

## **Pinewood Sanitary District**

### **Board Meeting July 25, 2024 3PM**

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

##### **1. Open**

Bill Spain, Chairman, opened the meeting at 3:00pm.

##### **2. Pledge of Allegiance**

##### **3. Roll Call**

Bill Spain called the roll. Dick Drinen, Bill Spain, Joe Hedgecock, Barb Sherman, Kass Kral, and Len Friedlund were present. Mark Giebelhaus was absent.

##### **4. Administrative Information**

David Richardson (DR) reported that resumes and applications had been received and applied, and the hiring process was progressing through the proper steps. DR proposed more training be made available for all staff. A Grade 2 applicant is eager to start with Pinewood Sanitary District (PSD), but logistical details, such as relocation, hinder hiring at this moment in time. PSD has worked with ADP to utilize an existing job posting benefit. This has resulted in receiving several resumes; however, DR stated that nearly all resumes received were for underqualified applicants. DR reported that he has created several part time, seasonal, or temporary positions in an effort to ease the workload for the existing employees. DR has one applicant who has a CDL is who more likely to accept a temporary position than a full-time position.

##### **5. Approval of the Board Minutes for June 20, 2024**

Bill Spain made a call for any updates or corrections to the draft minutes. There was no discussion. Barb Sherman moved to approve the minutes for the June 20, 2024 Board meeting. Dick Drinen seconded the motion. Dick Drinen, Joe Hedgecock, Barb Sherman, Kass Kral, and Len Friedlund voted in favor. There were zero Nay votes.

##### **6. Correspondence**

The Board received a resume packet from member of the public, Don Harrington, regarding joining the Board. Bill Spain invited Don Harrington to speak to the Board regarding his resume and interest in joining the Board. Don Harrington addressed the Board regarding his retirement and schedule availability, his commitment to service to others and gave several examples. He has experience in working with government entities and their procedural processes. Mr. Harrington has been a full-time Munds Park resident for 8 ½ years. Bill Spain explained that there are no available vacancies on the Board at the current time but noted that PSD would keep his application and interest in mind going forward.

##### **7. June 2024 Budget Review**

Barb Sherman reported that she had reviewed the 2023-2024 fiscal year-end reports and to summarize: revenue was higher than originally budgeted, expenses were higher than originally budgeted, legal fees were higher than originally budgeted, equipment replacement and repair was higher than originally budgeted, payroll was on budget, retirement expenses were lower than originally budgeted, and office administration expenses were lower than originally budgeted. Overall, PSD managed to keep a balanced budget for the 2023-2024 fiscal year.

The signed budget for the 2024-2025 fiscal year was given to staff for recording.

Barb Sherman reported that she and DR will adjust the budget to keep accurate working numbers generally on a monthly update basis.

Bill Spain asked for an update on Quickbooks Software project. The project is in the planning stage.

Legal Counsel reported that within the last two days prior to the meeting, PSD had confirmed a map with Royce to be used to bill Royce's properties on the West side of I-17 that will aid with budgeting and projections.

### **8. Operations Report: Plant Operations- David Richardson / Collections- Mike Pepe**

DR reported that our Operator of Record (OR), Paul Cornejo, is communicating with ADEQ on PSD's behalf regarding inaccurate Notice of Violations (NOVs) that may be able to be removed from PSD's record. Our OR has over 20 years of experience and has operated 5 other plants. DR is confident in his guidance. DR has looped OR into discussions with our engineering consultants, Ardurra, to assist with finalizing paperwork, such as CMOM report. OR will be able to provide training to PSD employees. OR is also working with DR and the PSD utility electrician sub-contractor, John Patton, to develop plans regarding upgraded equipment and cost savings.

The SCADA system has been updated. The alarm system is fully functional.

DR is investigating unknown pipes with the help of John Patton, OR, and Ardurra.

John Patton will be conducting crew training on Wednesday, July 31, 2024, regarding the pumps and other equipment. This class will give PDHs to the attendees. OR is researching training regarding chlorine safety and other chemicals, and other safety topics.

DR reported that new employees are learning quickly and are eager to learn more. DR is transitioning repair information phone calls from the office staff to the field staff. DR explained the efficiency block when the office staff are unable to answer specific questions regarding repairs.

The scoping camera is getting maintenance work regarding an intermittent reading issue performed on it.

Len Friedlund commented on DR's presentation to the community on Saturday, July 20, 2024. Len Friedlund said he did a good job representing PSD.

### **B. Unfinished Business:**

#### **9. Discussion and possible action regarding proposed settlement/ consent judgment with AG/ADEQ. The Board may enter into executive session under ARS 38-431.03 (A)(4) for negotiations. The Board may enter into executive session under ARS 38-431.03 (A)(3) for legal advice.**

Legal counsel advised that the document has been updated to address timing issues and corrections, in part due to the passage of time negotiating with the AG/ADEQ, and now includes language that a several day-long bypass for the same event is to be considered one violation incident.

DR reported the OR is working with him to manage reporting of SSO events.

Bill Spain instructed DR on his next steps pertaining to the formal responses required on the timelines in the document. It was suggested that both engineering and legal counsel be involved in commenting on reporting under the proposed terms. It was suggested that a 90-day deadline be adhered to. Bill Spain called for any additional questions and comments regarding the document.

Dick Drinen moved to approve the proposed consent judgment as it is written. Joe Hedgecock seconded the motion. Dick Drinen, Joe Hedgecock, Barb Sherman, Kass Kral, and Len Friedlund voted in favor. There were zero Nay votes.

### **10. Board elections for Offices of Treasurer and Chairperson**

Bill Spain tendered his resignation from the Office of Chairman at 3:37pm with a written resignation to follow. He noted his desire to resign now and help with a transition period with a new Chair before his term expires on the Board at the end of the year. After a short discussion of the nomination process, Dick Drinen nominated Kass Kral for the office of Chairman. Barb Sherman seconded. Bill Spain called for other nominations. None followed. Dick Drinen, Joe Hedgecock, Barb Sherman, Kass Kral, and Len Friedlund voted in favor. There were zero Nay votes.

Kass Kral assumed the office of Chairman after this agenda item.

Bill Spain asked for nominations for the office of Treasurer, which is vacant with Barb Sherman informally filling in to assist with the budget. Joe Hedgecock nominated Barb Sherman for the office of Treasurer. Dick Drinen seconded. Bill Spain called for other nominations. None followed. Dick Drinen, Joe Hedgecock, Barb Sherman, Bill Spain, and Len Friedlund voted in favor. There were zero Nay votes. Barb Sherman assumed the office of Treasurer after this agenda item.

### **11. Presentation and discussion regarding commercial fixture accounts and invoicing updates**

Lisa Frazier, Office Manager, reported that Agees, Kota's, and the UTV rental shop on the West side have been billed as per the fixture count they voluntarily agreed to implement. She has worked extensively with Bill Moore and he will inform PSD when other shops open.

No other properties are on fixture accounts yet.

The RV park phases 3 & 4 have recently been billed for Operations & Maintenance (O&M) fees for 2024 after confirming a map with Royce in concern with the litigation settlement.

Legal counsel advised that any time PSD changes its fees, there must be a public hearing. There is a public hearing scheduled for August 8, 2024, and an item will be added to consider making the fixture fee approach apply to any owners that currently work from a per gallon water usage formula on top of regular O&M in lieu of such formula.

### **12. Update and possible action regarding updating of Rules and Regulations.**

Legal counsel advised that amendments and changes need to be made prior to publishing the proposed Rules and Regulations (R&Rs) for a Public Hearing. The Public Hearing cannot occur without the proposed version of the R&Rs being available in advance for review, comment, and objections. The Board reached a general consensus that the updated draft was ready to publish.

Scheduling for the September meeting was discussed for a possible approval. Legal Counsel advised waiting until the August 8, 2024 meeting for any final decision on timelines.

Legal Counsel will work with office staff regarding changes and edits to R&Rs. Staff is directed to proceed with publication of updated, proposed R&Rs.

### **13. Update on New Operator-Plant Side**

DR discussed that Paul Cornejo, the new operator, has several connections to other operators and is also training an apprentice. DR re-iterated the importance of having a Grade 2 Operator.

### **14. Discussion on Fire Department Sewer Main**

Kass Krall called for a discussion of the situation with the Fire Department. DR distributed a map of the location. He discussed re-rerouting a main line to different manholes close by. This will not work due to the size of the main lines traveling under the manholes. Joe Hedgecock questioned who failed to do due diligence when inspecting the plans on the fire department's side since encapsulating the lines and building on top of them would likely not pass inspection and code.

Bill Spain moved to enter into Executive Session under ARS 38-431.03(A)(3) for legal advice. Barb Sherman seconded. Dick Drinen, Joe Hedgecock, Barb Sherman, Bill Spain, and Len Friedlund voted in favor. There were zero Nay votes.

The Board entered into Executive Session at 4:05pm with DR requested to attend.

The Board entered into General Session at 4:34pm. Staff was directed to proceed as discussed in Executive Session.

### **C. New Business**

#### **15. Discussion and possible action regarding increasing board membership from 7 to 9 members. The Board may enter into executive session under ARS 38-431.03 (A)(3) for legal advice.**

Bill Spain moved to enter into Executive Session under ARS 38-431.03(A)(3) for legal advice. Joe Hedgecock seconded. Dick Drinen, Joe Hedgecock, Barb Sherman, Bill Spain, and Len Friedlund voted in favor. There were zero Nay votes.

The Board entered into Executive Session at 4:35pm.

The Board entered into General Session at 4:50pm.

A discussion about tabling the item occurred. Bill Spain moved to table increasing the Board Members from 7 to 9 indefinitely. Dick Drinen seconded. Dick Drinen, Joe Hedgecock, Barb Sherman, Bill Spain, and Len Friedlund voted in favor. There were zero Nay votes.

#### **16. Public hearing on August 8, 2024 regarding deannexation of Royce phases 1, 1a, and 2**

Legal Counsel advised that legal paperwork and petition is still in the process of being prepared by Royce for submission to PSD. PSD has done their due diligence and secured August 8, 2024 as a potential public hearing date.

#### **17. 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)**

Kass Kral opened the call to the public. No one requested to speak.

### **D. Adjourn**

Kass Kral adjourned the meeting at 4:54pm.