**BOARD MEETING MINUTES, PINEWOOD SANITARY DISTRICT**

**NOVEMBER 10, 2022**

Chairman of the Board, Bill Spain, called the meeting to order at 3:00pm

**A. Administration: (Board members only)**

**1.  Open**

**2.  Pledge of allegiance**

**3. Roll Call**

**4. Administrative Information**

* **Welcome to new staff addition, Genna Caviness**
* **Results of election** – Kass Kral was voted in and Bill Spain was not re-elected. Bill asked the question if Kass’ term would start in January, Dick Drinen responded by saying that the County Board Supervisor must certify the election first and then the seats could change as early as December.
* **Tom Gulliver update** – His house is now on the market and he will be moving to Prescott Valley upon sale. Tom Gulliver will remain on the board until he moves out or if it is more advantageous to the board for him to step aside.
* **Board expertise recruitment strategy** – Per Bill Spain, this is an intrical time for Pinewood Sanitation. We need to think about individuals in the Park with strengths and business backgrounds. We need someone who is willing to roll up their sleeves and commit to this board. This will be a working board for the next year, more so than in the past. If board know of anyone like this, please share.

Requirement for the board: must be a fulltime registered voter in Coconino County.

**5.  Approval of the Board Minutes for October 13, 2022** – Per Tom Gulliver, he did not say, “does the church have to pay the construction fee”. Motion was made to remove this item from the October minutes.

Motion: Gail Van Deurzen

Second: Len Friedlund

Ayes: Bob Timberman, Dick Drinen, Tom Eade, Tom Gulliver

Nays: None

**6.  Correspondence** – no report

**7. Expenses Review** – Dick Drinen mentioned that he signed a check for $104,000 for the manhole repairs and Bob Timberman mentioned that he also signed checks and that diesel fuel is up quite a bit. Dick Drinen later updated that the check he signed was for the full amount of $205,000.

**8.  Report from Legal Counsel** – nothing to report

**9.  Operations Report:  Plant – Lee Krosnicki / Collections – Mike Pepe**

**a) Manhole Project update** – Per Lee Krosnicki, all 26 manholes have been completed. Lee Krosnicki has contacted Valdez Manhole Repair in Camp Verde for some light manhole repair and will be able to turn these repairs in to ADEQ.

**b) ADEQ weekly written reports – Now monthly** – Per Lee Krosnicki, our relationship is much better with Mindy Cross. She is happy with Lee’s abridged report, and she would like another report by December. This report will be on manholes, what we are doing, etc. Per Lee, this is really working out. Bill Spain requested the monthly ADEQ report to be included in the materials for the board meetings.

 **c) Presentation by Lee about scoping/pricing requirements for west side leased land**

Per Lee, all 6” main lines coming to ours have been inspected. Laterals were not inspected, they did

Not exist at the time. They have laterals now but they have not been checked. They do not have backflow prevention in place. If a main line backs up into a home, we need something in place to say that we are not responsible.

A motion was made for the District Manager to write a letter to Inspire to notify them about the sewer ordinance and that all properties in the system must have a backflow preventer. Letter to be in place and executed by 11/15/22. Board will review the letter.

Motion: Bob Timberman

Second: Dick Drinen

Ayes: Gail Van Deurzen, Len Friedlund, Tom Eade, Tom Gulliver

Nayes: None

 **d) Planned meeting for Mindy – ADEQ to attend board meeting and present ADEQ philosophy**

Lee Krosnicki suggested a zoom meeting due to her Mindy taking a 2nd position with ADEQ.

 Bill Spain would like her to know that the board would like to meet with her and have her come out and

 make a presentation.

**B. Unfinished Business:**

**10. Discussion and possible action regarding letter from Pinewood Partners regarding payment for cost sharing agreement and documentation for their portion of “annexed” construction costs.**

Initial letter was undeliverable and returned to PSD. Brandon Kavanagh will present actual check, letter and invoice to them. Bill Spain also requested that Brandon Kavanagh take with him the 30-40 pages of documentation that PSD has.

**11. Update from Lisa Frazier on status of invoicing of all “annexed” parcels construction costs and any response. Update of letter to Ashley Skeeters on Phase 3 invoicing and Phase 4 invoicing intentions plan. Time and action commitment.**

Per Bill Spain, a decision was made after the last meeting to not send out invoices. Further clarification was/is needed. Brandon Kavanagh approved Lisa Frazier’s letter to go out to Ashley Skeeter.

**12. Explanation of 11/9/22 meeting with Stanley Engineering and David Printzhorn, of suggested repairs to collection system, anticipate costs and estimated completion by year, (5 years out). Report to be formulated by Lee to submit to ADEQ**

Per Bill Spain, meeting was held on 11/9, attendees were Bill Spain, Bob Timberman, Dick Drinen, Lee Krosnicki, David Printzhorn and Joel. David Printzhorn guaranteed Bill Spain that by 12/1/22 PSD will receive a cost breakdown for manhole covers, lateral lines and everything else that was on the sheet that totaled $15,300,000.00. Bill Spain explained to David Printzhorn that a breakdown was needed with specifics and explanations and to phase the implementation of processes and placement.

The first thing to be allocated in next year’s budget is the delivery and installation of the collection capacity of 1.3 million capacity collection system for the overflow of all water. This will prevent PSD from having to release into the Oak Creek Tributary. Bill Spain asked for phases for implementation and to be run by Lee Krosnicki.

The second item to be addressed is the Odell Lift Station.

The third item to be addressed is the forecasting of plant obsolescence repairs and replacements. A 5 year forecast was requested with a breakdown of what is needed by year. We are asking for this so we can do a 5 year forecast of PSD in its entirety. This will be inclusive of income from all sources, what we owe out on the existing prior two unpaid WIFA loans and any increases in factored costs and expenses due to inflation. This needs to be done before we can determine how much money is needed by year for the WIFA loan and how much of a rate increase needs to be established to the public for next year. This analysis will be done by the budget review group. When we get the numbers from Stanley, a 5 year plan can be laid out.

Per Bill Spain, Stanley is working to get back in our good graces.

**13. Discussion of phased implementation of plant “obsolescence” replacement/repair of identified equipment and corresponding estimated costs.**

Answer to 13 was discussed in 12 above. Bill Spain will need from staff and from Lee Krosnicki, ideas of what will be needed for specific projects, equipment, etc in the next 5 years.

Bill Spain changed the topic and thanked Lisa Frazier and Genna Caviness for putting together the last 10 years of meetings and minutes. He did let us know that we need to do all we can to find any of the missing information. Agenda’s do not need to be re-created, however we will need to use the recordings to make sure that we have the missing minutes in place.

**14. Discussion and possible action regarding letter to be sent with annexation/construction costs invoices with potential discount for paying by 1/31/23 to avoid costs of financing higher amounts for system upgrades and repairs.**

Bill Spain shared that per advice from council and the review from the budget group, PSD needs to put together invoices with a letter, showing invoice amount for individual specific businesses and give them the opportunity to pay by 1/31/23. They have had the use of this money for over 10 years while the infrastructure was put in place. Everything was paid for by PSD up front. At this point, whether they are hooked up to sewer or not, these costs are now due and payable. They will be given the opportunity to pay their invoice off without interest if they pay by 1/31/23. PSD can start charging 8% interest as of 2/1/23.

Bill Spain would like to the invoices go out by 11/18/22.

**15. Stanley Engineering proposal and oversight of ADEQ administrative consent orders as well as grant proposal suggestions from Stanley.**

Per Bill Spain, this has already been talked over earlier in the meeting. Stanley’s proposals and estimates will be in by the end of next week. Relationship and things have been smoothed over with ADEQ.

**16. WIFA loan update, ADEQ current review from Lee.**

Per Lee Krosnicki, loan officer, Morgan was contacted, and she is coming for a final inspection of the westside. Lee Krosnicki still needs one more signature from Bill Spain.

Finance plan is to begin in January of 2023. Numbers are needed in order to answer questions and for WIFA loan.

**17. Review of conference call meeting with Coconino County Treasurer, Sarah Benatar and Sue Walka, Deputy Treasurer, (How the finances work and available support from county), regarding Quickbooks. Follow up and implementation for inclusion of LY, plan and actual. Define chart of accounts with a designation key.**

Per Bill Spain, the conference call went great. The new billing system will save us time and money. We will load Quickbooks with specific categories, and get clean reports. Target date is 1/23/23.

Lisa Frazier has a call into them about billing. She had a phone call with Kachina and Kachina believes that County may be able to save us double from the original $40,000 savings.

**18. Chair update of five-year operating budget planning process.**

Bill Spain has gone as far as he can go at this point. The need is for Stanley’s and Lee Krosnicki’s input on estimates.

**19. Call for discussion and possible board vote on Jan 1, 2023 for implementation of VPX credit card processing/ACH payment processing for all PSD customer billing. Discuss possible surcharge for acceptance of cash/check payments. Discuss timing of ending customer billing, proposed savings of $40,000.**

Per Bill Spain, the plan is to discontinue the current billing all together and not have to mail out bills. The thought is to keep from mailing out bills with the same amount every month. Also depending on the timing of the rate increase, we may be able to put the increase in place at the same time.

Bill Spain asked the question to council, “Can we charge a surcharge for people that want to continue paying by check or cash, is this a good idea or not? We also have to look at the age and population of the Park, some people will not be happy. We can present this to the public in a very positive way and we need to cut back costs and not mailing out a monthly bill can potentially save PSD $40,000.

Lisa Frazier has been working with Executech and James Moses. James Moses was the creator of the current billing system. Executech is very difficult to work with, would prefer to cancel contract with them. Lisa Frazier is looking to work with the Water Co and Kachina has invited her to see their program. Per Kachina, they have 300-400 people that will not get on the program, they only want a bill and only want to write a check.

Per Dick Drinen, we need to not rush this. We need to give this implementation more time and get it done right. Lisa Frazier agreed that there are many processes, and the change will be time consuming.

Bill Spain would like to further discuss timing and ending of current billing system, along with proposed savings, he would also like to discuss the possible surcharge for accepting cash and checks.

Bill requested to place this on the calendar again for December.

**20. Discussion and possible action regarding PSD operating structure/hours/employee handbook.**

Per Bill Spain, he requested that this item be taken out of order after New Business/Call to the Public so that people could decide whether to stay while an Executive Session might occur. Based upon general consensus, this item was taken last on the agenda.

When raised, a motion was requested to enter into Executive Session under Subsection (A)(3) for legal advice with only the Board members and legal counsel participating.

Motion: Len Friedlund

Second: Bob Timberman

Ayes: Dick Drinen, Gail Van Deurzen, Tom Eade, Tom Gulliver

Nayes: None

Executive session began at 4:20pm and ended at 5:15pm.

Once back in open session, Board members discussed availability for a special meeting on November 21, 2022 at 10am to have a goals and objectives discussion with the District Manager.

**21. Discussion and possible action regarding approval of resolution confirming actions of Pinewood Sanitary since 2012 annexation request to confirm lien rights under statute for collection of Westside construction costs.**

No discussion, move to next month.

**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)** No discussion or questions.

**Adjourn:** 5:17pm

Clerk of the Board

Gail Van Deurzen