



VILLA GRANDE

DOMESTIC WATER IMPROVEMENT DISTRICT

Minutes

April 6, 2016
Regular Meeting

Call to Order: Allen Grant called the meeting to order at 7:04 pm.

Directors Roll Call: Present were Allen Grant, Ray Roerdink, Cauy Washburn and Mirando Ketner. Bernie Vargas was absent.

Discussion/Action Minutes: Minutes from March 2, 2016. A motion was made by Ray Roerdink to approve the minutes as written and seconded by Mirando Ketner. Vote unanimous 4-0. Motion carried.

Call to the Audience: Those in attendance were Joni Roerdink, Ray Miller and Terry Eickstaedt.

Discussion/Action: Generator Maintenance. Terry Eickstaedt has volunteered to do the routine generator maintenance (i.e. oil changes, filter changes, container for used oil, etc.) for the water company at no charge except for reimbursement for supplies to help the water district same money. Terry Eickstaedt retired in 2009 and has over 25 years experience working on this equipment. Currently Danny Baeza is not doing the maintenance himself. In the past it was done by an outside service. None of the board members or the manager was aware of the last time it was maintained. It was mentioned that it had not been done at anytime during the past year since the manager started with the water company. Joni Roerdink was directed to see if we have any maintenance records on the generator. Cauy Washburn, Ray Roerdink and Joni Roerdink believed that Danny Baeza mentioned to them in November 2015 that the generator runs once a week. The length of time the generator is scheduled to run was unknown. Joni Roerdink was directed to get with Danny Baeza and find out how often it is scheduled to run and how long the generator runs. She is also to find out if it is on a timer and try to locate a prior maintenance schedule. Joni Roerdink is to set up a routine schedule for maintenance. Terry Eickstaedt will get the specs on the generator and will also dispose of the old oil. A motion was made by Ray Roerdink to have Joni Roerdink coordinate with Danny Baeza to set up a schedule for the generator maintenance and Terry Eickstaedt will do the routine maintenance. Terry will be reimbursed for all oil, filter, etc. Terry Eickstaedt is volunteering the labor to service. Cauy Washburn seconded the motion. Vote unanimous 4-0. Motion carried.

Discussion/Action: Subdivision Entrance Beautification. John Orton had volunteered to clean up the two entrances to the Villa Grande Subdivision, purchase plants, provide all the labor and maintain it if the water company would provide the water. John also said he had a friend that would design a layout for the entrance. John wanted to include the property from Highway 87 going west and including the areas on both Pinto Drive and Stallion Drive that extend to the block wall entrances into the subdivision. Joni Roerdink mentioned that we do not own the property between Sorrel and Highway 87. It is probably owned by the State of Arizona or Pinal County. These are county roads out in this area. There would be a need for water lines to provide water to the plants. The thought behind this was to enhance the entrances and entice more people to move into the subdivision. Ray Roerdink commented that while the idea is good for the community he doesn't feel the Water District has the right to make any decisions in regards to this matter. Board members feel that the water district has no authority to make that kind of a decision. The Board was not against having a group of citizens in the community volunteering with this project and keep it separate from the water district. Allen Grant commented that John's offer was very much appreciated and that we should contact John and thank him for making the offer. Ray Roerdink suggested that since it was on our agenda and if private citizens wanted to

organize such a project, Ray would make a motion to have the water company provide the water for the project. The group would have to get the permission from the property owners involved for them to proceed. Cauy Washburn said he would speak to Marsha Washburn and have her make contact with John Orton and others to try and get a group organized which would be outside of the authority of the water district.

Discussion/Action: Schedule Public Hearing for 2016-2017 Water Rates and Budget. Joni Roerdink needs to schedule the public hearing for the 2016-2017 Water Rates and Budget so she can get the legal notices posted timely before both are due to the county on July 1, 2016. Joni Roerdink reviewed the prior year water rates and the Villa Grande DWID has not had a rate increase for three years for water. The last increase was for NSF checks only. Joni Roerdink recommended increasing the base rate \$2.50 per connection. Annual revenue increase would be \$3,300 at this rate. Last year due to the change in valuation to the properties, the water district lost \$3,000 in revenue. This would also help us to recover some of this lost revenue. In addition to the public notice published in the newspaper, Joni Roerdink would send out a letter with the next water bill to notify our customers of the public hearing. Joni Roerdink would like to propose to have the public hearing on May 18, 2016. That allows enough time for publishing the legal notice timely. Ray Roerdink asked if it could be scheduled just prior to our next board meeting. Joni Roerdink commented that could be done but we would still have to have another public hearing for the Budgets. She can't get the numbers ready for the budget that quickly. Allen Grant asked if a \$2.50 increase to the base fee was enough and how many customers are having trouble paying their bill now. Joni commented that the majority of customers aren't having difficulty paying their water bill. It seems that they are slow paying it. After Joni Roerdink sends out a final notice for payment, delinquent customers immediately pay their bill to avoid being disconnected. Allen Grant suggested we increase the rate to \$5.00 per connection. We don't have the water base customers to keep the rates down and still maintain the water district expenses. Joni Roerdink has collected over \$15,000.00 in delinquent accounts in the past 11 months. Delinquent accounts were not being collected regularly under prior management and customers knew that. Now, if a water customer is more than 20 days past due, their water will be shut off. Ray Roerdink commented that the delinquencies have definitely dropped in the past several months. Cauy Washburn made the comment the customers may believe the rates are high but they are not taking into consideration how much water they are using. Joni Roerdink added they are also not aware of how much they are losing through, leaks, broken lines, leaking faucets, running toilets, etc. Mirando Ketner stated that there would be a lot of fallout if we raise the rates. Ray Roerdink commented they could voice their opinion at the public hearing. That is the purpose of the public hearing. If the customers don't attend the public hearing and voice their opinions, the fault is their own. Cauy Washburn suggested we raise the water to \$5.00 to avoid having another increase in another year or so. Our expenses are increasing. Our infrastructure was set up years ago and we are now at the point where parts need to be repaired and/or replaced. Costs continue to rise annually. We are losing revenue in having to replace older meters, lines, etc. We are currently getting along but just covering expenses. We are not able to build a contingency fund for future expenses. Joni Roerdink recommended the \$5.00 per month increase to the base fee and setting aside half of that each month in our contingency fund. Ray Roerdink made a motion to increase the base fee \$5.00 per connection and to schedule the Public Hearing for May 18, 2016 for the proposed 2016-2017 Water Rates and Budget. Cauy Washburn seconded the motion. Vote 4-0 unanimous. Motion carried.

Discussion/Action: Well #2. Danny Baeza was not able to attend. Joni Roerdink stated that Danny hasn't had any problems during the past month with Well #2. He is coming over on April 7, 2016 to take Nitrate sample down to Turner Labs for testing. Allen Grant raised the question, with Well #1 sitting, will that cause problems with the sand. Cauy Washburn had given Danny Baeza some information about a sand trap that catches the sand and kicks it out the bottom. Cauy Washburn had given the information to Joni and she in turn turned it over to Danny Baeza. Cauy Washburn did not know the cost. Cauy said now that our nitrates are coming down we need to start thinking about well #1 and possibly having the well videoed to see if the pump is drawing for the bottom or if all the slotted pipe is clogged. It may be so clogged up that may be the

reason we are getting such high nitrate levels on Well #1. We need to take the time now to see what we are dealing with. Joni Roerdink asked if there is a self-test that we can purchase to test the nitrate level on Well #1 to avoid the high cost of the certified lab tests just to give us an idea of where the nitrates currently are on Well #1. Cauby said there was and the results are fairly close. We can't use this type of test to send to the state but it would help us figure out where we are with nitrates on Well #1. Miranda Ketner knows of a vendor to purchase the kit from. Ray Roerdink agreed that we need to video the well. Allen Grant thought the cost would be \$25,000 similar to what we had done on Well #2. Joni Roerdink commented the \$25,000 cost was the complete project, not just the video. Once we have the video, we can see what needs to be done and how we need to proceed. Allen Grant wondered if since the Well #1 has been sitting so long that we shouldn't have Danny Baeza pump it out. Joni Roerdink has been directed by the board to have Danny get some quotes on having the pump pulled and video of the well. The video will show us if it is clogged at the bottom and maybe the high nitrates are a result of water being pulled from the top.

Discussion/Action: By-Laws Update. All Board members received a hand delivered copy of the proposed changes and/or corrections as well as a copy of the Amended By-Laws dated November 3, 2004. Allen Grant made a comment about the Clerk position since we have a manager. Ray Roerdink asked to go through each page and note the proposed changes (highlighted in yellow) until we reviewed that Article. There is a board member that is considered a Clerk that can designate the duties of the Clerk to the manager. At this time, no board member was aware of who the current Clerk should be due to the different appointments over the past years. The manager position was not shown in the original By-Laws. The Article X was accidentally omitted and the Article numbers incorrectly entered when the By-Laws were written. The Board all agreed that Ray Roerdink would be considered the Clerk for the Board. The Board did not feel that there would be a conflict of interest for Ray Roerdink as Clerk and Joni Roerdink as manager since the Board as a group makes any final decisions. Miranda Ketner made a motion to accept the By-Laws dated April 6, 2016 as written and Amended and to appoint Ray Roerdink as the Clerk. Cauby Washburn seconded the motion. Vote 3-0. Ray Roerdink abstained from voting. Motion carried.

Discussion/Action: ADEQ Consent Order Status and Compliance Reports. Joni Roerdink stated all compliance reports have been submitted timely. The monthly progress report to ADEQ was presented to the Board to review. Joni Roerdink will submit this on April 7, 2016 to ADEQ, which is in compliance with the timetable guidelines set by ADEQ.

Discussion/Action: Manager Report. Ray Roerdink and Joni Roerdink attended the County sponsored training for Special Districts a couple of weeks ago. This training was at no charge to the water district. Some of the topics discussed:

- Budgets
- Economic Development in Pinal County
- Proposition 117
- Library, Archives & Public Records
- Open Meeting Law
- Fraud – Recommended by the bank that we purchase a safe to lock deposits and check stock in. Joni also spoke to both the accounting supervisor at the treasurer's office and Wells Fargo bank about opening an account to allow credit cards transactions. The county and Wells Fargo stated there would be no problem for Joni to go and set up an account to do so. It does not have to be done through the county. It was recommended that water district charge the transaction charge to the water customer so as not to incur any additional expenses to the water district. Joni was directed by the board to go and set up the account. Square will be the company we will use to avoid any additional charges to the water district for this service.

We currently have three waster customers that have signed an installment agreement. Joni Roerdink stated that she wanted to keep this under tight control due to the warmer weather and more water usage. She will immediately send out delinquent notices when a customer gets behind to avoid the large outstanding balances we had over a year ago. Joni is currently working on the delinquent account report because water bills just went out.

We had a house on Mustang Drive that has water usage of 120 gallons for last month. No one was living there. It was turned off when the customer moved out. Danny tagged and sent me picture as proof of tagging. We are going to continue this practice of taking photo for documentation that it was shut off. A neighbor may have gone over there and turned on the water to water the plants/trees. Caury Washburn suggested that purchased the yellow plastic lock that prevents the valve from being turned on.

Joni Roerdink also requested permission to activate our Website again. It has been inactive for a number of years. The cost will be about \$20.00 per month for the hosting fee. Ray Roerdink and Joni Roerdink had discussed the possibility of contacting different service vendors for advertising and possibly recouping the cost. These vendors may include Dish, DirecTV, AC Sanitation, Waste Management, Internet service providers, etc. As the manager, Joni is constantly getting calls regarding different service providers for the area. Joni Roerdink stated she would not charge the water district for her time to set up the website but is only asking approval for the hosting fees.

Ray Roerdink and Joni Roerdink will be attending a two-day training put on by ADEQ in Prescott on April 19 and April 20. They will be attending the management track portion. There is no charge for the class.

Discussion/Action: Liability Insurance. Joni Roerdink is still working on getting the current asset list. She has to get with Danny Baeza for more information regarding assets at the well site.

Discussion/Action: Equipment & Site Report/Lab Tests. Danny Baeza took the Nitrate samples on 3/3/16 to Turner Labs. The Nitrates level for March was 8.8 mcl. There were no other issues at the site.

Discussion/Action: Meters/Installation/Reinstallations/Leaks/Repairs. He also tagged the disconnected meter on Mustang Drive and sent Joni a picture for documentation purposes. He completed the Blue Stake locations per the contact notice. Danny checked the booster station for a low-pressure complaint from a water customer. The problem was on the side of the water customer. Danny was called out for an emergency call at 10:30 pm on 3/26/16 to shut off customer's water due to a leak. The valve was an old valve and was in danger of breaking. He got it shut off and then replaced the valve with a new one a couple of days later. Danny also replaced the meter on Carter Lane to see if the large water loss discrepancy was due to a bad meter. The meter was an old meter.

Discussion/Action: Approve and Ratify Expenditures & Purchases. Board reviewed expenses. Ray Roerdink made a motion to approve and ratify the expenditures and purchases as written. Miranda Ketner seconded the motion. Vote 4-0. Vote unanimous. Motion carried.

Adjournment: The Agenda being completed, Allen Grant adjourned the meeting at 8:46 pm.

Date _____

Bernie Vargas, Chairman

Cauy Washburn, Director

Allen Grant, Vice Chairman

Mirando Ketner, Director

Raymond Roerdink, Director