

## Meeting Minutes

Board of Directors of the Big Park Domestic Wastewater Improvement District

June 21, 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, David LaFrance, Ruth Kane, Dorothy Vandelinde, Joanne Johnson, and Lee Meiner present. Moneesh Chatterjee absent.

Also present and participating in the meeting: Jennifer Bartos, District Clerk, Diana King and Dakota King, District Administrators, Improvement District Services, Inc.; Brad Bowers, Environmental Biomass Services; Dave Dirren, Sunrise Engineering; Rita DeMartin and Doug Fitzpatrick, members of the community.

Pledge of Allegiance

Hearings:

Open Public Hearing on the Fiscal Year 2017/2018 Budget

No public comment.

Close Public Hearing on the Fiscal Year 2017/2018 Budget

Open Public Hearing on District Fees and Rates

No public comment.

Close Public Hearing on District Fees and Rates

Convene into Special Meeting:

1. Action on Fiscal Year 2017/2018 Final Budget and adopt Resolution No. 2017-1.  
Motion: made by Director Meiner to adopt Resolution No. 2017-1, second by Director Johnson.  
Director LaFrance stated that resolution no. 2017-1 does not include the VOCA reuse line. Jennifer stated this will be included in the final adoption.  
Unanimous Approval.
2. Action on Fiscal Year 2017/2018 District Fees & Rates and adopt Resolution No. 2017-2.  
Motion: made by Director Kane to adopt Resolution No. 2017-2, second by Director Meiner.  
Unanimous Approval.

Convene into Regular Meeting:

Motion: made by Director Johnson to move item 5 to item 3, second by Director Meiner.

Unanimous Approval

3. Discussion and possible action regarding a request from Rita DeMartin for a revised payment schedule on account #15104. Rita DeMartin stated that she needs more time to pay off her amount due. Doug stated that the letter sent to the board states that she will need 18 months to pay off the amount due while keeping the bill current. Diana King stated that the payment arrangement was set previously and not kept. Rita DeMartin stated that she was not aware of the quarterly payment but adhered to the \$70.00 per month. Jennifer Bartos stated that the letter sent out in 2015 clearly outlined the \$113.40 due in addition to the \$70.00 per month.

Motion: made by Director Meiner to make a payment plan to pay the \$113.40 quarterly as well as the amount necessary to wipe out the delinquency monthly of an 18-month period, second by Director Johnson. Unanimous Approval.

Doug requested that the letter be sent to him as well as Rita DeMartin. Rita DeMartin asked when the next quarterly bill is due, and Diana responded that it is due 9/1/17.

4. 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 Bartos reviewed the information regarding the Majestic Theatre. Dave Dirren stated that the owner argued that they only needed an under-the-sink grinder pump, which Dave disagreed with. Jennifer asked if the board wishes to charge the Speakeasy Supper Club as a full restaurant, and the Board each agreed so. Dakota stated that IDS will begin collecting ACH forms during Q3 to begin the automatic withdrawal for Q4. Jennifer, Diana, and Dakota also stated they were excited and impressed by the new employee Kathryn Farley.

5. Discussion and possible action to appoint members to a finance committee.

Director Sheets stated that he, Director LaFrance, and IDS have assembled duties, roles, and responsibilities for members of a finance committee. He clarified that, as an official committee, that minutes and agendas must be published similarly to public meetings. He stated that board has a prospective location that would not be a cost the district. Director Kane stated that creating this committee would create more turmoil rather than solve issues. Director Johnson asked Jennifer Bartos' opinion, and Jennifer stated that she has found the previous meetings with Director Sheets and LaFrance to be productive. Director Sheets stated that, according to the district auditor, it is necessary to have a committee to spend more time and research on district finances. Director Johnson stated that members of the public may attend with issues that will take a significant time to address. Director LaFrance pointed out that the Board does not currently have any negative public comment despite it being open to the public, and that the District now no longer operates solely off of income, it now needs to factor in the WIFA loan. Director LaFrance stated that he had calculated that the amount to pay standard bills for the district is \$1.8 million, while the district is bringing in \$1.6 million. Director LaFrance stated that the boards priority should be to pay off the WIFA loan so that there will not be a financial issue for the District in the future. He stated that the best solution to future capital projects, costly contracts, the WIFA loan, and other future financial issues is to have a finance committee. Director Johnson stated that the board entertained the idea to create fees for the new sewer plant, and that the board is creating a new level to complicate the District. Director Meiner stated that if there is no cost to the finance committee, he sees the committee as a way to save additional funds in the future. Director Kane stated that she is wary of allowing the district auditor to change the Board's procedure, and she doesn't understand where the amount will come from to pay off the WIFA loan suddenly. Director Livermont stated that he believes it conducive to have a special focus group, but does understand both sides of the issue. Jennifer stated that three board members can meet without going against the open meeting laws. Director Kane entertained the idea of finding a new financial auditor. Director Sheets stated he believes it conducive to test out a finance committee. Director Sheets outlined that if the board votes on a finance committee, they must be available monthly for the meeting, not expect compensation as a volunteer, be available to do extra work outside of the committee meeting, and must be available to communicate electronically. Director LaFrance stated that everyone on the board and contractors are welcome to attend. Director Sheets stated that the committee would act as an analysis entity. Director Johnson stated that if the meetings with IDS have been so productive, the board should consider continuing the meetings with IDS rather than creating a finance committee. Director Kane stated that it is important for the board to understand the finances as an improvement district rather than a corporation.

Motion: made by Director Meiner, to create a finance committee, second by Director Livermont. 4 yays, 2 nays, Director Kane and Director Johnson.

Director Sheets stated that the meeting will occur at 9:00 a.m. on the first Wednesday of every month at the ranger station. Director LaFrance, Director Livermont, and Director Sheets volunteered for the finance committee.

6. Discussion and possible action regarding the annexation of property 405-34-018L and 405-34-018M to the District and, if applicable, adopt Resolution No. 2017-3 and Resolution No. 2017-4. Jennifer Bartos stated that in 2014, Craig Stromme wanted to annex one of these properties, but never gave the paperwork necessary.

Motion: made by Director Meiner to adopt Resolution No. 2017-3, second by Director Kane.

Unanimous Approval

Motion: made by Director Kane to adopt Resolution No. 2017-4, second by Director Livermont.

Unanimous Approval

7. Discussion and possible action regarding the donation of property 405-34-004Y from Ramon Zambrano to the District for a value receipt of \$150,000, to approve the legal representation by Gust Rosenfeld, an environmental study for approximately \$3,000.00, and acquisition of title insurance. Jennifer Bartos highly recommended to move forward with the acquisition.

Motion by Director Meiner to proceed with the acquisition of property 405-34-004Y, second by Director Livermont.

Unanimous Approval

8. Consent Agenda:

- a) Approve the meeting minutes of May 17, 2017;

- b) Approve checks written in May 2017;

- c) Approve reconciliation report.

Motion: made by Director Kane to approve the consent agenda, second by Director Meiner.

Unanimous Approval

9. Discussion and possible action regarding proposals for rip-rap at the treatment plant site.

Dave Dirren stated that it would be \$95 per hour to move the rock. Dave Dirren stated that the rock will cost more if it is a red color. Dave Dirren stated that the red rock will cost \$12,000 for 200 tons, and a total to buy the red rock and labor would be approximately \$16,000. Jennifer recommended to go with the red rock to keep the treatment plant invisible.

Motion: made by Director Meiner to proceed with buying and placing the red rock of 3 to 8 inches, not to exceed \$18,000, second by Director Johnson.

Unanimous Approval

10. Discussion and possible action regarding erosion on the treatment plant site.

Dave Dirren stated that an independent contractor can start Thursday or Friday of this week. Director Meiner, Director Sheets, and Director Johnson stated that they were interested in attending.

11. Discussion and possible action regarding a feasibility study to refurbish the reuse lift station, including a cost/benefit analysis of the upgrade of the reuse line by Sunrise Engineering.

Dave stated that the reuse will never pay for itself. Brad Bowers stated that it would be possible to replace the pump, it would cost approximately \$25,000. He stated that the current pump was rebuilt about 2.5 years ago. Jennifer stated that the board may someday need to replace the line, and that the finance committee may consider putting some finances in saving to recreate the line. Director Sheets tabled this issue to discuss in the finance committee.

12. Discussion and possible action regarding the Engineer's Report by Dave Dirren, Sunrise Engineering, to include plant capacity, updates on the GIS and grease trap inspections.

Director Sheets asked about the status of the grease trap inspections, and Dave Dirren responded that he needs assistance with IDS to fill out the inspection report. Brad Bowers stated that it has been difficult to find an electrician. Dave Dirren stated that he got a call for Sundance townhomes, with approximately 58 new customers that may be added into the system. Jennifer Bartos stated that the district could consider paying for part of the line that would easily be covered by capacity and permit fees. Director Sheets asked if Dave Dirren can get an estimate for costs for public and private lines in the area of Sundance townhomes for the first finance meeting on July 5<sup>th</sup>, and Dave Dirren agreed.

13. Discussion and possible action regarding an update from Sunrise Engineering on the plan to refurbish lift station #10.

Dave Dirren stated that he received an updated estimate and full scope of work by Northern Arizona Construction Services in the amount of \$16,378.75, approximately \$3,000 more than the original estimate last year. Director Sheets requested that Dave Dirren notify the board electronically as soon as he know when Northern Arizona Construction Services could begin. Dave will also clarify that the concrete and wall must be Baja red to match the current color. Director Sheets also requested that the gate with the wall be the Baja red as well, and Dave Dirren stated he will get another quote from Northern Arizona Construction

Services to reflect the extension and painting of the gate as well. Brad Bowers stated that Northern Arizona Construction Services would be available in 3-4 weeks.

Motion: made by Director Meiner to approve the estimate by Northern Arizona Construction Services to not exceed \$18,500, second by Director Johnson.

Unanimous Approval

14. Discussion and possible action to approve invoices from Sunrise Engineering for:

- a) District Engineering & GIS Project Services - \$6,678.00

Motion: made by Director Johnson to approve the invoice in the amount of \$6,678.00, second by Director Kane.

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.

Director Meiner asked about the scrap metal, and Brad Bowers stated that he is moving forward and finding a time to meet with All Metals Recycling to remove the scrap. Brad stated that the generators are in process to be moved. Director LaFrance asked about the headworks, and Brad stated that it would arrive at the plant near the end of July. Director Sheets clarified that Brad will proceed with the mowing, and Brad confirmed so. The Coconino Plateau Watershed Partner group asked Brad to do a tour of the treatment plant based on the reuse, and will come out September 29<sup>th</sup>. Director Sheets asked if the board would like to consider asking the Villager to come to the tour for public relations, and asked that this item be placed on the agenda for next public meeting.

16. Discussion and possible action regarding miscellaneous wastewater treatment plant projects, including a feasibility study by Sunrise Engineering for a storage unit on District property.

Dave Dirren stated that he asked for a building that was approximately the same size as the belt press building, approximately 30' x 40'. Jennifer stated that the cost per customer is very little, and that Brad needs additional storage. Director LaFrance asked if this amount could come out of the capital line item in the budget, and Jennifer stated that it could. Director Sheets asked that the amount be more fine-tuned with the exact size and all utilities included, excluding a set of plans. Dave Dirren stated that they would create an estimate for utilities, installation, location of the steel building, and any other information needed. Each member of the board confirmed that they believe this is a necessary project.

17. Discussion and possible action regarding ongoing issues:

- a) Equipment at the treatment plant;
- b) Landscape with rock stock pile;
- c) Landscape maintenance for wastewater treatment plant site;
- d) Newsletter regarding new payment options.

Diana King stated that she had cut down the information and would like to revise the newsletter to say that the bank drafts will start on Q4. Director Sheets asked about the statement regarding the notice of a change of fees on the application for ACH, and Diana stated this will be taken out. Director Kane stated that she would like the charge occur on the first of a month. Director Livermont asked about the line regarding the amount payment.

Motion: made by Director Kane to approve the newsletter and application to be sent out with the above revisions, second by Director Johnson.

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.