and discussed the cost to replace the mechanical weirs, motors and etcetera on both Clarifiers. The approximate cost was \$367K and that was basically all new steel work, mechanical and no concrete. Right now Staff was only running one clarifier and transferring the flow.

Board Member Meier asked the District Manager if the District does only run one clarifier at a time and if Staff rotated equal usage over the past 30 years, does one get substantially more use than the other. The District Manager responded to Board Member Meier that generally speaking if the Plant was running good and the settleability is good there was only a need for one, to settle out. If there are issues with the settleability there are times that two are needed to be utilized. The practice of the Staff was to rotate approximately every six months to a year and clean one at a time.

Board Member Meier asked the District Manager was there a higher efficiency rate with the new models lasting thirty years down the road. The District Manager responded to

Board Member Meier that kind of, but it all comes down to the maintenance of the equipment.

The District Manager explained that right now there was a 60 foot diameter clarifier with weirs that are almost in the center of the clarifier. The laundry box's purpose was for the water to go through the weirs and that was the clear liquid and the solids go down to the bottom. The clear water which was considered treated goes out to the contact basin. The weirs are difficult to maintain in the summer they should be cleaned weekly otherwise you could have algae growth. The Staff has to go over the safety rail to clean them and that defeats the purpose of the safety rails. The new one would have the laundry box on the outside next to the concrete wall so that Staff could walk around and spray it down and get it all done from standing outside the clarifier.

Board Member Meier asked the District Manager with the recent rebuilding of the Plant is there an option, because of the efficiency running of the Plant that if we are not using it as much as we have in the past as far as the treatment process could we update one and have one as a backup and monitor the other one and then upgrade the second one. Could this be an option for the District? The District Manager responded to Board Member Meier that could be an option, there sometimes was a pricing decreasing when the manufacture was considering rebuilding two rather than one. As far as efficiency you don't really gain capacity they are designed to handle 2.mgd.

Board Member Meier stated that what he was getting at was if the District was getting by 11 months out of the year with 30 year old equipment. Was it possible that brand new equipment would have no problem handling it for 12 months?

The District Manager stated that it all goes back to how well the Plant runs, the biological process was based on microorganisms that you are growing. Grease does upset the process; theoretically we don't want to bank on it.

Board Secretary Place asked the District Manager if the clarifier weir could be cut solely. The District Manager responded to Board Secretary Place that then if you just have a single weir you are cutting your weir loading in half. The District Manager responded to Board Secretary Place that the weir spacing could be changed and it would not affect the weir loading. The District Manager then said that he asked the Engineers of the company if it would affect the flows and if the laundry box could be moved out a foot from the wall.

Board Secretary Place stated that he thought the District Manager said that he was going to move the laundry box to the wall.

The District Manager stated that he was considering moving the laundry box from the center of the Clarifier closer to the wall for safer and easier cleaning.

Board Secretary Place asked the District Manager does the clarifier have a scum brush and scrub the weirs. The District Manager responded to Board Secretary Place that it does.

Board Secretary Place suggested to the District Manager that he gave some thought to a mounted brush to scrub the weirs that this was something he did design in the past.

The District Manager stated that something to consider was covering the weirs to keep them covered from the sun to protect them from the algae growth. The Algae uses sunlight to grow.

Board Secretary Place asked the District Manager when a clarifier was cleaned was maintenance done and did he know what condition the steel was in. The District Manager responded to Board Secretary Place that the Clarifier was sandblasted and recoated two years ago, there were some spots showing rust. Board Secretary Place asked the District Manager were the squeegees replaced at the same time. The District Manager responded to Board Secretary Place that the squeegees were replaced; sweeps are looked at and adjusted and several items were checked.

Board Secretary Place asked the District Manager with the maintenance being done was it in need of replacement. The District Manager responded to Board Secretary Place that at some point something needs to be done, the grit system does need to be done this year possibly within the next 5 years the clarifiers need to be rehabilitated.

Board Secretary Place asked the District Manager would the vendor come up to gage the thickness of the equipment giving Staff some idea of the typical useful life of the equipment. Board Secretary Place stated that he wasn't saying no to the project he just wanted to be on firm ground, before authorizing the expenditure of the monies. The Finance Manager responded to Board Secretary Place that the expected useful life was 30 to 45 years.

Board Secretary Place said then we may have 50 years of equipment life.

Board Member Kengla said that we appreciate you taking the time to review the Plant and being proactive giving the Board a heads up. He thanked Mr. Ingels for his Ad Valorem tax contribution for the physical up keep of the Plant and he likes that we are retooling the Plant it is a 30 year old Plant and there was a lot of influx coming up to the area and keeping it in tune running like a singer sewing machine. He wants to be proactive not reactive.

Board Secretary Place stated that he didn't disagree with Board Member Kengla what he looks at the monies that have been spend recently he wants to be sure that the dollars are being spent over a period and shouldn't be spent all at once.

The District Manager stated that he just wanted to move the weirs to maintain it easier and safer that would be approximately \$145K and then he asked about redoing the internal parts and that was the quote he received.

Board Secretary Place asked the District Manager if it was a new tower and what was included. The District Manager responded to Board Secretary Place that it was everything a new tower, weirs and the bridge.

Board Secretary Place stated that if you were keeping the box you might gain weir loading

The District Manager stated that he could tell the Engineers and they would design a laundry box and weirs close to the wall for easier maintenance.

Ms. Kenchiova stated that Staff climbs over the wall, wears waders and it was slippery and sketchy.

The District Manager asked the Board if the Board was interested he would invite the vendor to do an onsite inspection of the Clarifiers.

Mr. Larry McCormick a public member asked the Board the amount for the Clarifier replacement project.

Board Chair Butler responded to Mr. McCormick that the quote was \$367,300.00.

Board Member Meier stated that he was for it and that it would be wise to explore and consider the update of one.

Board Chair Butler stated that he could have the vendor come at look at the Clarifiers and quote a dollar figure on one.

Board Member Meier stated that the District Manager does a good job keeping the Board informed.

The District Manager stated that if the District was serious and if it's something to be considered he would contact the vendor.

Board Secretary Place stated that the Board does need more information to make a decision of whether to move forward with one or two and the concrete within concrete.

Board Secretary Place asked the District Manager about fiberglass weirs the District Manager responded the weirs were galvanized steel.

Board Chair Butler suggested that with a price of one it good be decided by the Board if we update one and how quickly overtime does the Board update the second one.

Board Secretary Place suggested to the District Manager that he ask the vendor about fiberglass weirs and if they were easier to maintain.

Board Member Kengla asked the Finance Manager regarding the funding for the considered update of the Clarifier. The Finance Manager responded that there was funding, expenditures are on track overall and the funds are allocated.

Board Chair Butler asked where the vendor resides. Board Secretary Place responded to the Board Chair Butler in Waukesha, WI.

Board Chair Butler directed the District Manager to get the additional information for the Board as discussed and bring it back to the Board in the future.

Discussion, review, consideration and possible action regarding the District's annual Audit/Financial Statements for Fiscal Year End July 1, 2017 through June 30, 2018.

The Finance Manager explained that in front of the Board was the final Audit FYE 17/18 and that in their Board packets was the draft copy. The Finance Manager stated that there wasn't much change between the draft and the final audit. There were no findings, cash flow ended in a positive number, operational expenses decreased, revenues were close to target.

Board Member Meier stated that he did notice the operational expenses decreased and he thanked the Management and Staff.

The Finance Manager stated that the Staff does an efficient job and they are not wasteful with the District's monies. Staff in the Front Office has decreased from 4 to 2 they work very efficient as all the Staff does at the District.

The Finance Manager explained that the Board could wait until the November 2018 Board Meeting to consider approval of the Audit for Fiscal Year End 2017/2018.

Board Member Kengla stated he would like to review the final Audit.

The Finance Manager asked the Board if they would like to receive it electronically in the future the documents are password protected. The Board as a whole responded to the Finance Manager that they would like to receive a hardcopy.

The Finance Manager stated that in the first part of 2019, he would request to go out to bid for District's Audit services.

Board Member Kengla commended the Staff and Management for doing a spectacular job.

Board Member Meier asked if the increase to the covenants was the Crimson Oak Sewer Line Extension Project. The Finance Manager responded to Board Member Meier that it was.

Board Chair Butler directed the Staff to schedule this on the November 14, 2018, Board Meeting.

8. FUTURE AGENDA ITEMS

Board Chair Butler requested that the following Agenda item was scheduled for the Board Meeting of November 14, 2018:

- (1) District's Final Audit/Financial Statements for Fiscal Year End 2017/2018.

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

9. ADJOURNMENT

Board Chair Butler adjourned the meeting at approximately 7:07 PM.

Adopted and approved this 14th, Day of November, 2018.

/s/ Diana W. Butler

Diana W. Butler, Board Chair