



VILLA GRANDE

DOMESTIC WATER IMPROVEMENT DISTRICT

Minutes

January 6, 2016

Regular Meeting

Call to Order: Allen Grant called the meeting to order at 7:05 pm.

Directors Roll Call: Present were Ray Roerdink, Alex Alongi and Allen Grant. Miranda Ketner arrived at 7:10 PM, Bernie Vargas arrived at 7:30 PM

Discussion/Action Minutes: Minutes from December 2, 2015. A motion was made by Ray Roerdink and seconded by Alex Alongi to approve. Vote unanimous 3-0.

Call to the Audience: Those in attendance were Ray Miller, Cauly Washburn, Bill Collings and Joni Roerdink.

Discussion/Action: Bill Collings, DNA Engineering – Questions regarding report. Bill was asked to attend to answer any questions regarding the Nitrate Mitigation report prepared by DNA Engineering. Nitrate sample was taken by Danny on 12/08/15. The sample results were 9.7. This was after running Well #2 for a period of one week due to the starter having to be replaced the week before and the Well #2 had been down. Since Bill had prepared his report the following has been completed:

1. Well #2 control panel has been redone. It is working 100% in auto mode.
2. Well #2 is the primary well for now.
3. Booster Station electrical control panel and new pump and motors are 95% complete.
4. Samples for January nitrate and bac-t have been taken and sent to the lab for analysis.

In the process of setting up Well #2 to be used as the primary well, the following steps were completed:

1. Removed and replaced existing soft start with new 20 HP Square D soft start.
2. Removed and replaced existing control wire and documented changes.
3. Removed existing 3 phase power conductors and replaced with new ones.
4. Started and tested soft start operations with Danny Baeza present.

Danny notified Joni Roerdink just moments before the meeting that he was unable to attend and sent pictures of the new panel and pump motors (pictures presented to the board).

Allen Grant raised the question to Bill Collings if we would have any issues with running out of water using Well #2. Bill stated that either Well #1 or Well #2 would provide enough water through the full buildout of all 229 lots in the district as summarized in the report based on well time run reports.

Allen Grant also asked if there are any other low cost alternatives. Those alternatives presented in the DNA report have maintenance costs that are out of our budget. Bill stated that there are no low cost alternatives. Annual costs are going to be \$10,000 - \$12,000 for operating costs and there is no one out there that will subsidize those costs. The only other alternative is property tax valuation to help build our rate structure. New legislation is also creating a cap on the rates that we can charge.

Discussion/Action: Attorney, Steve Cooper – Introductions were made between the Board and those parties in attendance. Ray Roerdink stated some of the issues that we have had come up during the past several months including the elections which the Board has postponed until the November 2016 General Election. Ray also mentioned the Nitrate issue and meeting with ADEQ regarding the consent order and the willingness that ADEQ has shown in working with us. We have had legal representation in the past and we don't want to find it after the fact. Steve Cooper represents several water and irrigation districts and five cities and towns throughout the state.

Steve stated that if at some point we receive any grants, we will be required to have an attorney review contracts and bonds posted. Additionally he may have to give an opinion that we have the proper easements for new transmission lines or it may be necessary to acquire property to handle a water treatment system. He also handles public meeting laws, conflict of interest, contracts, liens, etc. Water districts use lawyers as needed. An attorney works for the board and does not make decisions for the Board. He will give us options/recommendations because any decision is policy decided by the Board. Steve also disclosed that he is the city attorney for the City of Eloy. A retainer will not be required. Steve Cooper's hourly rate is \$300.00 per hour.

Steve mentioned that we may want to contact CCA to sell water to them to recapture some of our expenses. CCA will be expanding the prisons. Ray Roerdink also mentioned that the reverse of that situation may be possible with regards to approaching CCA and purchasing water from them. Steve suggested we contact John Gluch, the liaison. Ray Roerdink personally knows John.

Discussion/Action: Replacement of Control Panel. Danny notified Joni just prior to the meeting that he would be unable to attend the board meeting. Ray Roerdink reiterated the information presented earlier to explain to Bill Collings what had been done at the well site since he was there in May 2015. (See items listed above under discussion Bill Collings, DNA Engineering). Good progress is being made at this time.

Discussion/Action: Well #2. Well #2 is up and running. The nitrates were 9.7. During the past several months, the lab results continued to decline. The lab tests between the labs came in very close. Testing equipment changed but the results continued to decline.

Discussion/Action: Drilling of Private Wells. Ray Roerdink would like to see this item come off the agenda but not out of mind or forgotten. Ray would like to do additional research and then present his findings in letter form to the board and then to Steve Cooper. Joni will continue to request information monthly from directors working on research and add to the agenda when material is available. We still have to remove the meters from those customers that have elected to drill their own well to protect our water system.

Discussion/Action: Update for ADEQ Consent Order Status and Compliance Reports. Joni Roerdink stated that all required reports have been submitted timely and are current. Ray Roerdink is working on the final draft of the monthly status update to Steven at ADEQ. He is waiting for information from Mirando Ketner and his meeting with engineer, Steve Townsend with Engineered with Layton.

Discussion/Action: Manager Report. There were a total of 17 letters mailed to water customers for disconnect for non-payment. Within the 10 days prior to disconnect, all 17 water customers paid or made arrangements for payment. Joni has also had several conversations with water customers during the past several months that they are not receiving their water bill. Joni contacted the post office and explained the situation. There have only been three water bills returned to the water company in the past several months. David, at the post office, told me to have the water customers go into the post office and file a complaint. That is the only way they can determine where the problem exists.

One customer was scheduled to be disconnected due to the home being sold. The new homeowner immediately requested the water be turned on and signed up for service therefore the water was not shut off.

When Joni Roerdink started with the water company, it was believed that it would take at least six months to catch up. Joni stated that it would take approximately two more months. Joni also stated that due to what was found, she does not believe the job can be completed in 40 hours a month. Mirando Ketner, Allen Grant, Alex Alongi and Ray Roerdink all agreed that Joni has put in many hours to catch up. Joni stated that the billing, collection letters and collection posting alone is about 40 hours. That does not include any additional tasks that she handles. Joni is working to hopefully reduce the hours to handle necessary matters. Alex Alongi mentioned that prior employees did have full time jobs and the job Joni is currently doing is a full time job. In the past, it was also noted that there were both a clerk and a manager for the water company. That is no longer the case.

Discussion/Action: Liability Insurance. Shortly after the last meeting Alex Alongi called Joni and told her he would probably be resigning at the next meeting. Joni did not submit the paperwork because it would be returned for the change in the directors. There would be a new board member sworn in at the January 6th meeting. Joni will submit the application with all the board members for the Directors and Officers Liability Insurance which will include the new director.

Discussion/Action: Director Resignation/Appointment. Alex Alongi submitted a letter of resignation to the Board of Directors. Ray Roerdink made a motion to accept the letter of resignation from Alex Alongi. Mirando Ketner seconded the motion. Vote unanimous 5-0.
Ray Roerdink made a motion to appoint Cauly Washburn as the director to replace Alex Alongi effective immediately. Mirando Ketner seconded the motion. Vote unanimous 5-0.

Discussion/Action: Equipment & Site Report/Lab Tests. Danny reported to Joni Roerdink that during the past month he had replaced two meters on Appaloosa that were not working at all. Joni Roerdink caught the problem when running the water bills because the usage had not changed and 0 gallons were reported as used for both customers. Joni Roerdink charged both customers the basic water charge. There was no way to confirm the actual usage. It was not the problem of the customer. Danny also has work orders for three meter boxes to be replaced and some additional plumbing to be completed.

The Nitrate report was 9.7 for December. The water was from Well #2 only.

Discussion/Action: Meters/Installation/Reinstallations/Leaks/Repairs. NW Corner meter needs a new meter box. There is also a leak somewhere between the NW Corner meter and the two meters across the canal. Danny looked for it but didn't find it. We have been losing over 13,000 gallons a month during the past two months. With all the rain, he will have to wait until it dries out but he is aware of the leak.

Discussion/Action: Approve and Ratify Expenditures & Purchases. A motion was made by Alex Alongi and seconded by Bernie Vargas to approve. Vote unanimous 5-0.

Discussion/Action: Oath of Office for Cauly Washburn. Cauly Washburn took the Oath of Office and sworn in as a director for the Villa Grande DWID.

Adjournment: The Agenda being completed, Allen Grant adjourned the meeting at 8:45 pm.

Date _____

Bernie Vargas, Chairman

Cauy Washburn, Director

Allen Grant, Vice Chairman

Mirando Ketner, Director

Raymond Roerdink, Director