

PINETOP-LAKESIDE SANITARY DISTRICT

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REGULAR SESSION
MINUTES
February 09, 2022

1. CALL TO ORDER

Board Vice-Chairman Place called the Board meeting to order at approximately 6:02 PM.

2. OPENING CEREMONY

Finance Manager Heberer 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, and Kenny Keith, Board Member. Staff Members present were: David J. Smith, District Manager, Mark Heberer, Finance Manager, and Marcia Theiner, Accounting Clerk.

Diana W. Butler, Board Chairman, and Legal Counsel joined the meeting via conference call. Paul W. Meyer, Board Member was excused.

4. CONSENT AGENDA

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

Motion passed unanimously.

5. CALL TO THE PUBLIC

Board Chairman Butler read the Call to the Public statement and opened the Call to the Public at approximately 6:03 PM. There was no response from the public, and therefore Board Vice-Chair closed the Public Hearing at approximately 6:04PM.

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 2,750 linear feet of sewer line, televised 3,364 linear feet, 19 manholes inspected.

GIS/GPS

1. Staff will start collection points not visible from aerial maps.
2. Project progress should see completion by June 2022.

Update – Plant Department activities.

District Manager Smith reported that the average daily flows for the month of January were 0.96 mgd (1.34 peak day); organic removal was at 98%, nitrogen results 4.51 mg/L. Compost produced 0 cubic yards. The District sold 48 yards of compost. Dewatered Biosolids sent to the landfill 62 wet tons.

Clarifier Project

1. Several (4) contractors have been contacted, one declined.
2. Plans will be sent out when approved.

Permit Amendment

1. Requirements with the State were discussed (2/3/2022).

New Electrical Service

1. NEC installed new service line on 2/1/2022.

The District Manager's Reports concluded.

Accounting Report

Finance Manager Heberer reported 3 new connections for January bringing the District up to 8586 connections. The third billing for the fiscal year was completed beginning of January. We are $\frac{3}{4}$ thru the budget and are on track. We maybe \$10k over in income budgeted.

The Finance Manager Reports concluded.

7. BUSINESS

A. Discussion, Consideration, and possible action regarding Service Bodies for work trucks.

The Board approved purchase of two (2) service bodies for the Ford Trucks ordered. But because of the length of time that has past, the pricing was no longer valid. New pricing was requested and are included below, which included all parts, labor and taxes for two (2) service bodies:

- KB Welding, Show Low - \$26,366 (Taxes \$2,049.84)
- Western Truck, Phoenix - \$25,107.08 (Taxes \$1,631.08)
- Auto Safety House, Holbrook – No price by 2/2/2022

Purchasing the service bodies locally saves on two (2) trips to the Phoenix area for three (3) employees to drive and pick up the trucks.

Board Secretary Beeler made a Motion to approve the purchase of two (2) service bodies from KB Welding in the amount of \$26,366 plus taxes. Board Member Keith seconded.

Motion passed unanimously.

B. Discussion, Consideration, and possible action regarding job description reviews for office personnel.

Finance Manager Mark Heberer will be retiring in a few months, so we are looking at his position and the possible replacement opportunities.

One of the issues that could result advertising for a Finance Manager it may draw applicants that may think the majority of the position is involved with “finance”. The reality is that the position currently filled by Mr. Heberer includes financial responsibilities, human resources, customer service, computer technical support, and overseeing the front office staff.

The question is if the District needs this specific position with the required education, or more of an office supervisor. If promoting from within the organization is a main priority, we don’t have anyone with the educational background for this position and would require outside advertisement.

If we developed a position as an Office Supervisor, this would open up advancement within the organization.

The options could include creating a position with the title of Office Supervisor, or keep the same structure and hire for a Finance Manager.

District Manager Smith stated if we were to advertise for a Finance Manager to fill this position no one in our organization qualifies. So, if we bring someone from the outside, that person may say I'm a finance Manager and I don't do anything else. The discussion is do we make a different position? That position being Office Supervisor. The Office Supervisor would take over basically the day-to-day operations of the accounting, paying the bills, deposits, etc.

Finance Manager Heberer said all of our major areas are covered right now. There is not going to be a real significant change on the financial side because we're in compliance with all the current rules and regulations. Bringing someone in will give a chance to expand and develop the skills necessary so that in 2 or 3 years when that person has the right combination of supervisory and education requirements, they could then move into the position of Finance Manager. I don't sit in my ivory tower. So, I'm concerned if you advertise for a Finance Manager that's what you're going to get.

Board Member Keith agreed that's what you're going to get.

Mr. Heberer said it's a hands-on job. There's not a person who works for the District that is not expected to or has refused to step up and get their hands dirty. Whether Mr. Smith is working up on the hill in the treatment facility or teaching someone to do testing or me working with customers in the front office or answering phones. They are all hands-on working positions. They are not strict managers. I think that's the attitude the District has and it's a good one. Everybody works and pulls together.

Board Secretary Beeler asked if you do the Office Supervisor position who is it going to be? And who is going to cover your portion of it.

Mr. Heberer replied we're looking to the Office Supervisor to do a lot of what I'm doing. The systems, controls, and practices are pretty well setup.

Mr. Smith said the District could always subcontract out for someone to come in quarterly and look at the books. Ponderosa water has someone from the outside come in and view the books to make sure everything's good.

Mr. Beeler said Mr. Heberer is for hire as an advisor. He also asked if Sarah Heck would go full time?

Mr. Heberer replied that's part of the discussion we're having. Nothings been set for sure yet because this would be the first step to create the Office Supervisor position. If

it passes with the Board's approval then we have a better laid out game plan. You qualify for this position but you're still a couple years from qualifying for Finance Manager. But you are in a position where you can over the years when Mr. Smith decides to retire there will be a Finance Manager that will be able to step up. As Mr. Smith mentioned, for the I.T. we have a couple people we can call on to fix I.T. issues.

Board Chair Butler said her only concern is that the financial end is pretty technical with what has to be done with the State of Arizona. As far as budgeting it takes a certain amount of training and understanding. I don't think your going to get that by moving someone up the chain.

Mr. Keith said you've been doing a lot of cross training.

Mr. Heberer replied yes over the last couple years we've been breaking down and shuffling a lot of what I'm doing to different staff members so that they understand when you do something how it impacts another individual. A lot of the areas Ms. Butler is concerned about are pretty set. You don't have a lot of flexibility; those are not decisions that have to be made. You don't say I'm going to do a budget; you have to. Then the Budget has to go to Public Hearing, and be approved by the Board. It's pretty regimented. The Budget doesn't change a great deal from year to year. That is one of the reasons Mr. Smith mentioned April – May is in the event I have to push back my actual leaving date to help the individual in the new position get through the initial budgeting process. Presenting it to the Board, how to refine it, and make changes following all the legal steps. Whoever the new person is, whether we hire from the outside or promote from within when the first Audit comes I don't have a problem coming back and spending a day.

Ms. Butler said I know that whoever we hire there will have to be a certain amount of training.

Mr. Smith said the District used to have an engineer on staff. Maybe they needed one back in the day. But there are always things you can outsource. Say we need someone to come in just to make sure we're doing our books right. Our Auditors are always looking at our "separation of duties, trying to nail us on that. We could have someone come in once a year or quarterly and have an outside view. That might satisfy the Auditors.

Mr. Heberer said that can be arranged with our current Auditors. Whatever the Board feels comfortable with. The Auditors can make a site visit every six months and go through everything. Make sure it's on track. If something is not being done correctly it can be corrected before the end of the fiscal year.

Mr. Beeler said I know when Mark was hired there were a lot of problems at the District, and that was why a Finance Manager was hired.

Mr. Heberer said the District is in pretty good shape. Financially sound and very stable. We don't get any major discrepancies on our Audit. The biggest one is the separation of duties. A lot of the audit is based on things that have occurred elsewhere that the auditors were made aware of. I can work with any one and I'm sure whoever we bring in will be a good mix. I just hope it's someone that will have the attitude and philosophy of how the District work.

Mr. Smith said what we try to do in the District is do away with the sheltered jobs where people didn't share what they do. We want to build formats that are templates where it is easier for someone to come in and not have to reinvent the wheel because an employee has sheltered their job and not allowed anyone to know what they do. That's when an organization struggles. Mr. Heberer has made kind of a format where it's kind of fill-in-the-blanks. The budget is all formatted and he's not taking it with him. So, we just have to bump figures up or down. Not to say we won't have any hick-ups along the way. This is just a way to promote from within, so the suggestion is we make a position called Office Supervisor which is more descriptive than some of our other job descriptions.

Ms. Butler asked if the Board could get the job description written, look at it, and decide if this is what the Board wants to do.

Mr. Smith replied yes. One is made up already that Mr. Heberer and I worked on together. It can be sent out to all Board Members in the mail Friday. We don't have to vote on it tonight. Look it over and it can be discussed at the next Board meeting.

Ms. Butler said she liked that idea.

Discussion concluded.

C. Discussion Consideration, and possible action regarding the purchase of a new generator for the P Lakes #1 lift station.

This lift station has the greatest occurrences of power outages and has a small capacity for storage. The P. Lakes #2 lift station also pumps into this station, so when electricity is lost this requires constant monitoring with a portable generator until power is restored.

Phone calls have been made to several companies that sell and install generators, but as of 2/3/2022 the only response has been from Phil Stratton Electrical. This proposal is \$17,604.77, which includes parts, labor, and taxes.

If other proposals are received before the Board meeting they will be brought to the meeting.

The Board does not need to vote on this item if three 3 proposals are not received and staff will work on contacting other companies.

District Manager Smith said he did receive another bid just today from Advanced Air. He gave me a quote for a 22-kw liquid cooled for \$16,500 which is \$1000 less than Phil Stratton for a 14kw Kohler liquid cooled. Advanced Air also said they could get an air cooled for \$6000 less than the liquid cooled which is probably good enough for our needs. I'm not sure if we need liquid or air cooled, I have to do more research.

Board Vice-Chair Place said I don't like it when they say should be good enough. Bothers me.

Mr. Smith said that's my take on it. You talk to people who want to sell you the more expensive equipment. They say you need the liquid cool. From experience here we sell used generators that are 25 to 30 years old but have less then 1,000 hours on them. There is nothing wrong with them but they're old and out dated. In my opinion I think an air cooled is good enough. We have air cooled pumps that have run all night.

Board Member Keith said to try to get some reviews too.

Mr. Smith replied yes, I'll do some more research on it. When you have anything water cooled like a generator, you're going to have to have a block heater on it. Also have to make sure there are no leaks in your coolant. For something that you do not use often I think the generator we have at Shoreline is air cooled. I don't like diesel because then you have to put fuel additives in it. If you look at the one we have at Ponderosa, it runs and is quiet. We have no problems with it. I'm not asking for a vote tonight. I was hoping to have three bids. We could vote on it tonight but I'm not ready. We will have another bid next week from a company in Tucson.

Discussion concluded.

9. FUTURE AGENDA ITEMS

Board Chairman Butler 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 6:35 PM.

Adopted and approved this 9th Day of March 2022.

c/c Patrick B. Place
Patrick B. Place, Board Vice-Chair