



# VILLA GRANDE

DOMESTIC WATER IMPROVEMENT DISTRICT

***Note: All meeting minutes are posted for informational purposes only. The board of directors does not ratify meeting minutes until the next scheduled board meeting.***

## Minutes

January 4, 2017  
Regular Meeting

**Call to Order:** Allen Grant called the meeting to order at 6:59 pm.

**Directors Roll Call:** Present were Cauly Washburn, Ray Roerdink, Terry Eickstaedt and Allen Grant. Bernie Vargas was absent.

**Discussion/Action Minutes: Minutes from December 7, 2016.** A motion was made by Ray Roerdink to approve the minutes for December 7, 2016 as written and seconded by Terry Eickstaedt. Vote unanimous 4-0. Motion carried.

**Call to the Audience:** No one made a request to address the board.

**Discussion/Action: Well #1 Video Scan – Jack Moore** (Coolidge Engine and Pump) and Tom Hoover (John Hoover's Well Service) – Jack provided a copy of the video scan performed by Longmire. Jack Moore, Tom Hoover and the VGDWID Board of Directors agreed the well does need some brushing and cleaning. The big concern is the Nitrate issue. The Nitrates are too high to blend. Jack Moore stated there is no guarantee that cleaning the well will improve the Nitrate level to where it is passable. Most of the Nitrates come from fertilizer's etc. over many years of agricultural use. Arizona Water Company is having the same problem all around Casa Grande, Coolidge and other surrounding areas. Arizona Water has installed extensive systems to address the Nitrate issue and bring it down. The systems are extremely expensive and must be managed constantly. The only other options are drilling deeper wells and cutting off the top water.

There is not a feasible option to filter out the Nitrates for Well #1 that don't require extensive and expensive maintenance and management. Jack Moore stated that in the past five to six years, the Nitrates in this area have continued to get worse in all of the surrounding areas.

Ray Roerdink asked if it would make a difference to have the system brushed and bailed. Jack commented that there is really no good school of thought on the subject. "There is no proven fact that cleaning will help." On the wells that Tom Hoover and Jack Moore have worked on, there have been cases where cleaning did help because it improved the lower flow but in some cases, you have opened the top more and allowed more top water to flow in. The Nitrates come in from the top. Most wells that are being drilled now are being drilled much deeper. Tom Hoover mentioned that if we knew the Nitrates were coming from the top, we could concrete the top part off. It is expensive. You must weigh the options of drilling a new well versus concrete the seal at the top of the existing well. Tom mentioned again "there has been some success with this but it doesn't always work." There is roughly an 80% success rate. With Well #1, it would still have to be drilled deeper. Tom thought it was only about 500 feet deep. If records can be found regarding the original depth, it may be possible to clean it back out to the original depth which may help. Again, Tom Hoover stated there is not a good solid answer regarding drilling a new well versus rehab Well #1.

The prison just dug a new well due to Nitrates. They drilled 800 feet. Their original wells were in the 500-600 foot range as are most wells in the surrounding areas. Danny received information the Nitrates at the prison were running just below 8.

Jack Moore asked if we could get a good drillers report for Well #2 that may give additional information. Well #2 was originally drilled and due to the lower Nitrates, Danny Baeza mentioned the water was blended. It was estimated that drilling a new well to 1,000 feet, 12 inch would run about \$180,000.00. There would also be testing as drilling is being done. Tom would not go less than 800 feet minimum for a new well. The prison is close in proximity and therefore estimated that Nitrates would be similar. The aquifer runs southeast to northwest therefore we could get it before the prison.

Tom stated that if Well #1 were rehabbed it would be drilled deeper, new casing at the bottom and the top concreted off. It would still run about \$120,000.00 and there would still be no guarantees it would solve the Nitrate issue.

Joni Roerdink said that she believed in reading the driller's reports found on the AWDR website, the well was over 1,000 feet. She remembered reading the well was drilled in the 1940's and then she thought it was deepened in the late 1980's. Jack Moore couldn't remember. Jack would forward all the reports to Tom Hoover that Joni had submitted to him. Allen Grant asked if the well is actually 1,000 feet, could it be cleaned out and have the pump set at a lower level. Jack Moore and Tom Hoover will do additional research after reviewing the drillers report again.

Jack and Tom both mentioned much of the information reported at the time of the well registrations were inaccurate. Many individuals reported information they believed to be true.

The Villa Grande DWID owns three wells. Two wells are located in the subdivision and the third well is located across the highway near the railroad tracks. Ray Roerdink offered paperwork that he had downloaded from the well registry while doing research last year. After reviewing paperwork, Tom mentioned there were some inconsistencies in the casing diameter. He also mentioned that if the well is actually as deep as stated, we have some options such as cleaning it out and setting the pump deeper. Tom Hoover and Jack Moore will research the three wells and determine the correct registry numbers for each. It may take a couple of weeks to sort through the information on each of the wells. Jack Moore commented that if it can be determined that Well #1 is in fact over 1,000 feet, we would should look at cleaning out the well and move forward from there. Tom Hoover will review the video again and determine the type of pipe.

**Discussion/Action: Annual Election of Officers.** A motion was made by Ray Roerdink and seconded by Terry Eickstaedt to table the election of officers until all directors are present at the next meeting. Vote unanimous 4-0. Motion carried.

**Discussion/Action: Well Site Security Update/Property Acquisition.** Joni Roerdink contacted the attorney per the request from the board. Steve Cooper stated that as a Special District, we have the right to buy and sell property. Steve mentioned some specifics that we should do to protect the water company.

1. Make sure we have title insurance.
  - a. The seller expressed concern over the cost. Since he was not charging a down payment, he didn't want to incur excessive expenses to sell the lots to VGDWID. Joni Roerdink told the seller she would get some approximate costs and forward to him.
2. Don't overpay for the property.
3. Highway project.

- a. If the highway went through along State Highway 87 and were to take Well #1, it would not be a concern. The State would have to pay fair market value for the property and relocate the well.
4. Closing costs.
  - a. Buyer to pay normal buyer's closing costs, seller to pay normal seller's closing costs. The seller normally pays title insurance.
5. Make sure the title company prorates the taxes.
  - a. The taxes will be prorated by the title company and split between the buyer and seller. Immediately after closing, contact Pinal County and have the tax status re-classified. VGDWID is exempt from taxes. If not changed, VGDWID would have to pay the taxes and would not be refunded.
6. The attorney would review all paperwork before anything is signed.

The board authorized Joni Roerdink to negotiate the terms of sale as discussed and outlined by the board of directors. Cauy Washburn asked if we could sell one or more lots while still making payments. That would be written into the escrow instructions where after paying off the sale of one or more lots, the specific parcel or parcels would be released.

Cauy Washburn commented that people were driving through the area where the postholes have been dug. He would like to start getting the fence up along the area closest to the Well #1. That will eliminate much of the traffic that continues to drive through the lots. All the posts are set on the east side. The north side won't be set until the property acquisition is final so we can proceed.

**Discussion/Action: Generator Maintenance Update.** Terry Eickstaedt stated everything looked good. There were 261.5 hours on the generator when Terry checked on January 1, 2017. All levels were good. The low fuel light was on and buzzing. Terry checked the fuel level and it is about ½ tank. Terry called Loftin about the fuel light sensor but has not received a callback yet. Danny confirmed there was a sensor that would go off approximately half full. The board authorized Joni Roerdink to contact John Orton and see if he has the equipment to haul the diesel. If he does, proceed with purchasing the diesel for the generator.

**Discussion/Action: Well #2.** Well #2 is running well. Nitrates were 9.1 equal to the reading from the previous month.

**Discussion/Action: ADEQ Consent Order Status and Compliance Reports.** Joni Roerdink stated all compliance reports have been submitted timely. The monthly progress letter was also submitted. Joni stated that she received a registered letter from ADEQ. The letter from ADEQ stated VGDWID has been released from the consent order. All directors were provided with a copy of the letter to release VGDWID from the consent order. The water company has filed 12 consecutive monthly reports that were within the acceptable range for Nitrate levels. On December 31, 2016, Ray Roerdink drafted a letter and had Joni submit the letter to Steven Schoen with a copy of the release asking if we could discontinue the monthly reporting. At this time, we have not had a response from Steven Schoen at ADEQ. Ray Roerdink stated he would give Steven a call if he did not hear anything. The release from the consent agreement listed all parties that were notified. Steven Schoen was not on the list of parties notified, but he was not with ADEQ at the time the consent order was issued.

**Discussion/Action: Website Update.** The Agenda and Minutes were updated on the website. Joni is currently working on loading all of the 2016 Agendas and Minutes. She will continue working back through

the years as time permits. Allen asked if any vendors were contacted regarding advertising on the site. Joni stated that she had not had time to do so.

**Discussion/Action: Managers Report.** Joni Roerdink reported that we have \$1,260.00 in delinquent water bills. This amount is less than half of the average monthly delinquent accounts. Late customers were also notified by mail that we would no longer give courtesy extensions of time to pay. If payment is not received by the date and time noted on the bill, the water would be disconnected. Payments not received by 3:00 pm would be scheduled for disconnect and if a customer is scheduled for disconnect, they will be charged the \$35.00 fee because we are incurring costs of dispatching a technician.

A board member notified Joni Roerdink that a new tenant had moved in to one location and someone other than VGDWID personnel turned on the water. This is becoming an ongoing problem. Joni has been closely reviewing all water usage when she is aware that a customer has moved. There have been approximately a dozen cases where there is water usage after the customer has moved out. Because so many of the valves are older, there is no way to actually shut them off and lock them. Joni recommended that each time we have a renter move out; we replace the valve at that time with a newer valve that can be locked. Joni had spent over three hours looking for a contact number for the owner of the property mentioned earlier. A corporation owns the property so Joni researched the corporation listed with the Arizona Corporation Commission. A number could not be found even on the Arizona Corporation Commission website. One of the directors happened to have a telephone number that was listed on the for rent sign posted prior to being rented. Joni will contact the renter tomorrow and make arrangements to collect the amount. The customer that moved in was a prior water customer that left a balance due with no forwarding address. All amounts will be collected. VGDWID can refuse to provide water because of a prior water balance that has remained unpaid. If Joni can't reach the tenant, she will go to the property owner. There is an address in Casa Grande.

Last month we had the same issue. Joni noticed lights on in a residence that was supposed to be empty. She was out of town for a few days so Danny went to the customer and let him know that he needed to contact her as soon as she returned to sign up for water. The new owner had been in the home for over six weeks using water. The customer did contact her and get signed up for water. Joni informed him he would be charged for both November and December. Many of the homes in the community used as rentals become the most difficult to collect. Tenants move with no forwarding address and VGDWID has no recourse in attempting to collect the bad debt. We can put a lien against the home if the homeowner is the customer. We have no recourse if the tenant is a renter and leaves a balance due except for small claims court and we must know where they have moved. Joni recommended we require a copy of a lease agreement for all renters, which may contain additional information such as employers, etc.

Ray Roerdink asked if requiring a copy of the lease/rental agreement was included in our current service guide. Joni said it was not. Ray Roerdink made a motion to have Joni revise the current Customer Service Policy Guide to include all new applicants must include a copy of the lease/rental agreement upon requesting water service if the customer is not the owner of the property. Terry Eickstaedt seconded the motion. Vote 4-0. Motion carried.

The customer that was disconnected in November for non-payment is still in arrears. According to our service policy we can refuse service for non-payment. The customer is the homeowner of the property. VGDWID has the authority to file a lien against the property if the homeowner is the water customer. VGDWID also has the right to remove any or all its property installed on the customer's premises upon the termination of service. The water company does have the authority to require all past due amounts be brought current and collect additional deposits if necessary. Danny thought the residence had a lockable valve on it. Joni Roerdink asked the board for direction in how to proceed with this past due account. The board directed her to follow the procedures outlined in the Customer Service Policy Guide. She has been enforcing the policies from the guide

for the past 18 months for all water customers with no exceptions. Joni was directed to bill the customer for past due amount and outline the remaining procedures including reconnection fee, additional deposit and possible property lien if not paid timely.

Danny Baeza confirmed the fire hydrant testing was completed on December 15, 2016 by the fire department.

Joni notified the directors that we need to have another election in 2017. Bernie Vargas and Allen Grant have terms that are set to expire in 2017. The IGA will need to have another agreement submitted to them probably in March or April. Joni will contact the elections director for more information regarding the 2017 elections. Early elections require we pick up the majority of the expenses, which can run about \$2,500.00 versus the \$200.00 to be placed on the ballot at the general elections.

Joni will be working on annual reports that are required to be submitted to the IRS by January 31, 2017. This is earlier than previous years. She will also be working on preparing for the annual review that must be completed by the accountant for submission to the county.

**Discussion/Action: Equipment & Site Report/Lab Tests.** Nitrates were 9.1 on Well Site #2 and the Coliform tests came back normal. Danny Baeza pulled the samples for January 4, 2017 and will be taking them to the lab on January 5, 2017. There was a mix up on the pressure switches that Danny ordered. He never received them so he re-ordered them and just received confirmation of the order.

**Discussion/Action: Purchasing Requirements and quote requests.** The directors asked to have this added to the January meeting agenda. Joni Roerdink did some research and was unable to find any type of formal written Purchasing Policy for the VGDWID. The board agreed adopting purchasing guidelines would give Danny Baeza direction on a minimum/maximum dollar amounts before being required to obtain quotes or permissions. Allen Grant expressed concerns regarding situations where delay due to purchasing policies might impact delivery of water to our customers in a timely manner. He also mentioned pricing being inflated in an emergency situation. Cauly Washburn mentioned that generally speaking pricing for things such as pumps, etc. generally only vary by approximately \$150 or so from vendor to vendor. You wouldn't be looking at a cost variance of \$1,000 or more, as was Allen's expressed concern. That would come in the form of larger planned projects where you would accept bids. Cauly recommended the board give Danny a figure that he can work with in the event of an emergency or small repair. We should have on hand regularly ordered parts such as meters or valves so Danny wouldn't have to manage those expenses. We would be able to do cost comparisons for competitive pricing on regularly used parts. The board agreed to the following purchasing rules:

1. For items under \$500.00 purchasing decisions are at the discretion of Danny Baeza who is responsible/accountable for ensuring value for money.
2. For items ranging from \$501.00 - \$1,000.00, Danny Baeza will contact Joni Roerdink, business manager, who is responsible for approving purchases in this price range.
3. For items above \$1,000.00 will require board approval and may be subject to obtaining quote(s) prior to approval.

Danny Baeza made the recommendation when the board writes or reviews the purchasing policy to look at the big line items. Many policies require the lowest bid be accepted. Lowest bid may not always be the best value, etc. Other circumstances may regulate other purchasing policies as brought to our attention by Cauly Washburn.

We also need to review other upgrades or improvements needed at the well site. Danny and Caury were asked to work together and come up with a scope of work regarding the intake on the pressure tank so it can be reviewed and prioritized.

**Discussion/Action: Meters/Installations/Reinstallations/Leaks/Repairs.** Danny just used the last meter he had in stock. Danny stated we would have to change vendors if we change to Badger meters. Caury will get a contact name.

**Discussion/Action: New Water Line Installation.** Caury Washburn contacted Brian Betcher at CAP and told him the board had met and let Brian know that if they needed anything from the VGDWID they would have to contact us and let us know in advance. Being a small water company, we don't have the resources that Brian does. Most of our directors and our operator have other jobs. At this point nothing has been done yet. Caury Washburn asked Danny about his markings on the other side of the canal. Caury wasn't sure which direction the line was running. VGDWID will have to make connection once the canal attaches the line to the overchute. Caury mentioned the water company does not have the equipment to trench the line across the roadway. Caury mentioned he would have to come up with an overall plan when he meets with Brian. The line may require encasement to cross the road. Brian has not given a timeline for the repairs over the canal. We need to wait on them. The water loss is beginning to increase.

**Discussion/Action: Approve and Ratify Expenditures & Purchases.** The Board had reviewed the Expenditures and Purchases for the month. Ray Roerdink made a motion to approve and ratify the expenditures and purchases as written. Terry Eickstaedt seconded the motion. Vote unanimous 4-0. Motion carried.

**Adjournment:** The Agenda being completed, Allen Grant adjourned the meeting at 9:21 pm.