

PINETOP-LAKESIDE SANITARY DISTRICT

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

**REGULAR SESSION
MINUTES
March 13th, 2025**

1. CALL TO ORDER

Board Chair Meier called the Board meeting to order at approximately 4:00 PM.

2. OPENING CEREMONY

Board Member Peterson led the Board and Staff in the Pledge of Allegiance.

3. ROLL CALL OF BOARD MEMBERS

Present were Paul Meier, Board Chair, John Beeler, Board Vice Chair, Kenny Keith, Board Secretary, Jay Cook, Board Member, and Dave Peterson, Board Member. Staff Members present were David J. Smith, District Manager Neil Cromwell, Collection Supervisor, 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 Member Cook asked how much the electric bill has gone down since getting rid of the digester. District Manager Smith stated that it's probably only gone down by about 10%.

Board Secretary Keith made a motion approving the Consent Agenda, as presented by Staff for February 2025 bills and invoices. Board Vice Chair Beeler seconded.

Motion passed unanimously.

5. CALL TO THE PUBLIC

Board Chair Meier read the Call to the Public statement and opened the Call to the Public at approximately 4:04 PM. There was no response from the public, and therefore Board Chair Meier closed the Public Hearing at approximately 4:04PM.

6. REPORTS AND CORRESPONDENCE

Board Chair's Report.

Board Secretary's Report.

Manager's Report.

District Manager Smith introduced Kenny who joined the district in January. He has been a great asset to the district and came with CDL and other great qualifications that the district was looking for.

Update – Collection System Department activities.

District Manager Smith reported that the Collection System crew cleaned 0 sewer lines in February, televised 0 linear feet in February, and inspected 0 manholes in February. The collection crew can't clean lines due to the water on the truck and we don't want the water to freeze. The crew did rebuild the Mountain View Lift Station, finished up the Ponderosa Lift Station, did lift station checks, and lateral repairs in the country club. In the future a Lateral Launcher might be useful to help check and repair laterals.

Update – Plant Department activities.

District Manager Smith reported that the average daily flows for the month of February were 0.72 mgd, organic removal was at 98%, nitrogen results 3.3mg/L in February.

Sarah studied and passed her Wastewater Treatment Operator 1 certificate and has shown interest in lab work, which will be beneficial to the district.

The District Manager's Reports concluded.

Accounting Report

Office Manager Wright stated that we had 6 new connections in February bringing total connections to 8,756. The budget is looking good, the district is below expenses. We have been working on renewing insurance within the district as the new fiscal year approaches. Health insurance is going up 3% and the HSA is also going up about 3%. The district has been talking to different brokers about health insurance to see if we can bring costs down, but it's too late for this coming year. We are waiting for workman's comp scores to come in, which will let us know if cost will go up or down. The COLA is around 3.2%, which is what we will base the budget on. The front office staff is doing great with lots of inquiries about parcels and permits.

The Accounting Report concluded.

7. BUSINESS

A. Discussion, Consideration, and possible action regarding District Manager Contract for Employment.

District Attorney Whittington added wording to the contract to fit today's legal environment. The letter attached to the contract explains the changes to the contract. Things that were changed within the contract were definitions, FSLA exemption, state law on sick leave, reimbursement of expenses, and severance pay agreement.

District Manager Smith also added that the step pay agreement for District Manager Cromwell will allow him to increase pay with each certification he earns. Board Member Peterson asked if the pay increase includes any certification, District Manager Smith noted that the contract states it's just for Wastewater certifications. Board Vice Chair Beeler asked was the termination without clause cleaned up, District Attorney Whittington stated that it was mostly definition stuff. There was also clean up done to the severance package section meeting the legal agreement that you can't bind a future board, stating the contract needs to be reviewed when new board members are elected.

Board Member Cook made a motion to approve the contract with District Manager Smith filling in the dates effective March 13th, 2025. Board Secretary Keith seconded.

Motion passed unanimously.

B. Discussion, Consideration, and possible action regarding New District Manager Training.

District Manager Smith and District Manager Cromwell have been meeting a couple of hours a day going over things like fraud, permits, compliance requirements, and personnel guidelines. District Manager Smith is willing to train District Manager Cromwell in whatever he feels is needed. District Manger Smith would like to be done by April 10th, 2025, District Manager Cromwell has been here for 17 years and knows the District well. Board Chair Meier asked what the most important things for operation training would be beneficial to District Manager Cromwell. District Manager Smith feels the administration side is what the focus needs to be on, and budgeting training would help him navigate it. District Manager Cromwell plans on taking a budgeting class here in the next month. The District has a great staff that is willing to help District Manager Cromwell with all areas within the District and formal training is not necessary. District Manager Smith is willing to become a contract employee, if need be, to help the District navigate the transition after he leaves.

No action needed.

C. Discussion, Consideration and possible action regarding hiring Jobs on Contract (JOC).

The District is trying to find an easier way to do business, so that when we have projects that the crew doesn't have time for, we have a list of contractors that we already have qualifications on file for. We are working with the District Attorney to review laws, allowing us to keep their qualifications on file for up to 5 years. The hard part will be forming a selection committee since it states there should be an engineer and architect on the committee. Board Member Cook thinks it would be very beneficial for the District to have JOC in effect for different projects. District Manager Smith mentions that the contractors are to be on contract to install or replace sewer lines, which not many do in our area. JOC will just allow the bidding process to move faster because we will already have the companies' qualifications on file when the District requests a bid for a job.

No action needed.

D. Discussion, Consideration, and possible action regarding Cured In Place Pipe (CIPP) Rehabilitation.

District staff have identified an area that would benefit from Cured In Place Pipe (CIPP) lining and have 2 companies that provided proposals. The project would include about 2700feet of 8inch clay pipe in the Summer Haven area. Under the State contract the price was \$285,394.10. The price received from Insituform was \$187,030.00. The District has used Insituform for past jobs and have done great work. Staff recommend that the Board approve the proposal from Insituform.

Board Member Peterson made a motion to approve the proposal from Insituform not to exceed \$200,000. Board Vice Chair Beeler seconded.

Motion passed unanimously.

E. Discussion, Consideration, and possible action regarding District Budget Planning For Fiscal Year 2025-2026.

Office Manger Wright is just informing the board that we are beginning our budgeting process, and she will be getting with crews to see in what areas the budget needs to be adjusted, and we will have a preliminary budget to review at the April board meeting.

No action needed.

8. FUTURE AGENDA ITEMS

-Start budgeting process

9. ADJOURNMENT

Board Chair Meier adjourned the meeting at approximately 4:51PM.

Adopted and approved this 10th day of April.

 c/c John Beeler
John Beeler, Board Vice Chair