

PINETOP-LAKESIDE SANITARY DISTRICT

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REGULAR SESSION
MINUTES
October 9, 2019

1. CALL TO ORDER

Board Vice-Chairman Place 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: Patrick B. Place, Board Vice-Chairman; Diana W. Butler, Board Member and Paul W. Meier, Board Member. Staff Members present were: David J. Smith, District Manager, Mark Heberer, Finance Manager, Linda Lionberger, Executive Assistant and Marcia Theiner, Accounting Clerk II, William R. Whittington, Legal Counsel for the Governing Board.

Excused: Neal Whittle, Board Chairman
Chris Kengla, Board Secretary

4. CONSENT AGENDA

Board Member Meier made a motion approving the Consent Agenda, which included the Minutes of August 14, 2019, Regular Session and the Presentation, Approval and Payment of Bills, Invoices, Warrants and Capital Purchases; as presented by Staff for August 2019, and September 2019. Board Member Butler seconded.

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

5. CALL TO THE PUBLIC

Board Vice-Chairman Place read the Call to the Public statement and opened the Call to the Public at approximately 6:03 PM.

There was not a response; therefore Board-Vice Chairman Place closed the call to the Public at approximately 6:20PM.

6. REPORTS AND CORRESPONDENCE

Board Chair's Report.

Board Vice-Chairman Place did not have a report.

Board Secretary's Report.

Board Secretary was excused so there was no report.

Manager's Report.

Update – Collection System Departments activities.

The District Manager reported that the Collection System crew cleaned 23,520 linear feet of sewer line, televised 13,600 linear feet, 6 manholes repaired (ring and cover), and 45 manholes inspected while televising lines.

Update – Plant Department activities.

The District Manager reported that the average daily flows for the month of September were 0.8 mgd; organic removal was at 95%, nitrogen results 1.4 mg/L. Composting Facility received 32 tons of cardboard/paper from Waste Management. Compost produced 0 tons which does not mean no compost was produced just no compost was removed from the building. The District sold 8 yards of compost.

The District Manager reported a Contractor came up a couple weeks ago. He gave the District a price for relining the project behind Lockwood. There is 1,300 to 1,400 feet of pipe that needs slip lining. Cost is \$100 per foot bringing the cost to approximately \$113K. The District Manager will bring to Board at a later date to be approved. We know when pipe starts deteriorating it does not get better.

The District Manager's Reports concluded.

Accounting Report

The Finance Manager reported the District has approximately 8,277 connections.

The Finance Manager reported last week we did our billing. Ms. Wright Accounts Receivable did the billing with Ms. Theiner, Accounting Clerk II oversight and it went smoothly. We continue to decrease the number of cards we print because we are increasing either auto pay or e-mail billing which we are trying to make a big push on in the next nine months.

The Finance Manager Reports concluded.

7. BUSINESS

A. Discussion, review, consideration and possible action regarding the District's annual Audit/Financial Statements for Fiscal Year End July 1, 2018 through June 30, 2019.

The Finance Manager reported this is the first year with Auditors Henry & Horne. Each auditor has their own way of doing things. Some the Finance Manager agrees with, some not. Henry & Horne had no problem with the audit. The Finance Manager had no problems working them. Books came out good with a positive cash flow of approximately \$300K. Board Member Meier noted in the report that Henry & Horne questioned the Bank reconciliation process. Maybe need a secondary person to do the Bank reconciliation. The Finance Manager is doing the reconciliation now and will train Ms. Theiner Accounting Clerk II to take over. This is to facilitate the separation of duties. Henry & Horne suggested the District set aside funds for bad debt. The Finance Manager reported we do not have any bad debt or loss of revenue.

Board Member Meier made a motion approving Annual Audit/Financial Statements for Fiscal Year End July 1, 2018 through June 30, 2019. Board Member Butler seconded.

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

B. Discussion and Direction regarding Composting Equipment.

The District Manager explained this agenda item is for discussion and to give staff direction to further investigate changes to the current composting process.

The District Manager explained someday we have to do something different with our composting equipment. We have to spend some money to rehab the Rotary Bio-Mixer or look into a different way of composting. Ms. Kenchiova Operation Supervisor and Mr. Rhyan Treatment Plant Operator are attending the meeting so we have input from the operators. First piece of equipment The District Manager presented is a stationary mixer. Cost is approximately \$130K to \$137K. The mixer holds 23 yards of material, has a scale so operator knows how much material is going in, and mechanically mixes in about 30 minutes.

Mr. Rhyan reported the Rotary Bio-Mixer takes approximately 2 days to mix when things go good. Many times the material coming out of the Digester has balls in it due to it not getting mixed properly. The Rotary Bio-Mixer rolls the material not mixes. There is no versatility with the Rotary Bio-Mixer. You load it the way it wants to be loaded or you have a mess that lasts for days.

Ms. Kenchiova reported the Rotary Bio-Mixer is going to need extensive maintenance and feels the need to move in a different direction.

The second piece of equipment the District Manager presented is a Cresswood shredder, used with 600 hours on it for approximately \$80K. All cardboard and paper is shredded

and then can be stockpiled. When loading paper it is a different recipe than cardboard. The operator has to stop and recalculate the formula hoping they have enough sludge for the amount of paper.

Board Member Meier asked if the District needs certification for the service of document destruction.

The District Manager answered no because it is a free service.

Board Vice-Chairman Place asked if the District has any liability.

Legal Counsel for the Governing Board Whittington replied yes but could have customers sign a waiver or post a disclosure.

Board Vice-Chairman Place directed Staff to proceed with discussion on new composting procedure.

C. Discussion, consideration and possible action regarding the construction of a Concrete Pad: estimated cost of \$25,000.00.

The District Manager explained the staff is recommending that a concrete pad (40' x90') be constructed to use as storage for dewatered sludge. The pad would be located close to the dewatering equipment building. The slab is needed to spread out the dewatered sludge to dry more.

The District Manager explained the District would need to purchase the materials. We have staff with experience doing concrete that can do the labor.

Board Member Meier made a motion approving to move forward with construction. Authorizing the District Manager to construct a concrete pad not to exceed \$25K. Board Member Butler seconded.

The vote was as follows: Board Vice-Chairman Place, yes; Board Member Meier, yes; Board Member Butler, yes. Motion passed unanimously.

D. Discussion, consideration, and possible action regarding the purchase of a Belt Press Dewatering Equipment: estimated cost from \$255,350.00 to \$318,000.00.

The District Manager explained the District sent out invitations to provide bid pricing for dewatering equipment. The District is looking at purchasing a second belt press and contacted five (5) manufacturers or representatives to supply us with pricing.

- Andritz Separation \$318,000
- Bright Technologies \$286,610
- Phoenix Process Equipment Co. \$255,350
- Komline-Sanderson \$300,000
- BDP Industries \$298,500

Five Bids came in at \$287,000 to \$330,000.

The District Manager prefers the BDP Industries Belt Press. It is a three belt system and will produce a drier sludge. Our current system has two belts.

Belt Presses would be moved to smaller building where the Crew Room is now. The smaller building has better heating.

Board Member Meier stated if current Belt Press goes down for a certain period of time could be a serious thing. Board Member Meier asked the District Manager if the crew can be without a break room for six months to a year.

The District Manager stated yes. The crew does not like eating in the current Crew Room because of the flies. Estimate to convert the building for the belt presses is \$20K.

Board Member Meier addressed the Finance Manager regarding budgetary issues.

The Finance Manager explained money is put aside for treatment & collections every year. The money has been allocated.

Board Vice-Chairman Place made a motion approving the purchase of the belt press from BDP Industries not to exceed \$298,500.00. Board Member Meier seconded.

The vote was as follows: Board Vice-Chairman Place, yes; Board Member Meier, yes; Board Member Butler, yes. Motion passed unanimously.

E. Discussion of an opportunity for the land application of Dewatered Biosolids.

The District Manager has been approached by Alma Saline from Taylor to determine our interest in having our biosolids land applied on his farm. The classification of our compost is class A, meaning it can be put on a garden. Dewatered sludge is Class B. Saline needs a commitment as to what volume we can provide.

Board Member Meier expressed his concern about making a commitment. Board Member Meier questioned if there is any issue handling all our sludge and would this be necessary with buying new composting equipment.

The District Manager stated there is an excess of sludge during the summer.

Board Vice-Chair Place asked the District Manager if we could compost and provide Mr. Saline with biosolids.

The District Manager stated yes 50/50. If the District decided to stop making compost, this would be the way to go.

Board Member Butler wants more information from Mr. Saline before considering making a commitment.

8. FUTURE AGENDA ITEMS

Board Vice-Chairman Place requested that the following Agenda items were scheduled for the Board Meeting of November 13, 2019.

- A. Cost of Belt Press Dewatering Equipment.
- B. Cost of Administration Building Addition.
- C. Cost of Bob Cat.
- D. Cost of dismantling and recycling the Rotary Bio-Mixer.

Board Vice-Chairman Place directed the Board Members that if they have any items for the Agenda to contact the District Manager.

9. ADJOURNMENT

Board Vice-Chairman Place adjourned the meeting at approximately 7:34 PM.

Adopted and approved this 13th Day of November, 2019.

c/c Neal Whittle
Neal Whittle, Board Chairman