

PINETOP-LAKESIDE SANITARY DISTRICT

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

REGULAR SESSION

MINUTES

May 08, 2019

1. CALL TO ORDER

Board Chairman Whittle called the Board meeting to order at approximately 6:00 PM.

2. OPENING CEREMONY

Board Secretary Kengla led the Board, Staff and Legal Counsel in the Pledge of Allegiance.

3. ROLL CALL OF BOARD MEMBERS

Present were: Neal Whittle, Board Chairman, Patrick B. Place, Board Vice-Chairman; Christopher C. Kengla, Board Secretary and Diana W. Butler, 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 by telephone.

Excused: Paul W. Meier, Board Member

4. CONSENT AGENDA

*Board Secretary Kengla made a motion approving the Consent Agenda, which included the Minutes of April 10, 2019, Regular Session and the Presentation, Approval and Payment of Bills, Invoices, Warrants and Capital Purchases; as presented by Staff. Board Vice-Chairman Place seconded.*

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

5. CALL TO THE PUBLIC

*Board Chairman Whittle 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 Chairman Whittle reported he discussed the purchase of the District's used CCTV equipment and van with the White Mountain Apache Tribe and they indicated that they were unable to purchase the equipment. They would be happy to accept it as a donation.

### Board Secretary's Report.

Board Secretary Kengla did not have a report.

### Manager's Report.

#### Update – Collection System Departments activities.

The District Manager reported that the Collection System crew cleaned 4500 linear feet, televised 1500 linear feet and inspected 20 manholes.

The District Manager reported that the new CCTV Equipment and Vehicle was delivered on April 24, 2019; the crew attended training for a couple of days after the delivery of the equipment. The crew was pleasantly surprised of how the new CCTV equipment traveled up some steep pipe grades without any problems.

The District Manager reported that in the newspaper there was an advertisement for a Collections System Operator I position, this was a replacement position. The application deadline is May 22, 2019 at 12:00 PM.

#### Update – Plant Department activities.

The District Manager reported that the average daily flows for the month of April 2019 were .85 MGD, organic removal was at 96%, and the nitrogen results were up slightly this was the TKN, which was at 7.2 mg/L, this was the organic part, the organic nitrogen was better to deal with, because it can be used by the plants. The nitrate nitrite was the harder to deal with and the results were at -0-. This could be due to not enough air or too much air. The District Manager indicated that the Plant was running good.

The District Manager reported that the Composting Facility received 37 tons of paper/cardboard, compost produced was 36 tons and compost sold was 309 yards.

***The District Manager's Reports concluded.***

### Account Report

The Finance Manager reported that the total sewer connections increased to 8236 that was with 5 new sewer connections for the month of April 2019. The final billing for the residential and commercial sewer user fees has been billed for FYE 18/19. The revenue for residential sewer user fees was approximately \$20k over projected revenues and commercial sewer user fees would be approximately \$22k over projected revenues.

The Finance Manager reported that the deadline for the District to receive applications for the Accounts Receivable Position was Friday, May 10, 2019 at 5:30 PM. This position would replace Marcia Theiner and once the person received training for the billing position, Marcia would be moving over to train for Ms. Lionberger's position.

Board Secretary Kengla asked Ms. Lionberger when her retirement date was. Ms. Lionberger responded to Board Secretary Kengla that it would be the middle of December 2019.

***The Finance Manager Reports and discussions concluded.***

7. BUSINESS

Discussion, consideration and possible action relating to a request from Syllar Enterprises LLC/Larry Koppen, the property owner of assessor's parcel number 212-09-137A, to defer the sewer connection on the property located at 5683 Highway 260, Lakeside, AZ 85929, in the Wagon Wheel area.

The District Manager explained that the property owner has requested deferment of his sewer connection in reference to the above property. The property owner requested annexation into the District in July 2017. The property owner leased his property out to an RV Sales Company in 2018 and set up portable toilets for usage. The District contacted the property owner that a sewer connection was required. The property owner indicated that this was a seasonal business and the cost to install all utilities was quite pricey. The property owner also indicated that the lessee was interested in purchasing the property and would be making the sewer connection. Ms. Phillips of Navajo County did allow the portable toilets for last season as it was seasonal and the property owner did purchase a Sewer Connection Permit. The property owner paid his fees with the understanding that he would connect the property to the sanitary sewer system within the timeframe of the permit. The Sewer Connection Permit did expire on May 3, 2019.

The District Manager stated that another business owner in the area has connected to the sewer system even though he was currently still developing the property.

Board Secretary Kengla stated that the property was developed and was rented out and that a business was established on the property and that the property does need to connect

to the sewer system. It was the responsibility of the property owner to connect the property to the sewer.

Board Vice-Chairman Place asked the District Manager that if the renter doesn't install the sewer then what happens to their agreement. The District Manager responded to Board Vice-Chairman Place that it was the responsibility of the property owner and any other agreements was between the two parties.

Board Secretary Kengla stated that if the property was vacant it would be a different story. It is developed and a business was running out of it.

***Board Secretary Kengla made a motion to deny deferment of the sewer connection on the property located at 5683 Highway 260, Lakeside, Arizona; Assessor's Parcel Number 212-09-137A. Board Chairman Whittle seconded.***

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

Discussion, consideration and possible action relating to Resolution No. 2019-06, a Resolution Authorizing and Amending the Boundaries of the Pinetop-Lakeside Sanitary District; for the inclusion of certain real property Assessor's Parcel Number 212-39-013P, property owner – Reed Johnson, property location 1199 S. Woodland Road, Lakeside, AZ 85929.

Board Chairman Whittle read the Resolution.

The District Manager stated that this was a housekeeping item to formally approve the annexation request for the property owner; the approval was received from the Town of Pinetop-Lakeside authorizing the District for inclusion of the property into the District's boundaries.

***Board Secretary Kengla made a motion approving Resolution No. 2019-06, a Resolution Authorizing and Amending the Boundaries of the Pinetop-Lakeside Sanitary District; for the inclusion of certain real property Assessor's Parcel Number 212-39-013P, property owner – Reed Johnson, property location 1199 S. Woodland Road, Lakeside, AZ 85929. Board Member Butler seconded.***

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

Discussion, consideration and possible action regarding the bid proposals from the Auditing Firms of: Fester & Chapman; Hinton – Burdick and Henry – Horne, with a cost range of \$12,000.00 to \$13,000.00, and possible selection of the Accounting Firm to perform the District’s Annual Audit.

The Finance Manager stated that he contacted four Governmental Auditing Firms and that one of the firms passed as their calendar was full.

Board Vice-Chairman Place asked the Finance Manager if the firms reviewed the fees. The Finance Manager responded to Board Vice-Chairman Place that it was all available on the website and that they did review the fees.

The Finance Manager stated that they all earmarked a 3% increase on their fee for each year. The firms did supply references and their qualifications. The Finance Manager indicated that he had no issues with any of the firms and recommended any of the firms for the District’s annual audit.

Board Secretary Kengla stated that the firm of Henry – Horne was the low bidder with a \$1,000.00 in savings and that’s \$1,000.00 in the District’s pocket.

***Board Secretary Kengla made a motion approving the hiring of the Accounting Firm of Henry – Horne to do the District’s Annual Audit. Board Vice-Chairman Place seconded.***

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

Discussion, review, consideration and possible action regarding selection of a date, time and place for the Board of Directors to hold a workshop to discuss strategic planning and budgeting priorities for the District.

The Board and the District Manager discussed a Special Board Meeting Date and Time for the workshop.

***By consensus of the Board a date of Friday, May 10, 2019 at 5:00 PM was determined to be the best date if Board Member Meier could attend.***

8. FUTURE AGENDA ITEMS

Board Chairman Whittle requested that the following Agenda items were scheduled for the Board Meeting of June 12, 2019:

- (1) Public Hearing for the District's Rate & Fees FYE 2019/2020.
- (2) Public Hearing for the District's Budget FYE 2019/2020.
- (3) New CCTV Equipment Demonstration.

***Board Chairman Whittle directed the Board Members if they have any items for the Agenda to contact the District Manager.***

9. ADJOURNMENT

Board Chairman Whittle adjourned the meeting at approximately 6:35 PM.

Adopted and approved this 12<sup>th</sup>, Day of June, 2019.

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/s/ Neal Whittle  
Neal Whittle, Board Chairman