



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

August 5, 2020 • Regular Meeting

Call to Order: Bernie Vargas called the meeting to order at 7:03 pm.

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

Discussion/Action Minutes: Minutes from July 1, 2020 Regular Meeting. A motion was made by Terry Eickstaedt to approve and ratify the minutes for the 7/1/20 Regular Meeting as written and seconded by Cauly Washburn. Vote unanimous 4-0. Motion carried.

Call to the audience: None present to address the board.

Discussion/Action: ADEQ/Nitrate Treatment. Joni Roerdink finally heard back from Scott McLeod, WestLand Resources, regarding the meeting he had about the additional costs not covered by AdEdge's Proposal. Scott had contacted Joni on 7/14/20 and said he really believed he would have had it by then. Joni contacted Scott again on 8/5/20 and he had received the results a couple of days prior. He told Joni he hadn't called right away because he was shocked by the quote for the electrical. He wanted to reach out to two other electrical companies for other quotes. The electrical quote alone came in about \$100,000.00. The other two companies he reached out to came in about the same. That includes all labor and materials. Scott also sent a spreadsheet that broke the costs down in simple terms with the costs for both AdEdge and Hennesy (a copy was provided to the directors). Joni explained again the directors had decided to go with AdEdge but he was kind enough to provide a side by side comparison. The total cost of the labor, tank, system feed pump, IX System, total electrical costs and general contractor costs The AdEdge total is \$550,000.00. The Contingency is \$137,600.00 to cover unexpected costs. Total cost for AdEdge \$688,000.00 for the system and labor, pond, liner, shade cover, electrical, etc. The general contractors' costs will be approximately the same for either AdEdge or Hennesy. We would need to borrow approximately \$428,000.00 above what we have already been approved for. If we can get the principal debt forgiveness as approved for the current loan with WIFA, it would cost us approximately \$43,000.00 more.

Scott also provided us with information for Hennesy as well. The Hennesy system would be \$466,000.00. If granted the principal debt forgiveness it would be a cost of \$20,500.00.

In speaking with Scott, he said we could go with the Hennesy if we wanted a less expensive option for startup, the biggest difference is the Hennesy system isn't automated. It won't adjust for fluctuation in the nitrate level. It would have to be done manually. We could at a later date, add that feature. Hennesy doesn't provide that. It would require an electrical engineer. Scott said we could save money now by going that route but VGDWID would have to take the samples and submit them to the lab because the Hennesy system doesn't do automatic monitoring whereas the AdEdge system does and will automatically adjust. Hennesy will have to be manually adjusted.

Scott was unaware of the principal debt forgiveness and therefore only reviewing the total cost of the project for both AdEdge and Hennesy. Joni told Scott if we were to be granted the additional loan amount and the extended additional principal debt forgiveness, the difference is \$22,000.00. Joni also mentioned to Scott that it seems that in the long run if granted the principal debt forgiveness, it would be cheaper to go with AdEdge. Scott agreed. The additional costs for lab tests and operator expenses to manually make adjustment would also cost more in O&M. If VGDWID decided at a later date to add the automation to the Hennesy system, the electrical engineering alone would cost more than the \$20,000.00 difference.

Joni was glad Scott broke it down for a side by side comparison to give the board a chance to review again. He wanted to give VGDWID the option to change their mind due to the large difference in cost. Again, Scott was unaware of the principal debt forgiveness and he wanted VGDWID to have the option to change their mind.

Joni also spoke with Stephanie Diaz about the Consent Order Amendment. The directors were provided a copy prior to the board meeting. Joni also provided Scott McLeod a copy as well to review for the updated timeline. Everything looked good and Scott thought all the deadlines were reasonable.

After speaking with Scott McLeod today and the additional funding assistance we will need, Joni had some concerns about being able to meet the timeline for the part of the Consent Order involving the additional funding assistance deadline and meeting the deadline for the Conditional ATC for the Well #2 which hadn't been confirmed. WIFA only meets every eight weeks so it could easily take an additional three months to get on the Agenda for the additional funding assistance. Scott recommended that Joni contact Stephanie and try to see if we could set up a Teams meeting with Stephanie, Scott and Joni to review the timelines. Scott felt the rest of the timeline schedules would work. Scott and Joni want to clarify all deadlines again with Stephanie so everyone has the same understanding.

Stephanie Diaz finally received written confirmation from the engineering desk at ADEQ that VGDWID wouldn't have to go through the ATC extension process for Well #2 in part due to the current Consent Order which includes compliance conditions for Well #2 and storage tank once the nitrate treatment system is installed and approved by ADEQ. Email confirmation was dated 7/8/20.

Discussion/Action: Well #1. Jack mentioned he had not had any issues with well #1. The starter was received and has been installed.

Discussion/Action: Well #2. Jack hasn't had any issues with well #2. Joni asked about the starter for Well #2 due to the well going offline last year. Jack stated that it is a whole different starter system and it will be a project and take some time.

Jack hasn't had any issues with the booster station this month.

Discussion/Action: Generator Maintenance Update. Terry Eickstaedt had checked the

generator. There were 373.7 hours on it and all fluid levels were good. CG Fuel topped the fuel on the generator on 7/2/20. The total cost was \$205.17. The weeds need clearing. Terry didn't see any bees at the site. Terry also mentioned he would be checking the clamps on the exhaust.

Discussion/Action: Managers Report. Joni Roerdink reported the following:

- Water bills were sent out on 8/2/20. Final notices were sent on 8/3/20.
- Disconnects are scheduled for 8/13/20. Past Due Amount: \$2,946.85 with 23 past due customers. There was one disconnect in July.
- The hydrant on Stallion has been completed. The total cost: was \$2,370.00
- Joni should hear back from the election department within a few days to see if we will actually have an election for VGDWID. The elections department won't know until the end of business on 8/6/20 if there have been any other nominations submitted. If none are submitted, the Board of Supervisors will just make the appointment.

Discussion/Action: Equipment & Site Report/Lab Tests.

- Nitrate sample was taken on 6/15/20 and came back at 17.4 mg/L.
- Coliform sample came back absent.

Discussion/Action: Meters/Installations/Reinstallations/Leaks/Repairs.

- There were no leaks during July.
- Joni received a phone call from Eli at RWAA and he has been out to look at the line on the north side of the canal. He can't find any other leaks. He said to give him a call if we need more help or the loss increases again.

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

Adjournment: The Agenda being completed; Bernie Vargas adjourned the meeting at 7:38 pm.

Date _____

Bernie Vargas

Allen Grant

Ray Roerdink

Cauy Washburn

Terry Eickstaedt



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Minutes

August 20, 2020 • Special Meeting

Call to Order: Allen Grant called the meeting to order at 7:10 pm

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

Call to the audience: None present to address the board.

Discussion/Action: Proposed Resolution 2020-08 for WIFA Loan Amendment. Joni Roerdink had provided all directors with the proposed Resolution 2020-08 to amend the WIFA loan for an additional \$428,000.00 for the design and construction of the nitrate treatment plant. The Resolution 2020-08 was reviewed and signed by VGDWID attorney, Stephen Cooper. The only change was the amount of the loan and references to the prior Resolutions. We are working to provide all documents required by WIFA for the October 15, 2020 board meeting. All documents must be submitted seven to eight weeks in advance. A motion was made by Ray Roerdink to approve the Resolution 2020-08 WIFA Loan Amendment as prepared by Attorney Stephen Cooper. Terry Eickstaedt seconded the motion. Vote unanimous 4-0. Motion carried.

Adjournment: The Agenda being completed; Allen Grant adjourned the meeting at 7:15 pm.

Date _____

Bernie Vargas

Allen Grant

Ray Roerdink

Cauy Washburn

Terry Eickstaedt