

PINETOP-LAKESIDE SANITARY DISTRICT

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**REGULAR SESSION
MINUTES**

December 8, 2021

1. CALL TO ORDER

Board Vice-Chair Place called the Board meeting to order at approximately 6:00 PM.

2. OPENING CEREMONY

Board Secretary Beeler led the Board and Staff in the Pledge of Allegiance.

3. ROLL CALL OF BOARD MEMBERS

Present were: Patrick Place, Board Vice-Chair, John M. Beeler, Board Secretary, Paul Meier, Board Member and Kenny Keith, Board Member. Staff Members present were: David J. Smith, District Manager, Mark Heberer, Finance Manager, and Marcia Theiner, Accounting Clerk.

Excused: Diana Butler, Board Chair.

Legal Counsel for the Pinetop-Lakeside Sanitary Board.

4. CONSENT AGENDA

Board Member Meier made a motion approving the Consent Agenda, as presented by Staff for November 2021 bills and invoices... Board Secretary Beeler seconded.

Motion passed unanimously.

5. CALL TO THE PUBLIC

Board Vice-Chair Place read the Call to the Public statement and opened the Call to the Public at approximately 6:02 PM. There was no response from the public, and therefore Board Vice-Chair closed the Public Hearing at approximately 6:03PM.

6. REPORTS AND CORRESPONDENCE

Board Chair's Report.

Board Vice-Chair Place did not have a report.

Board Secretary's Report.

Board Secretary Beeler did not have a report.

Manager's Report.

Update – Collection System Department activities.

District Manager Smith reported that the Collection System crew cleaned 12,194 linear feet of sewer line, televised 15,828 linear feet, 73 manholes inspected.

Pace has finished registering about 85% of the GPS/GIS images we sent to them. The Collection crew can get approximately 20% of the images per year. They have about 30% done, so they are on track. Board Member Meyer said the GPS/GIS system should be complete over a five-year period then.

On a separate project Pace is helping with our APP Permit. We had an inspection of our Facility and the inspector didn't like the description of our Facility. He said it wasn't descriptive enough. So the District has to do an amendment to our Permit to outline our processes better. Also we have to have a contingency plan that they like. I don't know how many emergency response plans and contingency plans we have made. Since I have been District Manager I have done three. We also have to have a closure plan. We didn't need one when the permit was first issued but rules changed after 2001. We have to come up with a cost estimate of our closure plan. Mike from Pace is going to get us a price on how much it will be for Pace to help with this amendment. Mike just did one for a couple other towns. I did most of the amendment but then it got into things that need an engineer. Finance Manager Heberer stated when the closure plan cost is finalized ADQ will require the funds to be in a separate bank account.

Update – Plant Department activities.

District Manager Smith reported that the average daily flows for the month of November were 0.72 mgd; organic removal was at 98%, nitrogen results 2.94 mg/L. Compost produced 300 cubic yards. The District sold 16 yards of compost.

The District Manager's Reports concluded.

Accounting Report

Finance Manager Heberer reported four new connections for November bringing the District up to 8579 connections. Revenue projections are on track and expenses are in line.

The Finance Manager Reports concluded.

7. BUSINESS

A. Discussion, Consideration, and possible action regarding approval of Flygt Mixer repair.

There are two (2) mixers that provide the velocity in the oxidation ditch to keep solids from settling out. Although operating one (1) will be sufficient, we need to have both operational. The Failure of this unit was caused by a failed seal that is supposed to keep water out of the motor. The repair estimate for this mixer is around \$13,000 (see attached quote).

Staff recommends approval of repairs to the Flygt Mixer.

***Board Member Meier made a Motion to approve the repairs to the Flygt Mixer.
Board Secretary Beeler seconded.***

B. Update regarding Clarifier rebuild or replace project.

The District had a couple of contractors inspect the clarifiers to see their level of interest in this project. They said they would provide estimates for their work; both are familiar with clarifiers and feel this work is well within their qualifications. One contractor gave a price to install the equipment of \$59,000 for each clarifier. This was considerably less than another price I received which was \$200,000 for both clarifiers. The other company that bid the entire project the price was one million. Equipment was ¾ of price and ¼ to install.

We are also waiting for equipment manufacturers to review their proposals to determine if using new and existing parts would be possible and not negatively affect installation of new equipment. The contractor would have to work around the old to put the new parts on. I'm not sure it's saving a lot of money to keep the current bridge and handrailing. It may be a savings of \$70,000 but then you might be paying for it on the other end because the contractor has to work around the existing equipment. Seems like kind of a wash. So my plan in January is to get one more price from MMSI. They looked at it a couple weeks ago and I am waiting for some pricing. So I will Probably put it out to bid and have it on the January agenda. Board Member Beeler asked if we would buy the equipment and then have it installed. District Manager Smith said he would like to because when you have the contractor do it all he wants to make money on both ends. This is a 20-day project to do both clarifiers. Board Member Keith asked if the contractor's equipment is available now. District Manager replied no they are 26 weeks out. The hope is in January we get approval on the clarifier equipment. Then we will go out to bid with the contractor. In February we will get contractor prices. Best time for us to get the work done is either in September/October or May/June. Before or after monsoon season. If the plant is running right even during the monsoon one clarifier can handle it, but I'm not willing to gamble it. That is the plan as of today.

Discussion concluded.

C. Discussion Consideration, and possible action regarding amendments to current pay scales of District Employees.

Finance Manager Heberer said he would like to give everyone a little history. Original rates and classifications were set in 1999-2000. They have not been adjusted. When District Manager Smith came on board, we used to have about 18 different job codes. These were combined then into similar salary ranges. So instead of having a separate grade and range for

PTOs and CSOs they were combined because of their similarity. The rates were adjusted. He

said he doesn't have a 100% idea of what they based them on. He was not at the District yet

and can't find any detailed information. He said he doesn't know if they did a recent survey or industry survey. The only adjustments that have been made to all the rates are the CPI when we do the COLA Finance Manager Heberer said he did call three other Sanitary Districts:

1. Superstition Mountain has 7,000 connections
Manager rate scale \$101K to \$153K
2. Fountain Hills has 10,000 connections
Manager rate scale \$115K to \$185K
3. Green Valley has 10,000 connections
Manager rate scale \$119.6K to \$186K

Mr. Heberer did not ask about the line level jobs because we are in line with them. There are no issues or questions about that. The issue is on the Management side. The only other adjustment we need to make on our rate scale is the entry level Labor and Clerk. January 1, 2022 Arizona minimum wage is going up to \$12.85. The wage scales are on your purview. However, you want to set them. Board Member Meier asked Finance Manager Heberer if both he and District Manager Smith were at the top of their wage scale. Mr. Heberer answered yes. Mr. Meier said the reason he brought it up at the last Board meeting is it's one thing to get the COLA adjustment every year if we have inflation like we have this year. COLA next year will probably be around 5%. We've been below average inflation for about 20 years with the COLA being 1/1/2% to 2%. Mr. Meier's thought, just to give flexibility going forward is to adjust the two management positions up 10%, but not all at one time. This gives the Board room if they feel like giving Management a raise because they are doing a great job. Board Secretary Beeler said he was thinking 10%, Board Member Keith said he was thinking 10% to 12%. Board Member Meier asked Mr. Heberer if he heard him right that the hourly for grades 1-4 are in an approximate range. Mr. Heberer answered per my conversations with similar type operations and with the RWAA

it's very close. Grades 1-5 and Management A Dave approves, Management B the Board approves.

By consensus the Board directed Finance Manager Mark Heberer to make an adjustment to Manager A and Manager B pay scale increasing the cap by 10% for both positions.

8. PERSONNEL MATTERS

A. Possible vote to go into Executive Session for personnel matters pursuant to A.R.S. §38-431.03(A)(1) re: personnel matters and A.R.S. §38-431-03 re: legal advice relating to the annual performance review of the district Manager, David J. Smith: job performance and compensation.

Board Vice-Chair Place made a motion to go into Executive Session at approximately 6:35PM.

Board Vice-Chair Place reconvened in public session at approximately 6:50PM.

B. Discussion, Consideration and possible action re: personnel matters relating to the annual performance review of the District Manager, David J. Smith: job performance and compensation.

Board Member Meier acknowledged for the public that the Board as a whole is very pleased with Mr. Smith's performance over the last year. The Board appreciates all he has done to engage the Community and put a good light on the Sanitary District.

It was unanimous by consensus to offer a raise of \$500.00 per month or \$6,000.00 per year to Mr. Smith for the recognition of his hard work.

Motion passed unanimously.

9. FUTURE AGENDA ITEMS

1. Clarifier rebuild or replace project.

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

10. ADJOURNMENT

Board Vice-Chair Place adjourned the meeting at approximately 6:55 PM.

Adopted and approved this 12th Day of January 2022.

c/c Diana W. Butler
Diana W. Butler, Board Chair