

Draft
Meeting Minutes
Board of Directors of the Big Park Domestic Wastewater Improvement District
May 17, 2017 - 10:00 a.m.
Sedona Fire Station #3, 125 Slide Rock, Sedona, Arizona

District Board Meeting Guidelines: The meeting will be held in accordance with A.R.S. Title 38 Open Meeting Laws. Board and attendees participation shall be civil and courteous. Any disruptive behavior could result in removal from the meeting. Comments and questions from the public shall be called upon by the Board Chairperson, and shall begin with stating and spelling of the speaker's name and address. All comments and questions shall be directed to the Board Chairperson. Persons with a disability may request a reasonable accommodation such as a sign language interpreter, by contacting Jennifer Bartos, Clerk of the Board of Directors, for the Big Park Domestic Wastewater Improvement District, Improvement District Services, Inc. at (928) 443-9484. Requests should be made as early as possible to allow time to arrange the accommodation. Requests for copies of Board Meeting minutes or other District documents, inquiries, or complaints should be submitted in writing to: Improvement District Services, Inc., 1965 Commerce Center Circle, Suite A, Prescott, AZ 86301. Pursuant to A.R.S. 38-431.03, the Board of Directors may vote to recess the meeting and move into Executive Session on any item, which will be held immediately after the vote and will not be open to the public. Upon completion of Executive Session, the Board of Directors may resume the meeting, open to the public, to address the remaining items on the agenda.

Call to Order - David Sheets, Lee Meiner, Moneesh Chatterjee, Ruth Kane, and Joanne Johnson present.

Also present and participating in the meeting: Jennifer Bartos, District Clerk and Dakota King, District Administrator, Improvement District Services, Inc.; Brad Bowers, Environmental Biomass Services; Dave Dirren, Sunrise Engineering; and Gary Livermont, member of the community.

Pledge of Allegiance

1. Discussion and possible action regarding an offer by Ramon Zambrano to donate parcel #405-34-004Y to the District for a value receipt of \$150,000.
Director Sheets asked what the next step of this process would consist of, to which Jennifer stated that she will contact the condemnation attorney. Director LaFrance stated that he would recommend a title policy for this donation.
Motion: made by Director LaFrance to proceed with the transaction of the parcel 405-34-004Y and to proceed with buying a title policy for the District, second by Director Meiner.
Unanimous Approval
2. Discussion and possible action regarding the Administrative Services Staff Report from Improvement District Services, Inc. regarding staff activities, District financials, budgets, collections, direction to the Clerk for future agenda items and other administrative issues.
Jennifer and Dakota reviewed the report with the Board.
3. Consent Agenda:
 - a) Approve the meeting minutes of April 19, 2017;
 - b) Approve checks written in April 2017;
 - c) Approve reconciliation report.Motion: made by Director Kane to approve the consent agenda, second by Director Meiner.
Unanimous Approval.
Director Sheets asked about the large Waste Management bill, to which Brad responded that there is more waste coming in and there is a different process and operation of the plant for the season.
4. Discussion and possible action to approve the FY 17/18 Tentative Budget, rates and fees, if appropriate set the hearing date and time as June 21, 2017, at 10:00 a.m.
Director LaFrance discussed the District O&M Reserve Fund. Director Kane asked about the reuse revenue. Director Johnson asked about the line items Biocube and Alarms. Director LaFrance asked about the SCADA system. Jennifer will move \$17,500 from the District O&M Reserve Fund to the PSM Needs Assessment. Director Johnson mentioned the reuse pump line again, and Director Sheets advised to put in the reuse revenue for 12 month.
Motion: made by Director Johnson to approve the FY 17/18 Tentative Budget, rates and fees and set the hearing date and time as June 21, 2017, at 10:00 a.m., second by Director Kane.
Unanimous Approval

5. Discussion and possible action to approve the Call of Election for three positions on the Board of Directors, currently held by Kane and Sheets, third position vacant.
Motion: made by Director Meiner to approve the Call of Election, second by Director Johnson.
Unanimous Approval
6. Discussion and possible action regarding proposed District Policies.
Director Chatterjee suggested that all projects, not just construction projects, should bid if over \$100,000.00.
7. Discussion and possible action to appoint Gary Livermont to the open position on the Board of Directors.
Director Johnson stated that she wished the Board would postpone this action to allow another member of the community to attend the meeting before filling the position. Director LaFrance stated that Mr. Livermont attended the meeting last month, has significant experience, resides in the district and is a connected customer.
Motion: made by Director LaFrance to approve the appointment of Mr. Livermont to the vacant board position, second by Director Meiner.
Discussion: Director Johnson stated that it is not always necessary to have technical expertise. Director Kane stated that women have been a great help on the board. Director Chatterjee stated that he doesn't believe this is a gender issue. Director Kane stated that she is afraid the Board is becoming an all-male board.
Vote: 4 yays, 2 nays, Kane & Johnson
8. Discussion and possible action regarding an update from Sunrise Engineering on the proposals for rip-rap installation at the treatment plant site.
Dave Dirren will gather more information to the next public meeting.
9. Discussion and possible action regarding an update from Sunrise Engineering on the project to correct erosion issues at the treatment plant site.
Dave Dirren will gather more information to the next public meeting.
10. Discussion and possible action regarding a feasibility study to refurbish the reuse lift station.
Director LaFrance stated that the current contract mandates that the District must provide VOCA with reuse until 2020. He further stated that there is a financial and moral question involved with the reuse. Director Chatterjee suggested creating a tax for paying for the reuse upgrades should the public wish to continue sending reuse to the golf course. Director Meiner stated that VOCA is very tight on money and believes the DWID is being underpaid for the reuse. Jennifer stated she believes an ad valorem tax is more appropriate than asking money from VOCA as it benefits the community. In addition, if the Board chooses to create an ad valorem tax to cover the cost of the upgrade and electrical cost, they cannot submit it to the county until next fiscal year thus initiating the tax on the FY 18/19 budget. Dave Dirren will put together a cost/benefit analysis of the upgrade of the reuse line.
11. Discussion and possible action regarding the Engineer's Report by Dave Dirren, Sunrise Engineering, to include updates on the GIS and the Sedona Cool Storage project.
No action taken.
12. Discussion and possible action to ratify the Chairman and Clerk's approval of a survey contact with Sunrise Engineering for the Headworks Project in an amount not to exceed \$4,000.
Motion: made by Director Johnson to ratify the approval, second by Director Kane.
Unanimous Approval
13. Discussion and possible action regarding an update from Sunrise Engineering on the plan to refurbish lift station #10.
Dave stated that he is waiting for two bids for the project. No action taken.
14. Discussion and possible action to approve invoices from Sunrise Engineering for:
 - a) District Engineering & GIS Project Services - \$2,817.75Director LaFrance asked if the GIS phase 2 is complete, to which Dave responded that they are.

Motion: made by Director Kane to approve the invoice from Sunrise Engineering in the amount of \$2,817.75, second by Director Meiner.
 Unanimous Approval

15. Presentation of the Operator's Report from Brad Bowers of Environmental Biomass Services, regarding the operation and maintenance of the wastewater facility and sewer system to include flow information, water quality, reuse and activities; updates on the Perpetual System Maintenance Projects.
 No action taken.

16. Discussion and possible action regarding miscellaneous wastewater treatment plant projects:

- a) Landscape with rock stock pile;
- b) Landscape maintenance for wastewater treatment plant site;
- c) Storage area and/or storage structure for the wastewater treatment plant.

Director Sheets gave his report on the visit to the treatment plant. Brad explained that he has talked with others about getting the scrap off of the treatment plant site.

17. Discussion and possible action regarding ongoing issues:

- a) Equipment at the treatment plant;
- b) Newsletter regarding new payment options.

Director Chatterjee stated that the newsletter should provide more specific information for who to contact, how to get a sewer line, and address other major customer questions. In addition, Director Chatterjee stated that the Board should have their own website, and there should be a place on the website for several documents for the public and Board, such as contracts and agenda packets. Director Johnson stated that the customers of Big Park need to be reminded to keep bills current.

Public Comment Period. The public will be given the opportunity to comment to the Board of Directors on non-agenda item issues pertaining to the District. This is the time for the public to comment. Members of the Board may not discuss items that are not specifically identified on the agenda. Therefore, pursuant to A.R.S. § 38-431.01(G), action taken as a result of public comment will be limited to directing staff to study the matter, responding to any criticism or scheduling the matter for further consideration and decision at a later date. Two minutes will be allowed for each speaker.

Big Park Domestic Wastewater Improvement District

Fiscal Year 2017/2018 Tentative Budget

<u>EXPENSE</u>	<u>FY 16/17</u>	<u>Actual as of</u>	<u>12-month</u>	<u>FY 17/18</u>
<u>Operations and Maintenance</u>	<u>Budget</u>	<u>4/30/2017</u>	<u>Estimate</u>	<u>Budget</u>
Administration:				
Administrative Svcs Contract	\$342,230	\$261,288	\$345,603	\$343,323
Activation Fees	2,500	3,400	4,000	4,000
Additional Admin Services	0	89	89	0
Collections	8,000	7,250	7,500	4,000
Foreclosure/Disconnection-Del.Accts	0	0	0	0
Attorney Services	5,000	937	1,000	5,000
Bank Charges	1,000	228	274	250
Director's Compensation	6,300	5,925	7,725	6,825
Elections	0	0	0	15,000
Financial Audit	24,000	9,634	24,000	24,000
Insurance Premium	34,000	23,477	24,000	25,000
Meeting Room Rental	550	450	585	585
Online Payment Fees	200	111	167	225

Postage	0	181	325	2,205
Publishing	450	0	450	850
Registrations				
ADEQ	3,500	3,427	3,427	3,800
Blue Stake	400	401	401	401
VOCA	180	0	181	181
Transfer to R&R WIFA Reserve Fund	0	0	0	74,000
Transfer to WIFA Reserve Fund	73,162	0	73,162	0
WIFA Loan Payment	450,000	69,121	369,228	365,792
Engineering:				
General Engineering Services	20,000	6,829	10,410	20,000
Additional Engineering Services	25,000	0	10,000	25,000
Grease Traps	0	3,675	6,300	5,000
Lift Station #7 Abandonment	5,000	51,052	58,000	0
Private Line Acquisition	2,500	0	2,500	5,000
GIS Phase 3	0	0	0	25,000
SR179 to Fairway Oaks	0	338	338	5,000
GIS Updates	55,000	30,330	42,537	21,000
Permit Renewal/Modification	2,000	115	115	2,000
Operations:				
Operations Services Contract	410,328	282,448	333,748	307,800
Grease Trap Testing	1,600	0	0	0
Operator Additional Services	12,000	0	0	0
Alarm System	2,500	2,781	2,781	3,000
Emergency Maintenance	35,000	3,156	3,156	35,000
Hauling & Disposal	85,000	69,699	104,549	80,000
Laboratory				
Laboratory Analysis	35,000	14,611	19,481	20,000
Laboratory Certification	2,100	2,035	2,035	2,500
Laboratory Supplies	25,000	9,677	12,903	15,000
Lift Station #10 Wall Repair	0	0	0	17,070
Landscape Maintenance	0	0	0	25,000
Operating Equipment & Supplies	145,000	18,137	24,183	75,000
Sewer Line Projects (Private Lines)	15,000	0	0	15,000
System Maint - see project list				
Dust, Flush & Video Lines	59,500	0	59,500	60,000
Lift Station #10 Upgrade	0	3,430	3,430	0
Lift Station #7 Abandonment	387,507	151,024	160,000	0
Dialer Upgrades	8,600	0	750	8,600
Generator Maintenance	5,500	2,905	5,500	5,500
Bio Cube Media	10,000	0	0	19,800
Headworks Maintenance	0	0	0	10,000
PSM Needs	500	0	0	17,500

Collection System Inventory	1,000	0	0	0
Oil Spray Hutson Lane	2,500	0	0	2,500
UV Components	27,500	0	27,500	27,500
Compressor Service	0	0	0	4,215
UV Compressor	12,000	0	12,000	0
Inventory	15,000	0	0	0
SCADA System	35,000	0	0	80,000
Belt Press Components	50,000	6,511	30,000	20,000
PM Plan for Plant Equipment	2,500	0	0	0
Reuse Pump Upgrade	135,000	0	0	0
Training - GIS Program	2,500	0	2,500	500
Electric	115,500			
Treatment Plant		57,681	86,522	89,117
LS #7		414	414	0
LS #8		8,966	13,449	13,852
LS #10		2,258	3,387	3,489
Treatment Plant Erosion/Settling	0	0	0	14,000
Treatment Plant Riprap	0	0		10,000
Telephone	2,800	1,758	2,637	2,800
Water	2,000	1,714	2,285	2,000
Internet	450	415	623	600
Contingency	230,000	1,035	2,070	153,099
Headworks		4,199	125,000	0
RFP Operations		4,230	4,230	6,000
<i>subtotal</i>	<i>2,934,857</i>	<i>1,127,342</i>	<i>2,036,948</i>	<i>2,129,879</i>
District O&M Reserve Fund	0	0	0	719,611
Reimbursable Eng. Svc.	10,000	0	0	25,000
Reimbursable Annexation Fees	<u>2,000</u>	<u>0</u>	<u>0</u>	<u>2,000</u>
Total O&M Expenses	\$2,946,857	\$1,127,342	\$2,036,948	\$2,876,490

	FY 16/17 Budget	Actual as of 4/30/17	12-month Estimate	FY 17/18 Budget
Capital Expense				
Emergency Cap. Fund	\$396,242	\$0	\$0	\$454,487
Juniper Street Sewer Line	11,000	0	0	11,000
Construction Administration	0	5,013	5,128	0
Contingency	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Capital Expense	\$407,242	\$5,013	\$5,128	\$465,487

Total Expense Budget	\$3,354,099	\$1,132,355	\$2,042,076	\$3,341,977
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REVENUE

<u>Operations and Maintenance</u>	<u>FY 16/17 Budget</u>	<u>Actual as of 4/30/2017</u>	<u>12-month Estimate</u>	<u>FY 17/18 Budget</u>
User Fees	\$1,555,641	\$1,334,165	\$1,667,184	\$1,571,771
Activation/Transfer Fee	2,500	4,042	4,850	4,000
Ad Valorem Tax	0	0	0	0
Collection Fees	8,000	7,253	8,000	3,000
Permit Fees	2,000	4,499	5,200	1,625
Interest	1,000	5,914	7,097	2,000
Miscellaneous O&M Income	0	0	0	0
Reuse Effluent Income - VOCA	<u>18,000</u>	<u>28,518</u>	<u>37,000</u>	<u>37,000</u>
<i>Subtotal O&M Revenue</i>	<i>1,587,141</i>	<i>1,384,391</i>	<i>1,729,331</i>	<i>1,619,396</i>
Reimb. Engineering Fees	10,000	0	0	25,000
Reimb. Annexation Fees	<u>2,000</u>	<u>0</u>	<u>0</u>	<u>2,000</u>
Total O&M Revenue	\$1,599,141	\$1,384,391	\$1,729,331	\$1,646,396

Capital Revenue

Capacity Fees	\$11,600	\$38,054	\$38,054	\$11,600
Interest	1,500	1,548	1,858	1,500
Miscellaneous	<u>0</u>	<u>850</u>	<u>850</u>	<u>0</u>
Total Capital Revenue	\$13,100	\$40,452	\$40,762	\$13,100

Total Revenue	\$1,612,241	\$1,424,843	\$1,770,093	\$1,659,496
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WIFA Loan Reserve Transfer

Loan Payment Reserve	\$73,162	\$0	\$73,162	\$0
Interest	<u>1,500</u>	<u>814</u>	<u>1,000</u>	<u>1,000</u>
Total Loan Reserve Fund	\$74,662	\$814	\$74,162	\$1,000

WIFA O&M R&R Reserve

O&M Transfer	\$0	\$0	\$0	\$74,000
Total Loan Reserve Fund	\$0	\$0	\$0	\$74,000

District O&M Reserve

O&M Transfer	\$0	\$0	\$0	\$719,611
Total Loan Reserve Fund	\$0	\$0	\$0	\$719,611

FUND BALANCES

Operations & Maintenance Fund

Balance as of 04/30/2017		\$1,794,759
Estimated Expenses 16/17	<u>909,606</u>	
Subtotal	885,153	
Anticipated Revenue 16/17	<u>344,940</u>	
Estimated Ending Balance 16/17		1,230,094
Est. Beginning Balance 17/18		1,230,094
Estimated Revenue 17/18		1,646,396
Estimated Expense 17/18		<u>2,876,490</u>
Estimated Ending balance 17/18	\$0	

Capital Fund

Balance as of 04/30/2017	\$452,192	
Estimated Expenses 16/17	<u>115</u>	
Subtotal	452,077	
Anticipated Revenue 16/17	<u>310</u>	
Estimated Ending Balance 16/17	452,387	
Est. Beginning Balance 17/18	452,387	
Estimated Revenue 17/18	13,100	
Estimated Expense 17/18	<u>465,487</u>	
Estimated Ending balance 17/18	\$0	

WIFA Reserve Fund

Balance as of 04/30/2017	\$296,066	
Anticipated Revenue 16/17	<u>73,162</u>	
Estimated Ending Balance 16/17	369,228	
Est. Beginning Balance 17/18	369,228	
Estimated Revenue 17/18	<u>1,000</u>	
Estimated Ending balance 17/18	\$370,228	

R&R WIFA Reserve Fund

Balance as of 04/30/2017	\$0
Anticipated Revenue 16/17	<u>0</u>
Estimated Ending Balance 16/17	0
Est. Beginning Balance 17/18	0
Estimated Revenue 17/18	<u>74,000</u>
Estimated Ending balance 17/18	\$74,000
