

**PINETOP-LAKESIDE SANITARY DISTRICT**

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

**REGULAR SESSION**

**MINUTES**

**March 8, 2023**

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, Paul Meir, Board Member, and Diana W. Butler, Board Member. Staff Members present were: David J. Smith, District Manager, Amber Wright, Office Supervisor, Sarah Heck, Accounts Receivable.

Bill Whittington, Legal Counsel for Pinetop Lakeside Sanitary District attended by conference call.

4. CONSENT AGENDA

*Board Vice Chair Beeler made a motion approving the Consent Agenda, as presented by Staff for February 2023 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 6:03 PM. There was no response from the public, and therefore Board Chair Place closed the Public Hearing at approximately 6:04PM.*

6. REPORTS AND CORRESPONDENCE

Board Chair's Report.

Board Chair Place did not have a report.

Board Vice-Chair Report.

Board Vice-Chair Beeler 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 600 linear feet of sewer line, televised 2,671 linear feet, 11 manholes inspected.

Crew had a hard time cleaning lines this month due to cold weather, but have been out looking at condition of man holes and looking for leaks. They did find some areas that will need to address once the weather cooperates more.

Update – Plant Department activities.

District Manager Smith reported that the average daily flows for the month of February were 1.55 mgd, organic removal was at 94%, nitrogen results 2.20 mg/L. Compost sold-23.5cubic yards.

Several days every pump was running due to concern of overflow into the pond at the District. The flow was about 3 million gallons a day for a few days due to weather. The crew has been televising lines in order to see where the inflow is coming from. The plant handled it well, and the clarifier kept things settled with the additional inflow.

District Manager Smith reached out to Novo Power about taking biosolids and burning them to generate electricity. They said they would talk with their engineers. The location would be a little closer than where we are hauling biosolids to now.

Board Member Meir asked how community was reacting to compost only being made seasonally. District Manager responded saying no negative feedback. Since compost needs to be tested every month to make sure its still good, the district is only testing if compost is needed. As spring approaches, we will test monthly since that's when its most in demand.

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

Accounting Report

Office Supervisor Wright reported 3 new connection, and 1 suspension in February, bringing the District up to 8,661 connections. The front office is running smoothly. The budget is on track for this fiscal year. Staff is still being cross trained.

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

7. **BUSINESS**

**A. Discussion, Consideration and possible action regarding District Budget Planning for Fiscal Year End 2023/2024.**

The purpose of this agenda item is to understand the Board of Directors requirements from staff in the development of the 2023-2024 budget and fees.

A hypothetical budget was put together for board members to see, its based on certain rates that will raise based on CPI, and everything else is based on previous years. The board was asked if there was anything in the budget, they would like more information on. The draft budget is based on no increase in sewer user fees or ad valorem taxes.

Board Secretary Keith asked why Equipment Replacement was an expense and a revenue. District Manager responded that \$1 of every \$20 billed goes into the Equipment Replacement revenue account that money is earmarked to only be used to replace vehicles. The money can not be used for wages, lights or any other expenses. That prevents the community members who pay ad valorem tax, but are not connected to sewer from having to pay for the district's new vehicles and equipment. The users pay for the equipment this way.

Board Vice Chair Beeler would like to know what Other Revenue is. District Manager and Office Supervisor will gather that information and have an answer at the next board meeting.

Board Member Meir finds it impressive that in the current economy when looking back over the last 5 years the district's budget is only up about 3%.

Staff will continue preparing budget, and have more information at next meeting.

***Discussion Ended***

**B. Discussion, Consideration, and possible action regarding having Mark Heberer come in to assist Office Supervisor with position.**

Discussion regarding having Mark Heberer come and look over everything to spot check and assist Office Supervisor with anything in this position. This allows Office Supervisor to have things double checked and helps her prepare for the auditors.

Board Member Meir asked to check and see what the going rate is for a consultant in government accounting. Board is ok with using Mark, but would like to keep the cost under \$5000. District doesn't expect to need very much time with Mark maybe only 3 or 4 days.

Other news, Brown and Brown has applied for another grant to help offset attorney fees for the settling on water rights If grant doesn't go through attorney fees will go back up.

***Discussion Ended***

8. FUTURE AGENDA ITEMS

1. Answer budget questions-what other revenue is.

9. ADJOURNMENT

Board Chair Place adjourned the meeting at approximately 6:31 PM.

Adopted and approved this 12<sup>th</sup> day of April 2023

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