**BOARD MEETING MINUTES, PINEWOOD SANITARY DISTRICT**

 **October 13, 2022**

 DRAFT

Chairman of the Board, Bill Spain, called the meeting to order at 2:58pm

**A.** **Administration (Board Members only)**

**1. Open**

**2. The Pledge of Allegiance**

**3. Present:** Bob Timberman, Gail Van Deurzen, Dick Drinen, Bill Spain, Len Friedlund, and Thomas Eade, Tom Gulliver.

**4. Administrative information:** Friday conference call at 10am with Coconino County Treasurer to explain accounts and processes. Bill Spain will issue the report from the meeting. Bill Spain would like Lee to make a presentation about scoping and pricing on the West Side and whether we should or should not be doing this.

Budget review study group is tomorrow, 10/14 at 10am. Items to discuss, WIFA materials, missing info, etc. Report will be issued to all board members.

**5. Approval of Board Minutes for** **September 8, 2022:** Approved – Bob Timberman Moved, Tom Eade Seconded. Motion Passed unanimously.

AYES: Bob Timberman, Richard Drinen, Gail Van Deurzen, Len Friedlund, Tom Gulliver and Tom Eade.

NAYS: None

**6. Correspondence:** Lee spoke to WIFA, they will be reviewing the loan application packet and get back with Lee with any questions they might have.

Mindy from ADEQ had a conference call with Lee Krosnicki, Bill Spain and Bob Timberman discussing problems and issues with information from us and Stanley. Mindy was happy with manholes and WIFA funding. Mindy wants to meet with the board, she threatened us with Attorney General. Lee Krosnicki prepared a brief 1 ½ page memo to ADEQ to send in by end of the year when proposal should be done.

Bill Spain put together a Stanley book. He went through documents containing all work Stanley has done for us since 2017, he is unable to get direct answers.

Lee Krosnicki asked Dave Princehorn to the next meeting to present proposed budget and to replace equipment.

**7. Expenses Review**: No questions

**8. Report from Legal counsel:** No report

**9. Operation Report:** Plant is about the same and needs some TLC. Bill Spain requested a 2nd presentation about the plants needed improvements and estimated costs.

Scott Hutto woke up to alarm on grinder pump. Len Friedlund asked if that is our responsibility. Lee Krosnicki said it is not our responsibility, but we will do a courtesy check for no charge and we are in the process of doing so.

Tom Eade asked if we have reviewed our coverage of Brown and Brown Insurance for liability coverage.

**B. Unfinished Business:**

**10. Discussion on invoicing all phases on west side that have not been invoiced for construction costs to date.** Bill Spain stated it is time to start invoicing all customers on the westside. Bill Spain shared the letter he drafted to send out to the westside landowners for construction costs and board members reviewed it together. It was requested that the letters go out within the next 2-3 days. Bob Timberman asked if we will be including interest in those letters.  Brandon Kavanagh requested confirmation that the letter with the invoice will be separate from the lien rights issue and all owners will be billed separately.  Need to develop a list of all property owners and discuss on Friday.  Tom Gulliver asked if the church has to pay for construction costs.  The Newton’s never signed annexation, need to figure out who has signed the annexation.

Bill Spain asked Brandon Kavanagh about the potential for an early payment discount and Brandon Kavanagh said he would look into it and we would discuss it later.

**11. Discussion of requested payment to Pinewood Partners for the new bridge/road. Explanation by Budget Review Group of 10/11/22 zoom conf call and suggested resolution and vote, $150,000:**

Tom Eade, Bill Spain and Bob Timberman had communication and discussion with Pinewood Partners directly regarding check stubs and proof of expenses to justify the total paid and the total claimed to be due from Pinewood Sanitary. Close to 1/3 of the fees were removed, but the end numbers ended up above $300k total, so the request to Pinewood to pay half up to a cap of $150k has now been vetted. Bob Timberman asked about APS and their financial responsibility for the bridge, and it was answered that the agreement noted any APS contribution would be deducted first, but there was apparently not an APS contribution in the end that would bring the cost of the project below $300k.  A discussion resulted regarding Pinewood Partners owing an amount to Pinewood Sanitary for the West side construction costs and only paying to Pinewood Partners the difference. Motion to request PSD to cut a check to Pinewood Partners with a letter explaining their balance due to Pinewood Sanitary with a check for the difference.

MOTION: Dick Drinen

SECONDED: Tom Gulliver

AYES: Bob Timberman, Gail Van Deurzen, Len Friedlund, Tom Eade

**12.** **Discussion and Possible Action to approve Stanley Engineering phase funding. Plan and adopt a budget to address long-term maintenance/obsolete:** No action at this time.

**13.** **Update of manhole repair progress/status:** About 20 manholes have been completed with 6 more to go. Bill would like Lee to put together a presentation regarding progress.

**14. WIFA loan update/submission of report to ADEQ on 9/14:** No update at this time.

**15.** **Update to Board regarding Royce attorney correspondence regarding Lisa Frazier 9/8 meeting with RV management.** Bill Spain sent letter to incorrect email for Ashley and has now resent the letter to the correct email. It was asked in the email what was considered short term and what was considered long term. Bill Spain will get map out to everyone to show the different phases. Dick Drinen has questions about fees for RV Park and what is in the sewer use ordinance. Bill Spain and Dick Drinen will go over sewer use ordinance.

**16. Review of the Auditors PSD note payable schedule with the board and a conference call with auditor to understand amortization schedule plan:** Auditor made error on balance due statement. WIFA loans 1 &2 have been paid off, 3 will be paid in 2024, and Phase 4 in 2034, showing balloon payment due in 2027 of 1.2 million. It is actually due in 2034.

**17. Motion to discuss the assembly by staff of all agendas and minutes since 2022 for review by budget study group dating from 2012 to current to be completed by 11/1/22:** Onebook by fiscal year, auditors info in the front, minutes, agendas and any resolutions. Bill Spain asked Brandon Kavanagh what can we legally charge for interest and timeframes for collecting monies. Motion for staff to pull agendas, minutes and resolutions by 11/1/22.

Tom Eade moved, Dick Drinen seconded, passed unanimously.

AYES: Bob Timberman, Gail Van Deurzen, Len Friedlund, Tom Gulliver

NAYS: None

**18. Discussion and possible motion for inclusion of the PSD operations and management budget being incorporated into PSD QB’s with an LY category added as well:** Bill Spain presented to the board that we need to input budget into Quickbooks to be able to produce more detailed reports. Bill Spain wants approval to get proper training for staff, so that the reports are good enough to allow easier budgeting and the ability to do projections. Going to paperless invoicing and payment was discussed with Bob stating that there are probably a lot of people that are going to have a hard time with going paperless. Bill asked to move discussion to next month for additional discussion on training needs.”

**19. Discussion and possible motion for development of a five year operating budget inclusive of a capital needs projection, expansion plan and rate increase, grant plan and long term operating financial plan:**

No motion today. Bill wanted to introduce the topic to the Board. Bill Spain wants a wish list of equipment and when it will need to be replaced or upgraded, (depreciation list). Bill Spain wants to meet with Lee on Monday 11/7 at 10a to put together a projection of needs by category for the next 5 years.

**20. Discussion of O&M possible increase, Action Plan Committee:** Gail Van Deurzen will be part of the committee, Lee works with Dave, talk to him about fees and everything with Stanley, determine if bond is necessary.

No action taken

**21. Board review of candidate applications for FT support position for immediate hire:** Very few applicants, 6 interviews set up next Wednesday. Bill and Lisa will meet tomorrow about jobs.

**C. New Business**

**Call to the public for non-agenda items – no action will be taken on any subject not on the agenda. (Limits to 5 minutes will be enforced):**

**Meeting adjourned at 4:36 pm.**

Clerk of the Board

Gail Van Deurzen