**BOARD MEETING MINUTES, PINEWOOD SANITARY DISTRICT**

**August 10, 2023**

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

**1.  Open**

3:01pm

**2. Pledge of Allegiance**

**3. Roll Call**

Present – Bill Spain, Len Friedlund, Gail Van Deurzen, Bob Timberman, Dick Drinen, Kass Kral,

Barbara Sherman

**4. Administrative information**

Review of Terri Smith letter. A short discussion about the background of the letter occurred and then Bill Spain agreed to draft a response to Ms Smith, and share it with the Board and then email it to her.

**5. Approval of the Board Meeting Minutes for July 13, 2023**

A discussion occurred to help fill in some hard to hear portions of the audio recording of the meeting. Various corrections and updates were noted as necessary.

Motion to approve minutes with recommended minor revisions: Len Friedland, Second: Bob Timberman

Ayes: Len Friedlund, Gail Van Deurzen, Bob Timberman, Dick Drinen, Kass Kral, Barbara Sherman

Nays: None

**6.  Correspondence**

Lee Krosnicki has been in correspondence with ADEQ and WIFA and keeping up with the plant permitting.

**7. Expenses Review P&L Report for July and Balance Sheet for July**

Bill Spain shared how cost cutting measures the Board has taken are showing results and how that will help with the WIFA and ADEQ discussions. Barb Sherman asked about whether to create monthly budgeting vs annual budgeting, realizing that many expenses are seasonal. Bill Spain explained the efforts to get the budget cleaned up and to the point it is at now also having a five-year projected budget and long range capital plans. Bill Spain also acknowledged that the staff and management need to now look at costs on a monthly basis and create a monthly budget in Quickbooks. Barbara Sherman expressed her desire to see monthly numbers in reporting.

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

Lee Krosnicki expressed no major issues while noting that staff is stretched thin right now so they are only doing camera work when available and jetting when they can. Bill Spain noted the need to control costs and overtime and that the WIFA loan vote needs to be successful in November to allow PSD to work on the entire system repairs and improvements.

**9. Discussion of memorandum from Steve Saeed, ADEQ**

Bill Spain stated that Mr Saeed had written an email requesting a response from Lee Krosnicki about a written update which was due from PSD on August 10th. Bill Spain call Steve Saeed and left a message asking if the second quarter report that was sent last month is what he was looking for. No response from Mr Saeed. Barbara Sherman asked what ADEQ can do to PSD and it was noted that fines and shut down orders are options. No fines have been assessed thus far. Lee Krosnicki to send a written update to Mr Saeed. Bill Spain agreed to call Mr Saeed to follow up on the matter.

**10. Update from Bill Spain regarding interviews status**

Discussion moved to later in the agenda and then the Board returned to this item. District Manager Candidate “BT” was a no show for the interview. Interview scheduled with another candidate for the District Manager position. Indeed sponsorship of PSD ad has been activated.

**11. Discussion and possible action regarding Inspire Communities Phase 3 sanitary receipts and Phase 4 water issue**

Lee Krosnicki and DR Richardson stated that Phase 3 is hooked up and we have been accepting sewage effluent with no issues since June. Phase 4 is still being pumped by Inspire as no water hook-up has occurred to date. PSD is ready to accept Phase 4 sewage effluent as soon as Inspire has a constant water supply. Lee Krosnicki stated that no report has been made to ADEQ about sewage spill at Inspire as reported at last month’s meeting. Lee Krosnicki is to contact Inspire and coordinate with their staff to get details on water supply and other open issues, with any verbal discussions to be followed up in writing. It was also noted that it was necessary to count the Phase 4 sites when effluent starts to flow since a number of RVs have been moved over to Phase 4 from other Phases which were on septic. Efforts were discussed on managing odors from the Phase 3 lift station. The RV Park was asked for recreation hall information as to when it will open, number of tables, etc., no response from Nick Green.

**12. Discussion and possible action regarding Inspire Communities Phase 1, 1A, and 2 relocations over to Phase 4. Are we billing?**

The Board agrees that we need to study the current scenario, take pictures, and adopt a gameplan to address the relocation of RVs and permanent structures from Phase 1, 1A, and 2. Tabled until next meeting.

**13. Discussion of 2023-2024 one-page budget by Coconino County**

Bill Spain prepared the one-page budget per county requirements; this has been submitted and recorded. The budget was updated to reflect the most recent reductions in expenses, staff lay-offs and multiple expense reductions that have been enacted as well as catching errors in past budgeting efforts. PSD may go to RFP for selection of auditors for fiscal year 2024/2025.

**14. Discussion of “Flushing Forward” Pinewood News Article and planned article for future edition**

Bill Spain shared the article with the Board with its focus on transparency by PSD to the community and added it to the wall of articles written over the last year. The next submission will be for an October edition of the Pinewood News.

**15. Update from Lee Krosnicki about WIFA Annual Loan Review Checklist and status of annual audit for 2022-2023 fiscal year**

The Board instructed Lee Krosnicki to order the annual audit now in order to be prepared for the WIFA submission after the bond vote.

**16. Status of “Billing” conversion to quarterly billing**

Lisa Frazier did not attend the Board meeting so there was no update on the status, but it was noted that she was working on the billing and that there have been calls from people that did not read the notices, postings, and articles about the quarterly billing.

**17. Discussion of Settlement Agreement with Pinewood Partners based on prior vote in October 2022**

Bill Spain stated that the Settlement Agreement was singed by all parties. Brandon Kavanagh to provide a full signed copy for PSD. Issues resolved on the terms approved by the Board last October.

**18. Discussion of the Settlement Agreement with Navajo Group for lots 115 Navajo, 125 Navajo and 135 Navajo**

Bill Spain noted the prior settlement authority approved by the Board. Other parties agreed to contribute additional amounts, leaving the rest to the property owners. Ultimately the terms were agreed to, and a settlement agreement was written up. Bill Spain did not sign the agreement, but Len Friedlund did instead, as Bill Spain was a party to the agreement as a real estate agent in the sales transactions. Release of liability was included. The agreement was signed by all parties, checks were mailed and the issues have been resolved.

**19. Discussion and possible action on DR Richardson’s maintenance, responsibility, easement questions and request for the Board support.**

The Board listened to and discussed DR’s presentation and agreed to review the Rules and Regulations and see where DR’s suggestions could be incorporated or where they are already addressed. Dick Drinen agreed to work with Bill Spain before the next meeting to draft possible additions or changes to the R&R’s or point to existing language that needs to be enforced. A discussion resulted regarding a theft of services incident and how PSD needs to seek criminal law enforcement by the County.

This resulted in a motion by Gail Van Deurzen to report the issues to the County Sheriff and cap the line at 855 Reindeer to avoid additional theft of services. Second: Barbara Sherman

Ayes: Len Friedlund, Gail Van Deurzen, Bob Timberman, Dick Drinen, Kass Kral and Barbara Sherman.

Nayes: None

**20. Status of Raschke construction for Westside and draft of collections letter**

Bill Spain asked Lee Krosnicki to investigate what the fees should be and draft proposal to submit to the Board at the September meeting in order to resolve the open collection.

**21. Update from Lee Krosnicki on equipment sale**

Lee Krosnicki stated no further equipment has been sold. The 20x20 building is still available.

**22. Discussion of Nephtaly Hernandez sewer district capacity request and questions regarding amenities**

Lee Krosnicki was directed by the Board to answer the inquiry.

**23. Discussion of litigation status between PSD and Royce**

Moved to later, on the agenda, discussion noted here.

Motion to enter into Executive Session under ARS 38-431.03(A)(3): Dick Drinen, Second: Bob Timberman

Ayes: Ayes: Len Friedlund, Gail Van Deurzen, Bob Timberman, Dick Drinen, Kass Kral and Barbara Sherman.

Nayes: None

Entered into Executive Session at 5:12pm

Returned into Open Session at 5:32pm

**24. Discussion of Shuster Companies Rule 408 meeting with Budget Committee scheduled for August 18, 2023**

Motion to enter into Executive Session under ARS 38-431.03(A)(3) to discuss meeting preparation: Kass Kral

Second: Len Friedlund

Ayes: Ayes: Len Friedlund, Gail Van Deurzen, Bob Timberman, Dick Drinen, Kass Kral and Barbara Sherman.

Nayes: None

Entered into Executive Session at 5:37pm

Returned to Open Session at 6:06pm

No action taken.

**B. Unfinished Business:**

None

**C. Call to the Public:**

Oscar Hollaway asked the status of this annexation, and it was noted that staff had been directed to record the annexation since May 2023 when it was approved. Bill Spain took the documents to the county and had it recorded.

**D. New Business:**

A discussion occurred regarding the timing of the next Board meeting. Bill Spain will be out of the country from August 29th until September 20th. The Board reached consensus to wait and schedule the next Board meeting on September 28th and let the people in the community know. Discussions will need to occur at that meeting on the strategy to seek approval of the WIFA loan vote in November.

**Adjourn: 6:14pm** Clerk of the Board, Gail Van Deurzen