

PINETOP-LAKESIDE SANITARY DISTRICT

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

**REGULAR SESSION
MINUTES
January 09, 2019**

1. CALL TO ORDER

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

2. OPENING CEREMONY

Board Member Meier led the Board, Staff and Legal Counsel 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 J. Smith, District Manager, Mark Heberer, Finance Manager and Linda Lionberger, Executive Assistant. William R. Whittington, Legal Counsel for the Governing Board was also present.

4. CONSENT AGENDA

Board Member Kengla asked the Finance Manager if the District funded a Health Savings Account and if that was done for all employees. The Finance Manager responded to Board Member Kengla that the District does fund the Health Savings Accounts for all the employees and employee voluntary contributions are also handled through the District and submitted to the employees Health Savings Accounts.

Board Member Meier commented on the amount of Check #15062, payable to Brown and Brown Law Offices regarding the Water Adjudication litigation and asked if the litigation had ramped up and if there was a resolution in the near future. The District Manager responded to Board Member Meier that there has been an increase in the litigation and a resolution has not been discussed.

Board Chair Butler stated that the Water Adjudication litigation attorneys are deep into the litigation.

Board Member Kengla stated that he recalled that the water master was going to fast track the litigation.

The District Manager responded to Board Member Kengla that part of the legal process was to ask for a continuance of the court hearings.

Board Vice-Chair Whittle made a motion approving the Consent Agenda, which included the Minutes of December 12, 2018, Regular Session, December 12, 2018, Executive Session and the Presentation, Approval and Payment of Bills, Invoices, Warrants and Capital Purchases; 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 did not read the Call to the Public statement as there wasn't any Public present.

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 Staff televised and cleaned 2,500 linear feet of sewer lines and inspected 5 manholes.

The District Manager reported that the crew installed a pump at the Quality Hills Lift Station and replaced the control panel.

The District Manager reported that he and the Staff were still reviewing and evaluating CCTV equipment and were not ready to bring their request to the Board. The Staff was busy repairing a water line break resulting from the cold weather. The crew was productively doing repairs and clearing snow at the District while the cold weather was here.

Update – Plant Department activities.

The District Manager reported that the average flows for the month of December 2018 averaged .740 MGD, Organic removal was staying steady at 98% and the nitrogen level was 1.4 mg/L, which increased slightly, however it still remained at a good level.

The District Manager reported that the Plant was experiencing settleability problems and Plant Operators do not like settleability problems. The solids in the ditch are transferred to the Clarifier and they don't settle out as quickly as an Operator would like it to, so Staff conducts a settleability test. The test is 30 minutes the Operator places the sample in a container and you wait to see how fast it settles out for the 30 minute period.

Board Secretary Place asked the District Manager how much of a blanket. The District Manager responded to Board Secretary Place that it was approximately 3 feet.

Board Vice-Chair Whittle asked the District Manager if there was a water temperature change that would affect the settleability. The District Manager responded to Board Vice-Chair Whittle that the water temperature did not change drastically, the water temperature remains fairly equal it has decreased but that was gradual. The problem with the settleability source is the filamentous. Filamentous could be caused by several issues. The District Manager explained filamentous is a hair like microorganism when it attaches itself to the flock it acts like a parachute and so the mixed liquor doesn't settle out. Staff needs to get rid of the filamentous and that was through manipulation of DO and growing a new flock of microorganisms that can compete, which means change wasting and grow a new population, this takes some time. You introduce it through MCRT, which is residence time. MCRT is if you have 50K lbs in your treatment process of microorganisms and you waste 5K lbs everyday your MCRT is 10, because it takes you 10 days of waste, it could take up 10 to 20 days to get a new population. Staff was running MCRT between 18 and 22, so theoretically it could take anywhere from 20 to 30 days to correct the problem. There was not a quick fix it could take some time.

Board Member Meier asked the District Manager if Staff has run into this before and dealt with it. The District Manager responded to Board Member Meier that Staff has run into this previously the last time was approximately two years ago.

Board Secretary Place cautioned the District Manager that you have to be careful wasting, because if the blanket gets to deep then all of a sudden the filamentous start multiplying in the Clarifier. The cure for that would be waste like crazy and that would be opposite of what Staff was doing right now.

The District Manager explained that Staff has turned on the two Clarifiers and they run them up one to two hours, before it's where you want it. The gut reaction was hurry up and waste and the other option was to increase the speed of the return pumps to hurry up and get it out of the Clarifier then it goes back into the ditch. Then the Clarifier and you just increased the hydraulic load on the Clarifier and you end up stirring it up because you

just added additional flow. Sometimes you have to resist an immediate clean up and make the change one at a time.

Board Secretary Place stated that with the District's Permit you can take time and you have some latitude. If it was crucial you could add a polymer chemical that was messy and expensive. Sometimes Treatment Operators will add polymers for a quick fix.

The District Manager stated that it was a short term solution and that the District's permit was a simple permit outside of the lagoon, because the District was monitoring for fecal coliform and most permits for Treatment Plants are required to monitor the BOD's, suspended solids, group oil, grease and a whole list of other items. But that doesn't give the District a license not to take care of the issue and Staff is taking care of the issue and that could take some time.

The District Manager reported that the Composting Facility received 37 tons of paper/cardboard from Waste Management. Compost produced was 58 tons with zero yards of compost sold.

Board Member Kengla stated that he appreciated the District Manager's Financial Year-end Summary of Expenditures that was provided to the Board.

The Manager's Reports and discussions concluded.

Accounting Report

The Finance Manager reported that the sewer connections remained at 8,224; there were 3 new connections and 3 disconnections netting zero.

The Finance Manager reported that as of the January 2019 quarterly billing there were approximately 30% of the District's customers set up on automatic payments. The Finance Manager along with Ms. Theiner in accounts receivable have set a target of signing up 50% of the District's billing customers on automatic payments by the end of the year.

The Finance Manager's Reports concluded.

7. BUSINESS

Discussion, consideration and possible action regarding the painting of the pump Gallery.

The District Manager presented a video of the Pump Gallery. The District Manager pointed out the area, which was the influent room, there was some chipping of the paint on the pipes that needed to be touched up, the pipe was marked with the arrows and the content, and he pointed out a black cap in the center, which was where the mixed liquor pumps were piped into. He explained the purple pipe was reclaimed water; the blue pipe

was potable water and the 3w and 2w lines on the blue prints indicating the potable and non-potable water.

Board Member Meier asked the District Manager if there were 4 pumps located in the Gallery that were not used. The District Manager responded to Board Member Meier that there were 4-25 horse power pumps and that they were the old mixed liquor pumps. He said that it was important to keep the paint touched up.

The District Manager asked Board Secretary Place if there was anything he would like to add.

Board Secretary Place stated that when he toured the Gallery it felt very dirty, the walls needed to be painted and labeling on some of the pipes needed to be cleaned up and that he thought regulation does require the pipes to be labeled every so often. Cleaning the Gallery up would give it a professional appearance. If there was a leak it would be easier to detect and repair.

The District Manager stated that painting the concrete walls could be difficult he did not know if the paint would stick to the concrete; the roof needed the leaks to be repaired. He pointed out the roof leaks along the walls in the video and lighting was an issue.

Board Secretary Place responded to the District Manager that in all the Plants he has been involved with they have painted the concrete walls.

The District Manager stated that he would look at painting the concrete walls, but a priority would be to seal the roof.

Board Vice-Chair Whittle stated that there was masonry paint.

Board Secretary Place stated that there are several concrete paint products out there that should work.

Board Secretary Place asked the District Manager why the roof wasn't sealed. The District Manager responded to Board Secretary Place that Staff has tried several products including a silicone product that was not successful.

The District Manager suggested that the first step to the Pump Gallery was seal the roof, address the lighting and then paint the walls.

Board Member Meier stated that his concern would be the maintenance and upkeep of painting the concrete walls.

Board Member Kengla suggested that Staff check out Theraseal cement sealant that he has used and it really worked out well.

The District Manager asked Board Member Kengla if it was a clear sealant. Board Member Kengla responded to the District Manager that it was a grey concrete color the pressure from the inside sealed his tanks, but the sealant wasn't cheap.

Board Secretary Place stated that he recently had his concrete painted in his garage and that the paint was working out really well. The paint was purchased from Sherwin-Williams and they were able to mix up a concrete paint.

Board Vice-Chair Whittle stated that Sherwin-Williams did have all types of products and they could probably come up with a mixture that would work for the walls.

Board Secretary Place suggested that if necessary to bid out the project.

There was no action this was for discussion only.

Discussion, consideration and possible action regarding an Invoice Billing received from Pacific Advanced Civil Engineering aka: PACE.

The District Manager stated that the invoice received from PACE in the amount of \$10,900.00 was for trouble shooting the SCADA after the warranty period expired.

Board Vice-Chair Whittle asked the District Manager so you don't agree that the SCADA was 100% completed. The District Manager responded to Board Vice-Chair Whittle that he did not agree with PACE that the SCADA was 100% completed.

Board Member Meier asked the District Manager what amount was on the original invoice. The District Manager responded to Board Member Meier that the original invoice that was submitted to the District was approximately \$12,000.00.

The District Manager explained that he was on vacation when the representatives from PACE came and worked on the SCADA, so he received some of the information from the Operations Supervisor.

Board Member Meier stated that one thing that he reviewed was the 31 hours for the CAD design and he mentioned that he didn't know how CAD would fit into the design of the SCADA.

Board Secretary Place asked the District Manager if there was a minimum that was billed. The District Manager responded to Board Secretary Place that there was a breakdown of their hours on the attached page of the invoice.

The District Manager stated that the argument has been that PACE claims because of the age of the District's equipment there were some issues with the communication between their equipment and the District's equipment. The District Manager then stated that they knew that when they bid the SCADA that the District did have some older equipment; this did not appear to be an issue at the time. He said that he did replace some relays that

did take care of some of the issues. The part that he didn't agree with was that the District has been billed the \$10,900.00 to find out that for approximately \$200.00 replacing communication relays solved some of the issues.

Board Member Meier asked the District Manager was it the relays that solved the problem. The District Manager responded to Board Member Meier that he does know that PACE did spend some time on the software program, the communication issues was the relays.

Board Secretary Place asked the District Manager that with the installation and programming of the SCADA using the District's equipment wouldn't they have detected some of the issues when the SCADA was set up. Was it working fine? The District Manager responded to Board Secretary Place that it was working fine with some glitches.

Board Member Meier stated that the SCADA has had glitches from the start.

Board Vice-Chair Whittle stated the longer the District waits the more it could cost the District.

Legal Counsel advised the Board that you could refuse to pay the invoice and then you would more than likely go to war with the Vendor and you would have to get an expert to testify.

Board Chair Butler stated than it could be more costly than the payment of the invoice.

The District Manager stated that in working with Mr. Krebs of PACE, Mr. Krebs indicated that he was not happy with the amount of the original invoice and was able to reduce it downward. The District Manager also stated that Mr. Krebs normally does not charge the District for his hours and that he has worked on the SCADA.

Board Secretary Place asked the District Manager when he has stopped by was he asked or just stopped by. The District Manager responded to Board Secretary Place that he was asked to stop by.

Board Member Meier stated that 60 hours does seem like a lot of time.

The District Manager stated that the billed amount for the intern that came to the District to work on the SCADA was absorbent. The hourly wage was higher than the District Manager thought it should be and the travel time was excessive.

Board Secretary Place asked the District Manager if there could be anymore negotiations regarding the invoice. The District Manager responded to Board Secretary Place that he didn't think there were any more negotiations regarding the invoice that they had reduced it as much as they would.

Board Member Meier stated that what he sees is pay the invoice and be done with PACE.

Board Chair Butler suggested that in the future if we use their services Staff should consider having the representatives signing in and out to keep track of their hours.

The District Manager stated that they do offer a maintenance agreement and Staff could develop a quarterly budget. If they do come on-site you pay their travel and if you don't use it do you lose the money.

Board member Meier stated that it was time for the District to look at other options for the maintenance of the SCADA. Board Member Meier asked the District Manager that in the past there was a discussion at a Board Meeting regarding another Vendor taking over the maintenance of the SCADA and was that still an option. The District Manager responded to Board Member Meier that when he contacted the Vendor the Vendor wanted to make sure that the ties between the District and PACE were severed. Board Member Meier suggested to the District Manager that Staff needs to move forward with the Vendor and what type of costs would the District be looking at. The District Manager responded to Board Member Meier that the hourly rate was \$120.00 and there could be travel costs.

Board Member Kengla asked the District Manager where the Vendor would be traveling from. The District Manager responded to Board Member Kengla that the Vendor was out of Mesa, Arizona. Board Member Kengla asked the District Manager if it was a one man show or how many employees does the Vendor have. The District Manager responded to Board Member Kengla that the Vendor was a one man show.

Board Member Meier suggested that the Vendor should be an I.T. person and not be all these engineers.

Board Secretary Place stated that the Vendor would also build his time.

Board Member Meier stated that he was ready to move forward with a motion.

Board Member Meier made a motion to pay the final invoice billing to PACE in the amount of \$10,900.00; and the Board to find a new maintenance and service representative for the District's Treatment Plant SCADA, which doesn't involve PACE. 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.

Discussion, consideration and possible action regarding the proposed Treatment Plant Clarifiers Re-build Project.

The District Manager briefed the Board referencing the inspection report of the Clarifiers and the suggestions of the repairs and maintenance from the vendor. The District

Manager suggested that the Board consider stainless steel to be installed in the Clarifiers because of the environment that the Clarifiers handle. The pricing of the re-building project was for one Clarifier \$310,500.00 or both at \$554,000.00.

Board Member Kengla asked the District Manager about the vendors note regarding the wood not painted. The District Manager responded to Board Member Kengla that there were seals located at the bottom of the Clarifiers and they were painted over and that they should not have been painted over.

The District Manager explained that the Clarifiers were sandblasted and painted, which has helped in the longevity of them. Would the Clarifiers last five to ten years from today, in his opinion they could last if the maintenance of sandblasting were to be done.

Board Member Kengla stated that repairing one would be more costly than repairing both.

Board Member Kengla stated that he appreciates Management looking at the District's equipment and making suggestions to the Board, because of the aging of the Plant pushing over 30 years. He appreciates the reactive management to be proactive and when the current Board and Management walk away he wants the District's equipment to run another 30 years and not piece meal equipment together the Plant has aged and we need to keep up with the maintenance and repairs.

Board Member Kengla made a motion approving the installation, and maintenance of the District's two Clarifiers in the amount of \$554,000.00.

There was not a second.

The District Manager stated that in reviewing the summary of the Clarifiers the dollar amount was listed as a budgetary proposal. The District Manager suggested that the Board approval should be delayed until he receives a firm amount for the Clarifier Re-build Project.

Board Member Meier stated that he was on the fence but after the discussion regarding the project he says go with it and get a hard fast bid.

Board Member Kengla withdrew his motion.

The Board by consensus directed the District Manager to contact the vendor and negotiate a firm dollar amount for the Re-build Project of the Treatment Plant Clarifiers and bring it back to a future Board Meeting.

Discussion, consideration and possible action regarding Resolution No. 2019-01, a Resolution Amending the Posting of the Agendas for the Board meetings of the Board of Directors for the Pinetop-Lakeside Sanitary District.

The District Manager stated that this was a housekeeping item to update the Public Posting of the Agendas for the Board Meetings. The current posting locations were: the Pinetop Post Office, The Lakeside Post Office, the District's Office and the website. The Pinetop Post Office does not have a public posting board it was removed when they repainted the Post Office and the Agenda was always being removed from the Lakeside Post Office Public Notice board. If the Board wanted to continue to post at the Post Office Staff could check into the placement of a locked encased document holder.

Board Secretary Place asked the District Manager what the cost would be for one of the encasements. The District Manager responded to Board Secretary Place that he did not know what the cost would be or the requirements to obtain one to install at the Post Offices.

Legal Counsel advised the Board that the obligation of the Board was to post the Public Notice of the meeting at least 24 hours in advance for the benefit of the Public.

Board Member Meier asked Legal Counsel would it be okay to amend the posting by eliminating the two Post Office postings. Legal Counsel responded to Board Member Meier that it was only required to post in one location and the District is amending to two locations.

Legal Counsel suggested that the Board require at least one to two postings of the Public Notices and that if Staff wants to post other locations as a courtesy Staff could do that.

Legal Counsel advised Staff that as long as you have signed the posting date you are covered. If the Notices are removed prior to the meetings, the law only requires that you provide proof of the posting.

Board Member Kengla made a motion approving Resolution No. 2019-01, a Resolution Amending the Posting of the Agendas for the Board meetings of the Board of Directors for the Pinetop-Lakeside Sanitary District. Board Member Meier seconded.

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

8. FUTURE AGENDA ITEMS

Board Chair Butler requested that the following Agenda item was scheduled for the Board Meeting of February 13, 2019:

- (1) Board of Directors Rotation.

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 6:55 PM.

Adopted and approved this 13th, Day of February, 2019.

/s/Diana W. Butler

Diana W. Butler, Board Chair