



VILLA GRANDE

DOMESTIC WATER IMPROVEMENT DISTRICT

Minutes

March 2, 2016

Regular Meeting

Call to Order: Bernie Vargas called the meeting to order at 7:00 pm.

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

Discussion/Action Minutes: Minutes from February 3, 2016. A motion was made by Ray Roerdink and seconded by Allen Grant to approve as written. Vote unanimous 4-0.

Call to the Audience: Those in attendance were Danny Baeza, Joni Roerdink, Theresa Sanchez-Vargas, Ray Miller and Emery Layton from Engineered with Layton.

Discussion/Action: Engineered with Layton (EWL)– Proposal and review by Mr. Emery Layton.

- Reviewed previous proposals and looked at ADEQ report that was done.
- Reviewed some of previously reported alternatives and costs.
- Prepared a quote to do the “work” previous proposals claim we need to complete.
- Engineered with Layton is a small firm that has been in business since 2007.
- Recently working with some of the ADEQ contractors with jobs outlined in the NCS report.
- Worked with ADEQ and USDA funding and familiar with how it works.
- Specializing in small rural utilities and offers technical support to small rural utilities.
- EWL did an actual well-site visit to the VGDWID.
- EWL put together a quote to design a system.
- VGDWID is set as a “Colonia” which will help with Rural Development funding. We were designated in 1999, which helps with the Federal Assistance. Currently the time frame is 5-7 years for a loan and a lot of paperwork.
- EWL helps find funding that we may need, contractors and the bid process, help write the contract and manage the construction site. The quote does not include adding help with the funding process.

Allen Grant brought up the annual maintenance cost of putting in a system. Allen also believed Miranda Ketner thought that is what EWL could help with.

Emery Layton stated those options would be looked at in the early stages of the design. He mentioned the possibility of doing a pilot study, pull samples and confirm what we need. He also stated that we are already doing the monthly testing including the organics that are pulled every 3-5 years. He would also go to vendors, get media and bring to the site and try it out and see if it works. This is what the \$62,500 would cover.

EWL would bring in some options and let the Board review and decide.

Ray Roerdink asked Mr. Layton "What does this quote do compared to what we have already had done? Mr. Layton responded, "We go through the process of the design." Preliminary work to verify what DNA and NCS had said, do sampling, do the pilot and then construction documents would go to ADEQ for permit to build, building services, bids, call contractors.

Ray Roerdink asked why we would spend money on a study already done whether AEDQ paid for it or we paid for it? Why would we have these results and then pay someone to verify results we have already paid for? Allen Grant commented that Mirando had an idea that EWL could come up with an idea that was much less costly to make and maintain and not have to put in settling ponds, and maintain them. At this time, Allen also stated there isn't any option that we have considered before that we can financially support.

Mr. Layton stated there were some things that DNA didn't agree with NCS. They would have to do background to the actual design to ensure that it will work. They have to do some of their own homework to confirm. Mr. Layton again commented the \$62,500 is for the design and research only. It does not include the time for funding submittals. EWL was not sure at the time, how it would be funded so it was not included. Currently WIFA is out of money for the technical assistance grants per Mr. Layton. Mr. Layton had also stated that he had Mirando talk with his project manager about some possible new technology to see if that would handle our needs as another option and see if ADEQ would approve.

Per Mr. Layton, there is a risk to EWL and to the VGDWID about a system that may not have been approved by ADEQ but that a vendor may be using in another state. We don't know if it has been approved by ADEQ. Allen Grant stated that he thought Mirando was talking about a replaceable resin system that would eliminate the ponds and wanted to confirm if this was the same information EWL was looking at. According to Caury Washburn, this will also bring additional expenses. There would be ongoing expenses of getting rid of the cylinders until you get into the quality of the water and depending upon the quality of the water, there is the expense there that is clearly "not known."

Ray Roerdink asked if that was the system that Mirando Ketner brought up to Bill Collings and Bill stated previously that it was considered but was cost prohibitive.

Caury Washburn stated we are just reviewing our options at this time to see what we can and can't do. We need to be able to treat the water and pay for the O & M costs. We are currently trying to work through the process, save some money and at the same time currently upgrading our water system. We need to sit down and come up with a plan.

Ray Roerdink asked Mr. Layton if there was a dollar amount we could put to the system EWL was looking at. Allen Grant stated that \$50,000-\$60,000 monthly M & O costs for the other systems we were shown, would take 75% of our annual budget and would not fit with out budget at this time. Mr. Layton could not give an amount at this time because he doesn't have that much time into it yet.

Mr. Layton shared that we don't have the economy of scale such as larger areas like Maricopa County because of our small customer base.

Cauy Washburn stated at this time the Board needs to sit down and discuss. We are in the preliminary stages of what we can do. Now we have some options that we can refer to.

The Board thanked Mr. Layton for coming and reviewing the information with the Board.

Discussion/Action: Replacement of Control Panel. The control panel replacement is complete. It can now be removed from the Agenda. Danny Baeza brought up the alarm light (not part of the original quote) was not done. He received a quote from GT Environmental for \$1,700. This was higher than he expected. Currently, when the pressure is down, they call the office. A light could be seen by anyone. Danny Baeza is going to speak to the electrician at Eloy Water and see if it could be done at a lower cost. Danny will speak to him when he returns from leave.

Ray Roerdink mentioned that Cauy Washburn had come over to the house and looked at the tin he has for the awning over the booster pumps and control panel. Cauy will pick up the materials and get the awning done. He will also get the posts and get them set so he can put the tin up.

Discussion/Action: Well #2. The well is operating well. Monthly samples have been taken and sent to the lab. The Nitrate samples have come down for the past three months (Dec 2015 – 9.7 mcl; Jan 2016 – 9.5 mcl; Feb 2016 9.2 mcl).

Cauy Washburn mentioned four wells have been drilled on the other side of the CAP canal. Danny believes these may have to do with the credits for the farmers and stated the water is being pumped back into the canal.

Discussion/Action: By-Laws Update. Tabled until the next meeting.

Discussion/Action: ADEQ Consent Order Status and Compliance Reports. The letter sent to Steven Schoen was sent on time. A copy was sent to all Board members. All monthly reports have been submitted timely. The Nitrates taken on 2/9/16 were 9.2 mcl. Ray will also include the information that the Board met with EWL and were reviewing the proposal presented.

Discussion/Action: Manager Report. The Well sites have been cleaned up. Joni Roerdink would like to thank Allen Grant, John Orton and Kip Orton. They have spent numerous hours cleaning and burning the vegetation that was piled up near the well site. The excess dirt is to be moved to the East side of the well site to fill in some of the ruts created by people driving through the area. Joni Roerdink will send out a letter to all customers thanking John Orton, Kip Orton and Allen Grant for their help.

Joni has contacted Arizona Blue Stake to locate utility lines east of the NC meter in order for John Orton to excavate for the drainage ditch and to excavate the area between the well sites in order to bury the concrete piled there.

John Orton has asked if we would ask for volunteers to assist in the Adopt-A-Highway Clean-Up program along Highway 87 scheduled for March 12, 2016 at 7:00 am. Joni will include the request in the monthly letter to the water customers to help clean up our community.

Joni Roerdink sent a follow-up letter to the water customer who had requested a medical certificate. A copy was sent to the customer. Customer has signed an installment agreement to pay water bill.

VGDWID now has a medical certificate on file. There was no previous record of a medical certificate on file with the water company.

Discussion/Action: Liability Insurance. Application was submitted prior to our last meeting. Right after our last meeting Joni Roerdink was notified by the insurance company that additional information was needed. They asked exactly what we did. Joni stated VGDWID was a small water improvement district and we were looking for a Director and Officer's policy. Joni stated the directors were volunteers not paid for their positions and we provide water services only. Joni was notified later that they must have misunderstood. They thought we managed properties out here as well. Joni stated she had informed them the first time she contacted them about what we did. The agent said she would have to get back to her. The agent submitted the information to the underwriter and the underwriter denied it stating they don't cover water companies. The agent stated she would continue looking and Joni has also looked on her own. Now the problem Joni is running into is each company she has checked into is requesting a list of the VGDWID assets, liabilities and annual income. Joni will start working on this because we need the information for the 2016-2017 Budget due July 1, 2016. She will need Danny's help in getting the asset list updated. The last list of assets from Henry and Horne was incorrect.

Discussion/Action: Equipment & Site Report/Lab Tests. Samples will be pulled by Danny Baeza on 3/3/16 and taken to the lab. Danny has done the Blue Stake locations and found the line does go under the canal.

Discussion/Action: Meters/Installation/Reinstallations/Leaks/Repairs. Danny couldn't find a leak north of the NWC meter. A question was raised previously of the possibility of water theft due to the large discrepancy in the readings at the NWC meter and two meters off the NWC meter. Danny couldn't find where it could be taken from. Danny will replace Crumbaker's meter since it is an old meter and can't be shut-off but also stated it may not be working correctly. Danny will start the process of elimination for finding the water loss by replacing his meter first. Danny will notify both water customers that will be affected that the water will be shut off while he replaces the meter.

The question was raised whether or not Mr. Wiltbank had his well hooked up and running. Ray Roerdink will contact Mr. Wiltbank to see if it was up and running. According to ADEQ, water customers with a well must be disconnected from the water company system to avoid backflow problems or contamination.

Discussion/Action: Approve and Ratify Expenditures & Purchases. Board reviewed expenses. Allen Grant made a motion to approve and ratify purchases and expenditures. Motion seconded by Cauby Washburn. Vote 4-0. Vote unanimous. 4-0.

Danny Baeza made a comment that Robert Lanford, from USDA, had met him at the Well Site for a site inspection in connection with our Rural Development loan. While there, Mr. Lanford mentioned that he could provide funding information. Joni Roerdink also mentioned that she is working on providing information requested by Mr. Lanford.

Adjournment: The Agenda being completed, Bernie Vargas adjourned the meeting at 8:26 pm.

Date _____

Bernie Vargas, Chairman

Cauy Washburn, Director

Allen Grant, Vice Chairman

Mirando Ketner, Director

Raymond Roerdink, Director