

**REGULAR SESSION
MINUTES
May 8th, 2025**

1. CALL TO ORDER

Board Chair Meier called the Board meeting to order at approximately 4:00 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 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 Neil Cromwell, District Manager, Amber Wright, Office Supervisor, Sarah Heck, Accounting Clerk, Tavi Swanty, Accounts Receivable, Jeff Ryhan, Plant Supervisor, and Bill Whittington, Legal Counsel for Pinetop Lakeside Sanitary District.

4. CONSENT AGENDA

Board Member Peterson asked about a \$40 late fee, Office Supervisor Wright stated that a payment the district made got crossed in the mail, the company will give us a credit on next month's bill. Board Vice Chair Beeler had questions on some large purchases for the Moonridge and Pino Ridge lift station as well as a large purchase from US Blue Book, District Manager Cromwell stated that all purchases are due to the lift station upgrades happening on both stations.

Board Vice Chair Beeler made a motion approving the Consent Agenda, as presented by Staff for April 2025 bills and invoices. Board Secretary Keith 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 4:02 PM.

Mike Robertson addressed the Board regarding the Stewart Drive line extension. District Manager Cromwell stated that the project is in the works the district is looking for contractors, which we should have figured out by next board meeting. Then the project can move forward.

6. REPORTS AND CORRESPONDENCE

Board Chair's Report.

Board Member Peterson asked about a project in the White Mountain Country Club. Board Chair Meier gave a brief explanation of work that is happening. Homeowners on Bullfrog loop have had trouble with their septic tanks. They reached out to the district about a year ago and asked if they could connect to the adjacent sewer line and pay for the cost themselves. More discussion will take place in June's board meeting.

Board Secretary's Report.

Manager's Report.

District Manager Cromwell introduced the district's new employee Randy Upshaw who joined the plant crew back in April.

Update – Collection System Department activities.

District Manager Cromwell stated that the crew cleaned 20,025 sewer lines, CCTV'd 5,710 lines, and inspected 29 manholes. The crew also did several repairs on laterals and sewer mains. The slip lining crew will be here on May 12th to start slip lining the Summer Haven project.

Update – Plant Department activities.

Plant Supervisor Rhyon states that the plant is healthy average daily flow is 0.70MGD, nitrogen is at 3.32mg/L, and organic removal is at 98%. Crew replaced a couple check valves in the gallery. The City Of Show Low is building their own lab, so they have come here for some training. The SCADA system is very unreliable and shuts itself down, we don't know why it's happening, and tech support doesn't seem to know either. The computer might be outdated because it's running on Windows 7, and the software runs on Windows 11. District Manager Cromwell wants to start getting some quotes on what it would cost to upgrade the system. There was also 81.5 yards of compost sold in April, more compost will go out to be tested in a week or two. Once those tests are back, we will have more compost to sell.

The District Manager's Reports concluded.

Accounting Report

Office Supervisor Wright stated that there were 5 new connections, bringing total active connections to 8,762. Front office is running smoothly, been working on auto insurance renewal for the new fiscal year. The auditors will be here the second week in July. The ad valorem tax isn't going down much so we will stay at 400,000.

The Accounting Report concluded.

7. **BUSINESS**

A. **Discussion, Consideration, and possible action regarding the PACE Contract for the Lakeside Lift Station Upgrades.**

PACE Engineering provided the District with a proposal for the engineering design of the Lakeside Lift Station project. The contract is a fixed fee of \$147,590 and will be invoiced monthly on a percentage of completion basis. The breakdown is \$15,350 project management & meeting, \$100,120 design services, and \$32,120 permitting. The proposal includes scope services, compensation, labor and expense rate schedule, provisions and labor breakdown.

An addendum to PACE's contract was drafted, District Manager Cromwell states that PACE is ok with the Addendum. The District did try to get other bids but nobody else would bid on it. PACE is not doing the work; we are paying them to design the lift station. The District will hire a contractor to do the work. Board Chair Meier wants to know if the contract fee is an estimate or that's a set fee. District Manager Cromwell states this is the amount being paid to PACE. The monthly payments being paid to PACE are for other jobs they have done, and for the SCADA in the plant not for the Lakeside Lift Station project. The upgrade will be able to work with our current SCADA. Board Member Peterson mentioned checking with Navopache Electric because they will probably require the overhead line to be moved underground. Board Chair Meier asked District Attorney to go over the addendum that was drafted for the PACE contract.

Board Vice Chair Beeler made a motion to go into executive session for legal advice. Board Member Cook seconded.

Board reconvened the regular session at 4:46pm to vote on item 7A.

Board Vice Chair Beeler made a motion to table discussion until PACE reviews the Addendum. Board Member Peterson seconded.

Motion passed unanimously.

B. **Discussion, Consideration, and possible action regarding the maintenance on the Oxidation Ditch.**

The diffusers for the Oxidation Ditch need to be replaced. The estimate for this is \$19,035.90 which includes \$3,950 for Seafreight. The Seafreight could possibly change depending on current tariffs. The life expectancy for them is 7-10 years and we have some that are already going bad, and they are at their life expectancy. The quote attached is only for half of the diffusers we have. There is no warranty on the

diffusers, and the diffusers aerate in the ditch which is essentially to the plant processing sewage. The quote covers half of them, and we do not have that many out yet but will allow us to have some on hand to replace as they start going out. These are essential items, and this is the only source for this item within the plant.

Board Vice Chair Beeler made a motion to purchase the diffusers for the Oxidation Ditch not to exceed \$26,000. Board Member Cook seconded.

Motion passed unanimously.

- C. Discussion, Consideration and possible action regarding Resolution 2025-02.
Setting a time and place for the hearing on fees charged by the Sanitary District.

Items 7.C and 7.D are housekeeping items. Board Chair Meier suggested combining the two items into one motion. The board has reviewed the budget and feels like there is enough cushion in the budget to help cover the price changes in our current economy.

Board Vice Chair Beeler made a motion to approve Resolution 2025-02 and Resolution 2025-03. Board Member Peterson seconded.

Motion passed unanimously.

- D. Discussion, Consideration, and possible action regarding Resolution 2025-03.
Tentatively adopting a budget for publication and setting a time and place for the hearing on the proposed budget for the Fiscal Year End 2025-2026.

Motion was approved and passed in item 7.C.

8. FUTURE AGENDA ITEMS

- Finalize PACE Contract.
- Review JOC's For Stewart Job.
- In Managers Report talk of White Mountain Country Club extension.

9. ADJOURNMENT

Board Chair Meier adjourned the meeting at approximately 5:06PM.

Adopted and approved this 12th day of June.

c/c Paul Meier
Paul Meier, Board Chair