

Minutes of Hearing and Special Meeting
Board of Directors of the Big Park Domestic Wastewater Improvement District
June 16, 2015 - 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.

1. Call to Order – Lee Meiner, David Sheets, Ruth Kane, Dorothy VandLinde and Joanne Johnson present. Martha Nohowec absent.

Also present and participating in the meeting: Jennifer Bartos and Diana King, Administrators, Improvement District Services, Inc.; Brad Bowers, District Operator, Environmental Biomass; Dave Dirren, Sunrise Engineering

Pledge of Allegiance

Hearings:

Open Public Hearing on the Fiscal Year 2015/2016 Budget

Motion: made by Director Kane to open the hearing, second by Director Johnson.

Unanimous Approval

Jennifer Bartos told the Board that this budget needs to be increased by \$330,000.00 to cover the retention held by the District for MGC Contracting on the treatment plant modification project. She suggested the Board consider modifying this budget and adopt as tentative and reschedule another hearing.

Close Public Hearing on the Fiscal Year 2015/2016 Budget

Motion: made by Vice-Chairman Sheets to close the public hearing, second by Director VandLinde.

Unanimous Approval

Open Public Hearing on District Fees and Rates

Motion: made by Director Kane to open the public hearing, second by Director Johnson.

Unanimous Approval

It was discussed that it would be necessary to increase the User Fee to \$1.41 to cover the shortage in the budget for the MGC retention. It was considered to adopt all fees as presented except the user fee.

Close Public Hearing on District Fees and Rates

Motion: made by Director Kane to close the public hearing, second by Director VandLinde.

Unanimous Approval

Open Public Hearing on 2015 Ordinance Amendments

Motion: made by Director Kane to open the public hearing, second by Director VandLinde.

Unanimous Approval

Close Public Hearing on 2015 Ordinance Amendments

Motion: made by Director Kane to close the public hearing, second by Vice-Chairman Sheets.

Unanimous Approval

Motion: made by Director Kane to open the special meeting, second by Director Johnson.

Unanimous Approval

Convene into Special Meeting:

2. Action on Fiscal Year 2015/2016 Final Budget and adopt Resolution No. 2015-1.
Motion: made by Director Vandelinde to adopt the tentative budget as modified and set the hearing date and time for July 2 at 10:00, second by Director Johnson.
Unanimous Approval
3. Action on Fiscal Year 2015/2016 District Fees & Rates and adopt Resolution No. 2015-2.
It was determined to adopt all fees except the User Fee and Administrative Fee for Disconnected Properties. Those fees will be determined at the July 2nd hearing.
Motion: made by Director Kane to adopt Resolution 2015-2 as modified to eliminate the User Fee and the Admin Fee for Disconnected Properties, all other fees remain the same, second by Director Johnson.
Unanimous Approval
4. Action on 2015 Ordinance Amendments and adopt Ordinance 2015-1.
Motion: made by Director Kane to adopt the 2015 Ordinance Amendments, second by Director Vandelinde.
Unanimous Approval

Motion: made by Director Kane to close the special meeting and open the regular meeting, second by Vice-Chairman Sheets.
Unanimous Approval

Convene into Regular Meeting:

5. Discussion and possible action regarding the following requests for relief from disconnection:
 - a) Craig Crawford, Account #03023, Parcel #405-27-288, Liquid Vortex & 2 apartments;
Jennifer was directed to collect the delinquent amount by July 1st of proceed with disconnection.
 - b) Doug Fielding, Oakcreek LTD, LLC, Account #03223, Parcel #405-41-077J, Oakcreek Factory Outlet;
Doug Fielding asked if his rate can be reduced. Vice-Chairman Sheets said no decision would be made today. Doug said he will have a check in the mail today.
 - c) Karen Calvano, Account #15222, Parcel #405-43-222, single family home.
Jennifer was directed to create a 6-month payment plan that includes the quarterly fees. The first payment shall be due by July 20th.
6. Discussion and possible action regarding the progress of the 2012 Treatment Plant Modification Project.
Dave Dirren reviewed the progress report.
7. Discussion and possible action regarding the project schedule and possible liquidated damages for the WWTP Improvement Project due to delays.
Tabled to next agenda.
8. Discussion and possible action regarding the Engineer's Report by Dave Dirren, Sunrise Engineering.
Dave reviewed the report with the Board.
9. Discussion and possible action to approve invoices from Sunrise Engineering for:

- a) District Engineering Services – Misc. Calls & Questions \$825.00; Board Meeting Attendance \$600.00; Sewer Connection Requests \$187.50; Private Sewer Transfers \$150.00; Update District Map \$1,790.75 - Total of invoice \$3,553.25.
Motion: made by Vice-Chairman Sheets to approve the invoice in the amount of \$3,553.25, second by Director Johnson.
Unanimous Approval
- b) Construction Observation \$15,418.99; Post Construction Services \$230.00; Funding Assistance \$202.50; Permitting Assistance \$718.75; Reproduction Cost \$110.60; Surveying \$496.00; Filter Design \$7,475.00; Construction Services \$2,422.50 - Total invoices \$27,074.34.
Motion: made by Vice-Chairman Sheets to approve the invoice in the amount of \$27,074.34, second by Director Kane.
Unanimous Approval

- 10. 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.
Brad reviewed the report with the Board.
- 11. Discussion and possible action regarding a proposal from JCH for the pump upgrade at lift station #10.
Brad told the Board that the project total should be \$74,795.00 with installation.
- 12. The Board may vote to convene into Executive Session pursuant to A.R.S. 38-431.03.7 for discussions or consultations with designated representatives of the public body in order to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property.
- 13. Discussion and possible action regarding the Administrative Services Staff Report from Jennifer Bartos of Improvement District Services, Inc. regarding staff activities, District financials and direction to the Clerk for future agenda items.
Jennifer and Diana reviewed the report with the Board.
- 14. Consent Agenda:
 - a) Approve meeting minutes of May 19, 2015.
 - b) Approve warrants written in May 2015.
 Motion: made by Director Kane to approve the consent agenda, second by Director Vandelinde.
Unanimous Approval

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 2015/2016 Tentative Budget - Revised

Adopted 6-16-2015

Exhibit A

	<u>EXPENSE</u>	<u>FY 14/15</u>	<u>Actual as of</u>	<u>12-month</u>	<u>FY 15/16</u>
	<u>Operations and Maintenance</u>	<u>Budget</u>	<u>6/15/2015</u>	<u>Estimate</u>	<u>Budget</u>
<u>Administration:</u>					
1	Administrative Svcs Contract	\$337,485	\$304,966	\$332,690	\$342,671

2	Activation Fees	2,975	5,234	6,979	4,854
3	Additional Admin Services	0	0	590	0
4	Admin Contingency (WIFA)	0	566	617	177
5	Collections	1,200	6,746	8,146	5,000
6	Disconnection-Delinquent Accts	0	0	0	50,000
7	Attorney Services	5,000	2,487	4,487	5,000
8	Bank Charges	50	334	350	50
9	Director's Compensation	6,300	4,425	5,400	6,300
10	Elections	7,500	0	0	9,800
11	Financial Audit	22,000	13,607	13,607	18,000
12	Insurance Premium	20,510	20,333	24,186	24,978
13	Meeting Room Rental	420	385	420	420
14	Office Supplies	750	805	950	700
15	Postage	936	30	882	850
16	Publishing	1,400	0	600	1,400
	Registrations				
17	ADEQ	5,500	0	5,500	9,000
18	Blue Stake	0	374	374	400
19	Transfer to WIFA Reserve	73,846	73,846	73,846	0
20	WIFA Loan Payment	369,228	493,108	493,108	450,000
	Engineering:				
21	General Engineering Services	12,000	14,249	17,099	20,000
22	Additional Engineering Services	12,000	9,760	15,000	25,000
23	GIS Updates	2,000	650	4,000	4,000
24	Permit Renewal/Modification	0	7,155	10,000	0
	Operations:				
25	Operations Services Contract	355,947	331,284	397,541	409,467
26	Grease Trap Testing	0	0	0	1,600
27	Operator Overtime	0	0	0	12,000
28	Dialer System	0	407	6,500	2,500
29	Electric	150,000	109,826	141,280	162,000
30	Emergency Maintenance	28,000	39,734	43,000	35,000
31	Fencing & Landscaping (old TP site)	0	0	0	12,000
32	Filter Replacement	528,609	0	10,000	495,000
33	Hauling & Disposal	64,000	51,656	61,864	71,000
34	Hwy 179 Manhole Repair	0	0	9,000	0
	Laboratory				
35	Laboratory Analysis	28,000	14,154	17,879	35,000
36	Laboratory Certification	0	2,035	2,035	2,100
37	Laboratory Supplies	0	2,997	4,231	25,000
38	Lighting System Upgrade	0	0	7,624	0
39	Operating Equipment & Supplies	135,000	47,108	59,505	145,000
40	Resurface Road & Yard	0	2,500	2,500	2,500
41	Sewer Line Projects (Private Lines)	0	0	0	18,427
42	System Maint - see project list	250,000	35,525	105,594	250,000
43	Telephone & Alarm System	2,800	6,783	8,140	6,556
44	Water	2,800	1,572	1,986	2,100
45	Contingency	<u>145,337</u>	<u>12,035</u>	<u>14,442</u>	<u>205,729</u>

46	<i>subtotal</i>	<i>2,571,593</i>	<i>1,616,676</i>	<i>1,911,951</i>	<i>2,871,579</i>
47	Reimbursable Eng. Svc.	10,000	925	925	10,000
48	Reimbursable Annexation Fees	<u>2,000</u>	<u>883</u>	<u>883</u>	<u>2,000</u>
49	Total O&M Expenses	\$2,583,593	\$1,618,484	\$1,913,759	\$2,883,579

Capital Expense

50	Emergency Cap. Fund	\$835,561	\$0	\$0	\$190,645
51	Attorney - Property Acquisition	50,000	99,273	119,128	50,000
52	Construction Administration	149,000	244,480	310,619	35,000
53	Engineering-Survey&Property Acq.	0	0	1,200	0
54	Filter Replacement	98,378	24,610	24,610	0
55	Funding Assistance	7,800	9,386	12,000	0
56	Permit Modifications	0	13,140	15,000	0
57	Property Purchase	225,000	9,322	9,322	225,000
58	TP Modification & Filter Replacement	4,747,388	3,487,137	4,229,956	1,033,609
59	Contingency	<u>517,919</u>	<u>4,620</u>	<u>6,930</u>	<u>10,000</u>
60	Total Capital Expense	\$6,631,046	\$3,891,968	\$4,728,765	\$1,544,254

61	Total Expense Budget	\$9,214,639	\$5,510,452	\$6,642,523	\$4,427,833
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REVENUE

Operations and Maintenance

62	User Fees (\$1.26 per ERU per day)	\$1,477,840	\$1,640,837	\$1,640,837	\$1,472,250
63	Activation/Transfer Fee	2,571	4,156	4,156	2,975
64	Ad Valorem Tax	0	0	0	0
65	Collection Fees	0	1,501	1,501	55,000
66	Hookup Fees	1,950	5,425	5,425	2,000
67	Interest	5,292	4,872	4,872	2,500
68	Miscellaneous O&M Income	28,781	111,388	111,388	0
69	Reuse Effluent Income - VOCA	<u>29,726</u>	<u>19,302</u>	<u>19,302</u>	<u>26,000</u>
70	<i>Subtotal O&M Revenue</i>	<i>1,546,160</i>	<i>1,787,481</i>	<i>1,787,481</i>	<i>1,560,725</i>
71	Reimb. Engineering Fees	10,000	0	925	10,000
72	Reimb. Annexation Fees	<u>2,000</u>	<u>0</u>	<u>883</u>	<u>2,000</u>
73	Total O&M Revenue	\$1,558,160	\$1,787,481	\$1,789,289	\$1,572,725

Capital Revenue

74	Capacity Fees	\$11,200	\$44,312	\$44,312	\$11,200
75	Interest	1,500	3,939	3,939	1,500
76	Line Upgrade Fees	0	2,550	2,550	0
77	Miscellaneous	0	0	0	0
78	WIFA Loan Reimbursement	<u>5,229,956</u>	<u>3,852,557</u>	<u>4,229,956</u>	<u>1,000,000</u>
79	Total Capital Revenue	\$5,242,656	\$3,903,358	\$4,280,757	\$1,012,700

80	Total Revenue	\$6,800,816	\$5,690,839	\$6,070,046	\$2,585,425
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WIFA Loan Reserve Transfer

81	Loan Payment Reserve	\$73,846	\$73,846	\$73,846	\$0
82	Interest	<u>100</u>	<u>0</u>	<u>0</u>	<u>0</u>

83	Total Loan Reserve Fund	\$73,946	\$73,846	\$73,846	\$0
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FUND BALANCES

Operations & Maintenance Fund (incl WIFA Loan Pymt Fund)		
84	Balance as of 06/15/2015	\$1,604,321
85	Estimated Expenses 14/15	<u>295,275</u>
86	Subtotal	1,309,046
87	Anticipated Revenue 14/15	<u>1,808</u>
88	Estimated Ending Balance 14/15	1,310,854
89	Est. Beginning Balance 15/16	1,310,854
90	Estimated Revenue 15/16	1,572,725
91	Estimated Expense 15/16	<u>2,883,579</u>
92	Estimated Ending balance 15/16	\$0

Capital Fund		
93	Balance as of 06/15/2015	\$990,952
94	Estimated Expenses 14/15	<u>836,797</u>
95	Subtotal	154,155
96	Anticipated Revenue 14/15	<u>377,399</u>
97	Estimated Ending Balance 14/15	531,554
98	Est. Beginning Balance 15/16	531,554
99	Estimated Revenue 15/16	1,012,700
100	Estimated Expense 15/16	<u>1,544,254</u>
101	Estimated Ending balance 15/16	\$0

WIFA Reserve Fund		
102	Balance as of 06/15/2015	\$296,066
103	Anticipated Revenue 14/15	<u>0</u>
104	Estimated Ending Balance 14/15	296,066
105	Est. Beginning Balance 15/16	296,066
106	Estimated Revenue 15/16	<u>0</u>
107	Estimated Ending balance 15/16	\$296,066

Total to be
Resgerved
by 2018
\$369,228

**Must budget
in
FY 16/17
\$73,162**