

**PINETOP-LAKESIDE SANITARY DISTRICT**

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

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**REGULAR SESSION**

**MINUTES**

**October 12, 2022**

1. CALL TO ORDER

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

2. OPENING CEREMONY

Board Vice Chair Beeler led the Board and Staff in the Pledge of Allegiance.

3. ROLL CALL OF BOARD MEMBERS

Present were: Patrick B. Place, Board Chair, John Beeler, Board Vice Chair, Kenny Keith, Board Secretary, and Diana W. Butler, Board Member. Staff Members present were: David J. Smith, District Manager, Bill Whittington, Legal Counsel for Pinetop Lakeside Sanitary District, Amber Wright, Office Supervisor, Sarah Heck, Accounts Receivable.

Paul Meier, Board Member attended by conference call.

4. CONSENT AGENDA

***Board Vice Chair Beeler made a motion approving the Consent Agenda, as presented by Staff for September 2022 bills and invoices, Board Member Butler seconded.***

***Motion passed unanimously.***

5. CALL TO THE PUBLIC

***Board Chair Place read the Call to the Public statement and opened the Call to the Public at approximately 6:01 PM. There was no response from the public, and therefore Board Chair Place closed the Public Hearing at approximately 6:02PM.***

6. REPORTS AND CORRESPONDENCE

Board Chair's Report.

Board Chair Place did not have a report.

Board Secretary's Report.

Board Secretary Keith did not have a report.

Manager's Report.

Update – Collection System Department activities.

District Manager Smith reported that the Collection System crew cleaned 18,160 linear feet of sewer line, televised 13,072 linear feet, 59 manholes inspected.

Update – Plant Department activities.

District Manager Smith reported that the average daily flows for the month of September were 0.89 mgd, organic removal was at 97%, nitrogen results 4.25mg/L. Compost produced 200 cubic yards. The District sold 57.5 cubic yards of new compost.

The District purchased a certified used 2020 GMC Terrain that came with a factory warranty until 2026 for the front office.

The rain has been affecting the treatment plant causing the flows to go up peaking at about 1.5, they are starting to come down.

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

Accounting Report

Office Supervisor Wright reported 7 new connections in September, and 1 suspension bringing the District up to 8,640 connections. Expenses are running as expected, we received the audit final. We got the 4<sup>th</sup> quarter billing done, and General Clerk Mariah was introduced to the board members.

***The Office Supervisor's Reports concluded.***

7. BUSINESS

A. Discussion, Consideration, and possible action regarding The District's Annual Audit/Financial Statements for fiscal year July 1, 2021 through June 30, 2022.

The audit for the year ending June 30, 2022 was completed by Henry & Horne and requires board to approval to finalize the report. The audit is a housekeeping item that provides us with recommendations.

***Board Member Butler made a motion to approve annual audit/financial statements for July 1, 2021 through June 30, 2022. Board Vice Chair Beeler seconded.***

***Motion passed unanimously.***

B. Discussion, Consideration, and possible action regarding District Holiday Party.

Last year the District held a Holiday Dinner and staff is seeking input and or approval to organize another event for this upcoming season.

Staff will shop around and keep cost down as much as possible.

***By consentience board approved District Holiday Party.***

C. Discussion, Consideration, and possible action regarding Pump Replacement for Mogollon Lift Station.

The failure of one pump for the Mogollon Lift Station requires replacement. The quoted price of a direct replacement pump is \$7,800 to cover pump, taxes and shipping. Staff recommends the Board approve purchasing a replacement Flygt pump for the Mogollon Lift Station for the amount of \$7,800.

This pump is harder to come by because this lift station has to lift so high. We need a spare pump, no modifications just looking to have a spare. It will take 10-12 weeks to get the spare.

***Board Vice Chair Beeler made a motion to approve the purchase of a spare pump for the Mogollon Lift Station. Board Secretary Keith second.***

***Motion passed unanimously.***

D. Discussion, Consideration, and possible action regarding Pump Parts for Return Pump.

The treatment plant is in need of replacement parts for a return pump. To maintain the efficiency of this pump the impeller and associated parts need to be replaced. The cost to replace the pump was quoted at \$46,008.24. Replacing some of the parts would cost \$16,931 the company does have a new pump that would cost around \$14,000 if it will work for our facility. We have sent out the seal to get a price to rebuild it rather than paying the \$12,237.50 for a replacement.

Staff recommends that the Board approve purchasing either a new pump or replacement parts needed for the return pump and shall not to exceed \$17,000.

***Board Member Butler made motion to approve the purchase of either a new pump or replacement parts for return pump not to exceed \$17,000. Board Vice Chair Beeler second.***

***Motion passed unanimously.***

E. Discussion, Consideration, and possible action regarding Septic Receiving Fees.

The loading value or strength of the septage received from septic tanks is more concentrated when compared to normal wastewater. We've tested a sample from a septic truck and the value showed around 30,000 mg/L. The normal strength of wastewater entering the plant is 250 mg/L. Using text book figures to calculate strength the comparison between septic tanks and wastewater shows the strength to be 160 times (40,000/250=160) greater compared to normal wastewater. Using our lab's numbers, the septic tank discharge is 120 times more concentrated.

The District has become the dumping ground, and most septic waste is coming from out of the District. The cost of septage is at least 9% more than we are receiving from contractors. This is because of the heavier load placed on the treatment plant and the negative results from the different types of microorganisms contained in this waste. It's truly a county issue that has been brought to their attention. The over load of dumping is requiring more plant attention.

The current rate structure for septage is estimated to be about 10% lower than it should be. This means the rates should be \$0.22 at the minimum or \$0.25 for a buffer.

The District recommends raising rates with a public hearing and upping the rate to \$0.25 plus inflation.

***Board Secretary Keith made a motion to up Septic Receiving Fees to around \$0.29. Board Vice Chair Beeler second.***

***Motion passed unanimously.***

**F. Discussion, Consideration, and possible action regarding Mini Excavator.**

After talking with Collections Supervisor concerning the benefit of having a mini excavator, he gave the following reasons.

- The size of equipment reduces the traffic issues created by a backhoe
- The majority of jobs, such as exposing manholes in dirt roads, would be more efficient with smaller equipment plus the maneuverability of a track vs wheeled
- Access to easements can be gained with smaller equipment
- Most repair jobs are shallow enough for smaller equipment
- Driving the Backhoe increases cost for maintenance
- Fuel usage would be almost half of a backhoe
- Extending the life of the backhoe by using appropriate equipment

Anywhere from about 75% to 85% of the work can be done with it. The cost of a mini excavator is quoted at \$63,788 for a Kubota KX040 from Bingham Equipment.

***Board Secretary Keith made a motion to purchase a Mini Excavator for \$63,788. Board Vice Chair Beeler second.***

***Motion passed unanimously.***

G. Discussion, Consideration, and possible action regarding Windrow Composting Method.

Windrow composting creates a more uniform mixture, allowing material to dry faster. Having drier material reduces screening time by more than 50%. Reducing screening time allows staff to focus on other projects. The Windrow does require additional area, but we can better manage the compost piles.

Windrow is the proper way to compost if we are going to continue doing it. Allowing more employees to focus on the maintenance of the plant.

The District is not designed for composting there are too many houses around that could be negatively affected by odors, and it would require tree removal to meet the need for space. At this time, we never run out of compost.

Board suggest we compost 1 month on 1 month off, or every other week. Composting can be seasonal depending on weather and need by community. Up to staff to determine the need.

***By consentience board approved composting as District deems fit.***

H. Discussion, Consideration, and possible action regarding Envoy Vehicle Replacement.

We are considering purchasing a good used truck and use the Envoy as a trade-in. The trade-in value of the Envoy is between \$3,600 and \$4,600. Trucks are more conducive to field work than the Envoy, although the supervisor is willing to use the Envoy.

The current market for a low mileage used full size truck is around \$40,000. There are mid-sized trucks on the market that are new that start at around \$35,000. Mid-size trucks include the Chevy Colorado, Toyota Tacoma and the Ford Ranger.

Dave found a Ford Ranger for \$31,500 plus taxes and fees that can meet this need.

***Board Vice Chair Beeler made a motion to purchase the Ford Ranger not to exceed \$38,000 and surplus the Envoy. Board Member Butler second.***

***Motion amended to not to exceed \$40,000.***

***Motion passed; Board Member Meier abstained.***

I. Discussion, Consideration, and possible action regarding continuing Henry & Horne Audit Services for FY 2023-2025.

Henry & Horne has directly said they would love for us to continue being their client. Although the yearly service cost will go up, we can continue to use Henry & Horne for our Auditing Services, or we can send out Request for Proposals.

Staff recommends we continue our professional relationship with Henry & Horne as our Auditing firm.

***Board Secretary Keith made a motion to keep Henry & Horne Audit Services for FY 2023-2025. Board Member Meier second.***

***Motion passed unanimously.***

8. FUTURE AGENDA ITEMS

*Set time and date for Dave's annual review. Customer maybe asking for financial aid. There may be an annexation request.*

9. ADJOURNMENT

Board Chair Place adjourned the meeting at approximately 7:04 PM.

Adopted and approved this 9<sup>th</sup> day of November

c/c John M. Beeler  
John M. Beeler, Board Vice Chair