

**PINETOP-LAKESIDE SANITARY DISTRICT**

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

---

**REGULAR SESSION**

**MINUTES**

**June 12, 2019**

1. CALL TO ORDER

Board Chairman Whittle called the Board meeting to order at approximately 6:00 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: Neal Whittle, Board Chairman, Patrick B. Place, Board Vice-Chairman; Christopher C. Kengla, Board Secretary and Paul W. Meier, Board Member. Staff Members present were: David J. Smith, District Manager, Mark Heberer, Finance Manager and Linda Lionberger, Executive Assistant.

Excused: Diana W. Butler, Board Member  
William R. Whittington, Legal Counsel for the Governing Board

4. PUBLIC HEARINGS

Fees for Services charged by the Pinetop-Lakeside Sanitary District Fiscal Year End 2019/2020.

Board Chairman Whittle opened the Public hearing at approximately 6:02 PM, there was no public present, and therefore Board Chairman Whittle closed the public hearing at approximately 6:04 PM.

Final Budget for Fiscal Year End 2019/2020.

Board Chairman Whittle opened the Public Hearing at approximately 6:05 PM, there was no public present, and therefore Board Chairman Whittle closed the Public Hearing at approximately 6:07 PM.

5. CONSENT AGENDA

Board Member Meier commented on the amount of check number 15284, payable to Brown and Brown Law Offices in the amount of \$3,904.63.

The District Manager discussed with Board Member Meier, Board Secretary Kengla and Board Chairman Whittle the litigation process could be ongoing for several years. The Town of Taylor was possibly seeking other Legal Counsel per an article in the local newspaper. Board Secretary Kengla indicated that even with a future conclusion for the Little Colorado Coalition it could always come back to the court system.

***Board Secretary Kengla made a motion approving the Consent Agenda, which included the Minutes of May 08, 2019, Regular Session, May 10, 2019, Special 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 Meier, yes. Motion passed unanimously.***

6. CALL TO THE PUBLIC

***Board Chairman Whittle did not read the Call to the Public statement as there wasn't any Public present.***

7. REPORTS AND CORRESPONDENCE

Board Chair's Report.

Board Chairman Whittle reported that the Town of Pinetop Lakeside Public Works Department and their Recycling Center located on Woodland Road in Lakeside could give them the shining star of the White Mountains and that could give the District some other options.

Board Secretary Kengla asked Board Chairman Whittle to elaborate.

Board Chairman Whittle reported that the District would only be the recipient of the paper/cardboard from the Town's Recycling Center and at this time they were not sure of how much. The Town plans to advertise over social media when their Center does open to the Public.

Board Chairman Whittle reported that the Town hopes to reduce the overflow of the illegal dumping in the local community and business dumpsters.

Board Chairman Whittle reported that the District receiving the paper/cardboard green waste should help alleviate the District purchasing green equipment with the Town's efforts to collect the paper/cardboard.

***The Board Chairman's Reports and discussions concluded.***

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 7500 linear feet, televised 7586 linear feet and inspected several manholes.

Board Member Meier asked the District Manager if the Collection System Crew was happy with the new CCTV Equipment. The District Manager responded to Board Member Meier that the crew was happy with the CCTV Equipment. The District Manager explained to Board Member Meier that the Crew traded out the camera head to a new version, but the Crew indicated that they preferred the camera head that came with the demo unit. The crew was working with the manufacture to determine the difference in the camera heads.

The District Manager reported that there was an advertisement for a replacement employee in the Collection System Department, the closing for applications was on May 22, 2019. The interviews were held and Mr. Scott Amos was offered the position and will start employment with the District on Monday, June 17, 2019.

Update – Plant Department activities.

The District Manager reported that the average daily flows increased minimal for the month of May 2019, they were a little over .80 MGD, organic removal was at 96%, and the nitrogen results were 1.7 mg/L.

The District Manager reported that the Composting Facility received 29 tons of paper/cardboard, compost produced was 42 tons and compost sold was approximately 90 yards.

Board Secretary Kengla asked the District Manager how much compost the District had in inventory. The District Manager responded to Board Secretary Kengla that in looking at the pile of compost he would estimate approximately 120 yards.

The District Manager reported that the compost sales do slow down, there was a lot sold in the months of April, May and June.

Board Secretary Kengla asked the District Manager if there was any push back from the price increase to the compost. The District Manager responded to Board Secretary Kengla that there was a little bit, but then the individuals say okay and purchase the compost.

Board Secretary Kengla stated then it wasn't really pushback we still see the demand for the compost.

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

**Account Report**

The Finance Manager reported that there were 13 connections 11 new connections and 2 reconnections; total sewer connections increased to 8249, for the month of May 2019. The sewer user fee revenue should be approximately \$25k over budget; other income should be \$17k over budget, approximately \$40k over budget in revenues and in expenses approximately \$100k under budget for Fiscal Year End 2018/2019.

The Finance Manager reported that a new employee was hired for the Administration Department, and begins training with Marcia in Accounts Receivable/Billing. Marcia will eventually start training and moving to the accounting position that Ms. Lionberger will be retiring from. Amber is the new employee and she will start on Monday, June 17, 2019, she was coming from a local utility company.

The Finance Manager reported that he has started working with the new Auditor's Henry and Horne and they plan to do their field work at the District beginning July 17, 2019.

***The Finance Manager Reports concluded.***

8. **BUSINESS**

**Discussion, consideration and possible action regarding the purchase of a Return Pump for the Treatment Plant, with an estimated cost of \$26,800.00.**

The District Manager discussed that the Staff thought they could rebuild the pump, but the cost to rebuild the pump was higher than the cost to purchase a replacement pump, which was a \$2k difference. The original pump was put into place in 1987.

The District Manager recommended the purchase of the replacement pump.

Board Vice-Chairman Place asked the District Manager if there was a warranty. The District Manager responded that there was a one year warranty.

Board Chairman Whittle asked the District Manager if he considered the replacement pump efficient. The District Manager responded to Board Chairman Whittle that there could be other pumps out there, but then you have to redo the hard piping, then you increase the cost to change the piping.

Board Chairman Whittle stated that out in the field you hear that the utilities stay with the same pumps because when you get specialized equipment you are stuck.

The District Manager stated that you may get a 10% increase in efficiency according to the literature regarding a different type of pump. The pump has twice the horsepower so he was not convinced because of higher horse power, there would be much cost savings.

Board Vice-Chairman Place asked the District Manager if the pumps run continuously. The District Manager responded to Board Vice-Chairman Place that they do run continuously.

The District Manager explained that the return pump takes the liquid that settles at the bottom of the Clarifier and returns it to the front of the oxidation ditch. The pumps run all the time because the solids build up in the Clarifier.

***Board Member Meier made a motion approving the purchase of the pump from Pioneer Equipment in the amount of \$26,800.00, which includes taxes. Board Secretary Kengla seconded.***

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

Discussion, consideration and possible action regarding the purchase of pumps for the Ponderosa Lift Station with an estimated cost of \$5,800.00.

The District Manager discussed that there are two submersible pumps that need to be replaced even though the pumps are not that old. Staff was continually doing maintenance to the Lift Station at least 2 times a week to unclog the pumps.

Board Member Meier asked the District Manager if Staff had any idea of where the rags that were clogging the pumps were coming from. The District Manager responded to Board Member Meier that they were coming from the residences located within the area and Staff was not sure.

Board Chairman Whittle asked the District Manager if they were mechanic rags or baby wipes. The District Manager responded to Board Chairman Whittle that they were mechanic rags.

The District Manager responded that Staff tried fishing hooks by the manholes to try and pinpoint the area they were coming from and that was unsuccessful.

Board Vice-Chairman Place asked the District Manager about masticate pumps. The District Manager responded to Board Vice-Chairman Place that the next step would be to install an inline grinder pump. The style of pump that Staff was looking at purchasing has a recessed impeller. On a regular pump the liquid has to flow through the center and then it clogs this normally happens in start up because you don't have the flow velocity at the start up. The recessed impeller actually creates a vortex so there is minimal contact with the material. All literature indicates you'll never have a problem and where the Lift Station is located it receives flow through three different pipe lines.

Board Member Meier asked the District Manager where the location of the Lift Station was. The District Manager responded to Board Member Meier that it was located off of Shoreline Drive in the Ponderosa Park Shores Subdivision, with Rainbow Lake close by.

The District Manager stated that if this doesn't work, we may have to redesign the wet well.

Board Member Meier stated that he was surprised that there were residents that flush that type of material into the sewer line.

Board Secretary Kengla stated did they try treble hooks.

The District Manager stated that Staff did purchase treble hooks and they weren't able to catch anything.

The District Manager stated that the pumps being purchased are 5 horsepower pumps and the current pumps are 3 horsepower.

The District Manager stated that he recommended the purchase of the two submersible pumps.

***Board Member Meier made a motion approving the purchase of the pumps to service the Ponderosa Lift Station in the amount of approximately \$5,800.00; from Ferguson Enterprises LLC. Board Vice-Chairman Placed seconded.***

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

Discussion, consideration and possible action regarding: Resolution No. 2019-07, a Resolution amending the schedule of fees for the Pinetop-Lakeside Sanitary District, Fiscal Year July 1, 2019 to June 30, 2020.

The Finance Manager stated that the fees that would increase are the Annexation and Excess Density Fees, the fees increase according to the Consumer Price Index as directed by the Board previously. The Sewer Connection Fee would increase because it is tied into the Excess Density Fee.

***Board Secretary Kengla made a motion approving Resolution No. 2019-07, a Resolution amending the schedule of fees for the Pinetop-Lakeside Sanitary District, Fiscal Year July 1, 2019 to June 30, 2020. Board Member Meier seconded.***

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

Discussion, consideration and possible action regarding: Resolution No. 2019-08, a Resolution approving the final budget of \$2,875,336.00; for the Pinetop-Lakeside Sanitary District Fiscal Year July 1, 2019 to June 30, 2020.

The Finance Manager stated that the proposed budget has been discussed and no changes have been made to the budget as presented to the Governing Board.

***Board Secretary Kengla made a motion approving Resolution No. 2019-08, a Resolution approving the final budget of \$2,875,336.00; for the Pinetop-Lakeside Sanitary District Fiscal Year July 1, 2019 to June 30, 2020. Board Member Place seconded.***

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

Discussion, consideration and possible direction of methods and technologies regarding future opportunities for the District' Treatment and Composting Facility.

The District Manager stated this topic was for discussion as the Board and Staff looks to the future and what needs to be considered with the biosolids processes and other areas

the Board would like to consider. The District Manager also stated that his presentation was regarding the biosolids handling.

The District Manager discussed that the connections have increased and the flows have decreased.

Board Member Meier asked the District Manager what were his thoughts as to why the flows have decreased. The District Manager responded to Board Member Meier that it was a combination of items, new construction plumbing fixtures are low flow, and some Inflow and Infiltration (I/I) has been located and repaired.

Board Chairman Whittle stated that a decrease in the flows could always create blockages of the water coming through the pipes.

The District Manager stated that the next few pages of the packet that the Board received were a summary. The District Manager also stated that over the next three to five years of possible Critical Equipment Replacement, future discussions should include the Lakeside Lift Station, a possible installation of a gravity line to the Mogollon Rim Lift Station, the installation of the same size piping to the Marsh, the Clarifiers, increase in size of the effluent pump, grit removal system and the big ticket items. The big ticket item would be the equipment purchased in 2003 – 2004 with the building was approximately \$2.3m. The rotary biomass mixer has 125 foot long wear bars that are spaced every 1” center on center going around the 10 foot diameter that will at sometime need rebuilding or the District looks at other alternatives.

The District Manager discussed one of the short comings of the process if the District continues to compost you need to shred the material in a manner that you can compost and mix it. The current rotary biomass mixer is suppose to do that but the recipe mixes and sometimes it works and other times the recipe was off and then you have to remix. Board Chairman Whittle visited the District today and viewed the plastic that the District continues to receive and the effect to the compost. The common item no matter what way the District chooses to go into the future would be the equipment to shred and mix the material, except if the District chose the landfill. There are other options if it was determined not to compost, the drying beds could be utilized, landfill hauling and the Biomass Plant, if the Plant would agree to receive it.

Board Chairman Whittle stated they still need to upgrade their Plant.

The District Manager stated that the Biomass Plant received a permit and the Cholla Power Plant was upgrading into a Biomass Plant.



Board Chairman Whittle asked the District Manager do you think they would purchase the material from the District. The District Manager responded to Board Chairman Whittle that he did not believe they would, based on cost.

The District Manager explained that a drying bed could reduce the moisture and volume; you could send it to the landfill, reducing the moisture and/or mixing the sludge to continue composting. In-vessel composting would be most costly you put it in a container like a shipping container is one example you supply air, which is monitored and approximately in three weeks it is done and then you have a roll off truck and move it over, dump it out and cure it, this procedure would pass the regulatory part of composting. This cost was from \$400k to \$1m for in vessel composting, it's clean and located here and not much of a footprint was required. Windrow, the District has done in the past, once it reaches a certain temperature it has to be turned 5 times, it would take approximately 35 days to meet the regulatory requirements, if you have the equipment the cubic yards would be turned in about an hour's time instead of spending 2 days turning compost. Windrowing takes a lot of space and storage for the tractor which is 100 horsepower. The windrowing machine aerates and stirs it up. The District Manager referred to the Board to their packet with a summary of the windrowing that was taking place in Sierra Vista. Today we build a pile, we aerate it and cover it with finished compost, and we maintain the temperature for at least 14 days meeting the requirements. From there we take it to the curing pile and it takes another 4 weeks and that is the District's current method. If the rotary biomixer fails Staff would still need something different to shred the material and mix it. Mixing could be easier using an Ag mixer for example in the cattle industry it is used to chop and shred a food for the cattle. These are the most common 3 processes for compost. You also could do anaerobic digestion and generate electricity and capital cost would be around \$5m to \$7m, you could do incineration. With our facility I have geared the discussion to composting; in vessel, windrowing and aerated static piles. The belt press equipment was purchased in 2006 and it is a very good piece of equipment and this was the only piece of equipment and when it goes down the Staff is on pins and needles and ideally there should be two pieces of equipment. This should be considered to obtain a second piece of equipment for dewatering. The Centrifuge also dewateres sludge using high speed spinning action and also uses more electricity than a belt press.

Board Vice-Chairman Place stated that it takes a skilled Operator to find the right type of polymer and mixture and that was the most important part.

The District Manager stated that once you bind the belt you are done for the day. The polymer can't be washed off easily; it takes a lot of water to clean it up. There are several technologies and in his opinion the District does need to consider another piece of equipment for dewatering and after that then what do you want to do with the biosolids? If we continue to compost then we need the right equipment to obtain the consistency and

that would be a piece of equipment designed to shred the material when it works for the Staff not just pile up and spoil the recipe. The windrow equipment will do it.

Board Secretary Kengla stated that it would be at minimal cost then the rotary mixer. It has to be less expensive than a \$2m tube.

The District Manager stated that when you put it in the rotary mixer it doesn't digest, it sits there for 24 hours; we run it twice a week at 48 hours. If you have a tractor with a machine that does it you may have to spend an hour twice a week running through the pile.

Board Member Meier asked the District Manager how often Staff has to rerun when there was a spoiled recipe. The District Manager responded to Board Member Meier that at least 20% of the time.

Board Secretary Kengla asked the District Manager when you talk about the footprint and looking at Sierra Vista he wasn't sure what the outcome of the District and that the District was smaller. The District Manager responded to Board Secretary Kengla that Sierra Vista was approximately 4 acres and they bring in twice the flow that the District does. The District would need 2 acres, the current building offers a lot of square footage, but the biomixer takes up a lot of room.

Board Vice-Chairman Place asked the District Manager when you buy the equipment of whatever process you still have manpower what are those costs. The District Manager responded to Board Vice-Chairman Place that \$142k plus an employee's labor for ½ day so you are looking at approximately \$180k a year, versus now from \$260k to \$280k a year and windrowing \$150k to \$200k a year. Board Vice-Chairman Place stated then hauling the sludge would be the most cost effective.

The District Manager stated that would be the most cost effective way and getting the water out is a benefit and the landfill would like to have it. The cost to take it to the landfill would be approximately \$35.00 a ton and then you don't have to do as much testing, so you save those costs, you only have to do a paint filter test and maybe once a year you may have to do a toxicity test. Most municipalities take it to the landfills. The aerated static piles are the next cost effective because of very little equipment.

Board Vice-Chairman Place asked the District Manager that is the pros and what would be the cons. The District Manager responded to Board Vice-Chairman Place the community thinks that would be a disservice to the community because we are not composting. An argument could be endocrine disrupters, landfills are lined and monitored.

Board Vice-Chairman Place stated being a Board Member does have political parts to it and you have to look at the whole District and what was the most cost effective and you could hire a firm to present it to the community.

Board Member Meier stated there are other areas such as the Clarifier equipment where monies could be better utilized than the rotary mixer based on costs, what was the useful life of the mixer.

The Finance Manager responded to Board Member Meier that the manufacturer and the District Manager at the time and the Operations Manager stated that the useful life was 15 years, since the recipe has changed the useful life could be extended a little bit.

Board Secretary Kengla asked the District Manager that Staff inspected the wear bars and how much longer would they be in shape. The District Manager responded to Board Secretary Kengla approximately two more years, they are inspected annually and then welding would need to be hired out, Staff cannot be tied up for two months.

Board Vice-Chairman Place asked the District Manager what would be the cost to replace the biomixer. The District Manager responded to Board Vice-Chairman Place \$2.5m.

Board Member Meier asked the District Manager wasn't it more inefficient than the other processes being discussed. The District Manager responded to Board Member Meier that from my search you will not find a wastewater plant that uses this technology the only industries are landfills and recyclers. Landfills use this to reduce their volume, out of 14 to 18 that use this technology there was not one that he was aware of that was a Wastewater Treatment Plant. Processes Wastewater Treatment Plants use are in the treatment of biosolids, composting, land application, anaerobic and aerobic digesting or incineration.

Board Member Meier stated the different processes that have been pointed out and discussed today the District would end up with the same results and lower costs.

The District Manager explained that some of the facilities using the anaerobic digesters are producing gas and generating electricity to decrease some of their operational costs.

Board Vice-Chairman Place asked the District Manager and going back to the political side to replace the biomixer could be in today's costs \$3m and why would the District spend that kind of money when we could get some dollars to haul it away.

Board Member Meier stated that he doesn't know why the District would move forward for the money when there are other processes.

The District Manager stated that this was for discussion and there wouldn't be any decision reached tonight this was just information for the Board to consider. The landfill was the least headaches and cost.

Board Member Meier asked the District Manager if the Board went the route of the landfill would we have layoffs or not replace through attrition. The District Manager responded to Board Member Meier that the Staff was old enough we would look at attrition.

Board Member Meier asked the District Manager what about odors for the neighbors. The District Manager responded to Board Member Meier that it would not be any worse.

Board Secretary Kengla asked the District Manager what about the monsoons. The District Manager responded to Board Secretary Kengla that it could be moved inside the building.

Board Member Meier asked the District Manager about windrowing if there was enough area. The District Manager responded to Board Member Meier it could work in the building.

The District Manager stated that an employee could haul the sludge to the landfill.

Board Member Meier stated that the District's job was to handle the process for the community in the most efficient and cost effective way.

The District Manager stated that with a surplus in the budget this year and with reduced costs of handling biosolids we could save the community additional dollars with running the Wastewater Treatment Plant more efficiently.

Board Chairman Whittle stated that we could place this on the July Board Agenda for further discussion and review the Town's recycling center.

Board Member Meier stated that we should look at dewatering equipment that seems to be utmost important.

The District Manager discussed that dewatering equipment would need to be placed in its own building.

Board Secretary Kengla stated that being proactive not reactive and if this is the bottleneck no matter what technology the dewatering equipment needs to be considered. Staff could start receiving quotes of the dewatering equipment, a standalone station that would not get moisture.

The District Manager and the Board discussed moving the crew room and remodeling the District's Building to include all Departments using a combined lunch room.

***There was no action this was for discussion only.***

9. FUTURE AGENDA ITEMS

Board Chairman Whittle requested that the following Agenda item was scheduled for the Board Meeting of July 10, 2019:

- (1) Dewatering Equipment.

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

10. ADJOURNMENT

Board Chairman Whittle adjourned the meeting at approximately 7:25 PM.

Adopted and approved this 10<sup>th</sup>, Day of July, 2019.

s/s Neil Whittle

Neal Whittle, Board Chairman