

PINETOP-LAKESIDE SANITARY DISTRICT

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REGULAR SESSION

MINUTES

April 9th, 2026

1. CALL TO ORDER

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

2. OPENING CEREMONY

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

3. ROLL CALL OF BOARD MEMBERS

Present were John Beeler, Board Chair, Kenny Keith, Board Vice Chair, Jay Cook, Board Secretary, Dave Peterson, Board Member, Staff Members present were Neil Cromwell, District Manager, Amber Wright, Office Supervisor, Mariah Tatum, Accounting Clerk, Amanda Short, General Clerk, Scott Amos, Collections Supervisor and Devon White Legal Counsel for Pinetop Lakeside Sanitary District

Paul Meier, Board Member, attended by conference call.

4. CONSENT AGENDA

Board Member Peterson made a motion approving the Consent Agenda, as presented by Staff for March 2026 bills and invoices. Board Secretary Cook seconded.

Motion passed unanimously.

5. CALL TO THE PUBLIC

Board Chair Beeler skipped reading the Call to the Public because there was no public in attendance.

6. REPORTS AND CORRESPONDENCE

Board Chair's Report.

Board Chair Beeler did not have a report.

Board Secretary's Report.

Board Secretary Cook did not have a report.

Update – Collection System Department activities.

Collections Supervisor Amos stated that the collection crew cleaned 6,050 feet of sewer line, camera 0 feet of line, and inspected 0 manholes. The camera went down but it is in the process of getting fixed. The crew did some smoke testing on Piney Slope but did not find much. We also finished the remodel on the women’s restroom. We also repaired 3 manhole caps and 3 mainline repairs on Mark Twain. Mostly because of the rocks.

Update – Plant Department activities.

District Manager Cromwell states that the plant had an average daily flow of 0.77MGD, nitrogen is 3.49 mg/L, and organic removal is 96%. We have sold 108 yards of compost in the last three weeks. We won’t be able to sell it after the 15th because our testing runs out. It is only good for a month.

Update –District activities.

District Manager Cromwell reported that we do have an influent pump tore down and in the shop right now because of the mechanical seal. We did finally get some prices back which are around \$15,000 to \$30,000 for one seal. We are going to go with a cartridge seal which is around \$7,000. They came out yesterday and did the measurements. We are going to make sure it’s going to work before we order it. We are getting another Lateral Launder demo up here in the next month or so from a different company. The other quote came in from Aries at a quarter of a million. We found this other company who we believe will be competitive. I will let you guys know when the demo is here and you can check it out.

The District Manager’s Reports concluded.

Accounting Report

Office Supervisor Wright stated that there were 6 new connections, bringing total active connections to 8,816. Everything is looking good budget wise for being on track. Right now I am just working on budget and getting ready to do insurance renewals. Our CPI ended up coming in at 2.7%. The girls just billed last week, we got all that out and a lot of payments starting to come in.

7. LEGAL ADVICE

- A. Possible vote to go into Executive Session for legal advice pursuant to A.R.S. §38-431.03 (A)(3) for discussion or consultation with legal counsel re: issues related to Elk Horn RV Park.
- B. Possible vote to go into Executive Session for legal advice pursuant to A.R.S. §38-431.03 (A)(3) for discussion or consultation with legal counsel re: rate and fee structure.

Board Member Peterson made a motion to go into executive session at approximately 4:10 PM, for discussion or consultation with legal counsel re: issues related to Elk Horn RV Park and rate and fee structure pursuant to A.R.S. §38-431.03 (A)(3).

Board Vice Chair Keith seconded.

Motion passed unanimously.

Board Chair Beeler reconvened in Public session at approximately 4:27 PM.

8. BUSINESS

- A. Discussion, Consideration, and possible action regarding the District's Operating and Non-Operating Budget for Fiscal Year End 2026/2027: Rates and Fees: Revenue-Operational and Capital; Recap of Operations: Expenses-Collections, Treatment and Administration; Expenses and Revenue; Capital Funding Sources and Capital Project Expenditures.

The proposed budget for FYE 2026-2027 was presented based on past and current budgets. Board Member Meier asked about the Outside Lab Testing jump from 12K in the past to 30K proposed. District Manager Cromwell stated it is all the new testing that ADEQ has us doing now.

Board Member Meier made a motion to move forward with the process of adopting the proposed budget for FYE 2026-2027. Board Member Peterson seconded.

Motion passed unanimously.

- B. Discussion, Consideration, and possible action regarding the Recommended Changes to the Rates and Fees charged by the District for FYE 2026-2027.

The proposed changes to the Rates and Fees were presented. The fees have been adjusted in accordance with the current Cost of Living Adjustment (COLA) of 2.7%. The staff also presented removing the Lateral Fee out of the Rates and Fees as to not compete with local contractors who are better equipped to do those installs.

Board Member Meier made a motion to move forward with the process of adopting the proposed Rates and Fees for FYE 2026-2027. Board Member Peterson seconded.

Motion passed unanimously.

C. Discussion, Consideration, and possible action regarding the Recommended Changes to the Rules and Regulations.

The proposed changes to the Rules and Regulations were presented with removing the verbiage regarding installations of the Laterals.

Board Member Peterson made a motion to move forward with the process of adopting the proposed changes to the Rules and Regulations. Board Secretary Cook seconded.

Motion passed unanimously.

D. Discussion, Consideration, and possible action regarding a property owner who obtained a permit in May of 2024 who is now requesting a refund for their fees.

A homeowner has requested a refund of permit fees paid in May of 2024, citing health reasons that prevent them from proceeding with construction. A warrant would have to be obtained to transfer the fees back to our operating account to issue a refund. Staff recommend denying the request and directing the homeowner to consider recouping the permit costs through the sale price of the property.

Board Member Peterson makes a motion to deny the homeowners request for a refund of their permit fees. Board Vice Chair Keith seconded.

Motion passed unanimously.

E. Discussion, Consideration, and possible action regarding the Pinecone Driver Sewer Line Replacement Bid.

On Wednesday, March 18th, we issued the Pinecone Drive Sewer Line Replacement project for bid to all three of our approved JOC contractors, with a submission deadline of April 2nd. One bid was received, submitted by Apache Underground, in the amount of \$150,730.20. Proposed project completion date is May 15th. No other bids were received due to the equipment needed for the bypassing required.

Board Member Meier made a motion to move forward with the bid from Apache Underground for the replacement of Pinecone Drive sewer line with an amount not to exceed \$165,000. Board Member Peterson seconded.

Motion passed unanimously.

F. Discussion, Consideration, and possible action regarding Resolution No. 2026-01, a Resolution Calling Board Member Election.

Two Board member positions currently held by David Peterson and Paul Meier will be up for election in November. A resolution calling board member election was presented.

Board Vice Chair Keith made a motion to approve Resolution 2026-01. Board Secretary Cook seconded.

Motion passed unanimously.

G. Discussion, Consideration, and possible action regarding Annexation requests from property owners.

1. Resolution 2026-02 Virginia Hoopes, APN 212-09-106E

The property owner of APN 212-09-106E, located at 4899 Elk Parkway, has submitted a formal request to be annexed into the District and has paid the required annexation fee. The property is currently served by a septic system; however, the owner intends to either expand the existing structure or construct an additional structure. As shown on the attached map, the three properties immediately to the west are already within the District, and an existing sewer line is located west of the subject property.

Board Secretary Cook made a motion to approve Resolution 2026-02, Annexation of APN 212-09-106E. Board Member Meier seconded.

Motion passed unanimously.

2. Resolution 2026-03 Caroline & Jeffrey Pollard, APN 411-45-289

The property owners of APN 411-45-289, located at 3152 Aspen Lane, have submitted a formal request to be annexed into the District and have paid the required annexation fee. The property is currently served by a septic system; however, the owners would like to transition to sewer services to improve long term reliability. As shown on the attached map, the properties immediately to the west are already within the District. To connect to the District's sewer system, this property would be required to obtain a private sewer easement from White Mountain Summer Homes and construct a private line from the west end of the property north to the existing sewer line.

Board Secretary Cook made a motion to approve Resolution 2026-03, Annexation of APN 411-45-289. Board Member Peterson seconded.

Motion passed unanimously.

3. Resolution 2026-04 Amy Berberich Revocable Trust, APN 411-45-288

The property owner of APN 411-45-288, located at 3188 Aspen Lane, has submitted a formal request to be annexed into the District and has paid the required annexation fee. The property is currently undeveloped (raw land). As shown on the attached map, the properties immediately to the west are already within the District. To connect

