



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

May 3, 2017
Regular Meeting

Call to Order: Allen Grant called the meeting to order at 7:14 pm.

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

Discussion/Action Minutes: Minutes from April 5, 2017. A motion was made by Cauly Washburn to approve and ratify the minutes for April 5, 2017 as written and seconded by Ray Roerdink. Vote unanimous 3-0. Motion carried.

Call to the audience: None present.

Discussion/Action: Well #1: Video Scan. Joni Roerdink was notified by Jack Moore (Coolidge Engine and Pump), the video scan was ready for pick up. The video scan was picked up and Joni made a copy for each of the directors and Danny Baeza to review. Joni had asked Jack Moore if he would be able to attend the May board meeting and give his recommendations. He had a prior commitment for the May 3, 2017 meeting but he will try to attend the June 7, 2017 meeting. Joni Roerdink viewed the video. The information sheet provided with the video makes a note of holes in the casing. The perforations are now visible where they were not on the previous video scan completed in December 2016. It is noted there are numerous larger holes below 400 feet. It also notes the casing is broken at 519 feet nearly all the way around the casing. A question was raised regarding whether a sleeve could be installed. This is something Jack Moore may be able to answer at the next board meeting. Remaining discussion will be tabled until the next board meeting.

Discussion/Action: Well #2. Well #2 is running well. Nitrates were 10.0 ppm, which was up from 8.1 ppm the previous month. Joni Roerdink posted the "High Nitrate" notice on the information boards located within the subdivision, on the VGDWID website and included a copy with the monthly water bill that went out on May 1, 2017. Allen Grant asked if the work done on Well #1 could have possibly affected the nitrate level on Well #2. Cauly Washburn did not think so. Allen also commented this is the time of year when irrigation is taking place. Joni Roerdink mentioned that in the past, this is the time of year the nitrates go up. Generally the nitrates increase in April-May.

Discussion/Action: Well Site Security Update/Property Acquisition. The escrow on the property has been closed and recorded. The first payment has already been submitted to the seller. Joni Roerdink went to the assessor's office to determine what steps were needed to have the tax classification changed per the advice of the VGDWID attorney. The water company is exempt from paying tax on these lots. The assessor's office said it would take about 6-8 weeks before they are advised of the change and Joni would need to go back in and speak with the "Transfer Department" when the changes are reflected on the assessor's website. The changes need to be made as quickly as possible after the name change appears to avoid being charged taxes on those lots.

Well Site Security: Allen Grant asked about continuing the fence along the north side of lots 39, 40 and 41. Ray Roerdink mentioned our original intent in putting up the fence was for liability issues and feels the fence should be completed to accomplish this. Ray Roerdink asked Cauly Washburn if we had material left and Cauly stated we did have material. Cauly Washburn asked that Joni call AZ Bluestake regarding the area to be fenced. She will call on Monday, 5.8.17. After the Bluestake marking is complete, the holes will be positioned to proceed with the fence line. It was mentioned there was a power line and waterline located on those lots.

Joni Roerdink mentioned she had received a telephone call from a contractor doing some work for the prison on a separate ticket today and was told we hadn't responded to a Bluestake request. Joni asked Danny if he had received any requests. He hadn't. Joni hadn't received any requests by either email or telephone. Joni told the contractor there was no conflict.

Discussion/Action: Generator Maintenance Update. Terry Eickstaedt is currently out of town but he checked it before he left and let Joni Roerdink know things were running well. Terry did tell Joni there were a lot of bees near the generator and the screens that were installed last year had holes in them. He would try and fix them after we got the exterminator over to remove the bees again. Joni Roerdink called the exterminator but hadn't gotten a response whether they had gone out yet. Joni did spray around the base of the shed because there were quite a few bees at that time.

Discussion/Action: Bank Account. Joni Roerdink stated that she has been working on trying to get a bank account set up for taking credit card transactions. There is very specific information required to set up a bank account for a business that she has been unable to get and nobody seemed to be able to point her in the right direction to get the proper information. She was told we need "Articles of Incorporation, W-9 and an EIN verification letter from the IRS." The VGDWID is not incorporated therefore we have no Articles of Incorporation. After working with the county accounting supervisor, Joni was told to use the Resolution signed by the Board of Supervisors when the water district was formed in place of the Articles of Incorporation. The accounting supervisor printed a copy for Joni but Joni did not think this was the correct Resolution due to the date it was approved. It was for the subdivision, not the water district. After additional research, Joni found the recorded Resolution that was signed by the Board of Supervisors for the water district. She also requested an EIN verification letter from the IRS, which she received on April 28th. The information for completing the W-9 was provided by Henry and Horne, our CPA firm. The VGDWID is not a type of agency listed on the W-9 and Joni was told to mark "Other" and write "Government Agency." Joni has already spoken to Great Western Bank about a free checking account for this purpose. The bank is also asking for the Agenda and the Meeting Minutes signed by the board giving Joni Roerdink permission to open the account and be listed as an authorized signer on the account. Joni told Amber Listor, new account representative, the minutes are not ratified until the following month's meeting. She stated they still need a copy but if Joni brought in a letter signed by the board, the bank would open the account and the minutes could be brought in after they were ratified. Allen Grant had asked if the board had approved a motion during a prior meeting and Joni stated there was discussion but no motion or specifics on setting up the account last year during the discussion. Ray Roerdink thought it was done too. Joni pulled the Agenda and the Minutes from the prior meeting and there was only a discussion in regards to adding an account.

Ray Roerdink made a motion to write a letter and have it signed by the Chairman, Vice-Chairman and Clerk of the VGDWID authorizing Joni Roerdink to open a bank account with Great Western Bank and serve as an authorized signor on the account for the Villa Grande Domestic Water Improvement District. Cauly Washburn seconded the motion. Vote 3-0. Motion carried.

Discussion/Action: ADEQ. Joni Roerdink received the official NOV from ADEQ and a copy was emailed to all directors. As was discussed at the last meeting regarding this NOV, we do not have a copy of the AOC that is required by ADEQ once the well was completed. Joni had spoken with the inspector asking for

the 120 days as requested by the directors at the last board meeting. The inspector stated that she could not go 120 days without having to go to a consent order. She spoke with her manager and it was approved to delay sending out the official NOV until the end of April which would allow more time and then we would be given 90 days from receipt before it was due. This would also put it in our next fiscal year as requested. Joni has been working on it for several weeks already. She went to ADEQ and spent four hours reviewing the actual file they have on record in hopes that we could determine who filed the original ATC. Allen Grant asked if the original engineering firm was still in business and Joni Roerdink stated they were. They are located in Tucson, Arizona. There are several hundred pages of documents. She took pictures of the documents due to the high cost of having ADEQ print copies. Joni printed the copies after returning home. Ray Roerdink has also been reviewing some of the copies.

Based on the information Joni had reviewed, it appears to her that M3 Engineering is the entity that filed the paperwork but she said she has been unable to find any documentation in VGDWID files to confirm. One document on file with ADEQ stated that it was hand delivered along with the plats that are also included in their records. Because the completion report was not filed it invalidates the original ATC that was filed. Based on the information given to Joni by ADEQ, if the AOC is not filed within 12-24 months after the ATC is filed, the original ATC becomes invalid as though it never existed. Joni has not found any signed copies in our files. There are documents in our files, but not signed. She has also been looking for invoices that would show we were billed for the filing fees etc. but has not located those either. The contractors would have submitted these types of invoices for draw payments but we don't have copies of those in our files either. Joni has even requested assistance from the accounting supervisor with Pinal County. Joni can see where "warrants" were paid from the Grant account but it does not show the Payee. Joni has no canceled checks showing specifics on these payments. Lori Ashford, accounting supervisor, reviewed the account trying to help. She found they don't have images that far back but was able to send Joni a spreadsheet showing the names of the contractors the warrants were paid to but they are lump sum warrants with no breakdown of expenses. The only invoices found were those to AZCA, the driller of the well. So far, Joni has not been able to find any other invoices from contractors that worked on this project. Lori Ashford also recommended that Joni contact Pam Villarreal with Special Districts. She may have all the old files that Gary Medina had when he was working on this project. There were numerous contracts for this project, which include the tank, the piping, the well, the generator, etc. Therefore there is not just one contract with a scope of work for this project. Again, the contracts that we have are not signed therefore Joni Roerdink doesn't know if they are valid contracts or not. One document has a note on it "rejected" thus creating more confusion. Allen Grant asked if we had any documentation showing when the well was actually drilled. Joni stated that we did. Ray Roerdink mentioned the conflicting comment from ADEQ regarding the approval of the original ATC but the next paragraph stating that it was invalid because the AOC was not filed timely. There are other projects that define certain jobs as the responsibility of the engineer but we have been unable to locate one for the well specifically. We may need to find the copy showing M3 Engineering as the responsible party to file the paperwork in order to hold them liable for the costs. Ray Roerdink will contact M3 Engineering to see what he can find out from them.

Joni Roerdink also contacted John Orton to see if he could help with the grading and the well ring around tank #1 to complete the final NOV issued on 3.7.17. He was out of town but would return on 5.9.17 and would be happy to try and help. Allen Grant asked if we need more gravel but Danny Baeza didn't think so. He thought the NOV was more of the retaining ring than the grading. That was the inspector's primary issue. All other issues on the NOV issued 3.7.17 were completed timely.

Discussion/Action: Schedule Public Hearing for 2017-2018 Water Rates and Budget. Joni Roerdink asked if the board wanted to schedule the Public Hearing for the 2017-2018 Water Rates and Budget Hearing for the same day as our Regular Board Meeting which will be held on June 7, 2017 or schedule a separate date. Ray Roerdink asked when we held it last year. Joni Roerdink stated it was held the same day as the June Regular Meeting in 2016. It was held prior to the regular meeting.

Joni has called other water companies in the surrounding areas to get their fees and proposed that we increase the reconnect fee from \$35 to \$50. This amount is in line with other water company charges in surrounding areas. Currently, it is costing VGDWID money when we only have one customer to disconnect and then have Danny Baeza return to reconnect after receiving payment. This proposed increase would only impact those who have their water disconnected and reconnected due to non-payment. Joni also proposed having the tax valuation increased from 1.90% to 1.93% to help offset some of the expenses that we have incurred this fiscal year. This amount has to be published on our rate schedule along with the reconnection fee. The 2017-2018 Water Rate and the Budget must be published twice under the legal notices in the newspaper prior to the meeting. Ray Roerdink suggested that we schedule the hearing prior to the regular meeting on June 7, 2017 like we did last year. The approved water rates and budget have to be to the County by July 1, 2017. That will still give Joni the time to publish the notices before the meeting and still have the approved rates and budget to the County timely. Ray Roerdink asked that the person in charge of the Special Meeting this year immediately shut down any discussion not related to the rates or budgets. Last years meeting got a little out of hand due to individual account issues the public wanted to discuss. Those items need to be addressed at the regular meeting with proper notice to address the board.

A motion was made by Ray Roerdink to increase the Reconnection Fee from \$35.00 to \$50.00 and the Valuation Fee from 1.90% to 1.93% for the 2017-2018 Water Rates. The motion was seconded by Cauy Washburn. Vote unanimous 3-0. Motion carried.

A motion was made by Ray Roerdink to schedule the 2017-2018 Water Rate and 2017-2018 Budget Public Hearings to be held on June 7, 2017 just prior to the regular scheduled Public Hearing. The motion was seconded by Cauy Washburn. Vote unanimous 3-0. Motion carried.

Discussion/Action: Election Information. Joni Roerdink received a call from Pam Villarreal, Special Districts, regarding the election. Bernie Vargas and Allen Grant have terms that expire this year. Pam had received a call from Michele Forney, election director, asking that Pam contact Joni for additional information regarding why we wanted to have the election this year. Joni had contacted the election director regarding the decision to have a 2017 General Election this year, thus prompting them to review why we were asking. Pam Villarreal stated per Michele Forney, the County does not always have an “odd-year” General Election and couldn’t understand why we requested one. According to Joni, it is in our By-Laws to do so. Both Pam and Michele suggested that we contact our attorney for legal advice regarding possibly changing the length of terms or discuss how we would like to proceed in the event there is no General Election in 2017. We can move to a Spring Election but as VGDWID was informed last year, the water district would incur all of the expenses associated with the election. The fees were substantial in handling a spring election and we would have to have it the same time of year in all renewal years. With the General Election, the water district is only responsible for the cost of the ballots. Last year the fees were \$132.00 for the General Election. The Board directed Joni Roerdink that based on the advice of counsel, we will hold off until the 2018 General Election. Bernie Vargas and Allen Grant will stay in their positions until the General Election in 2018. Both Pam Villarreal and Michele Forney had also asked why we increased to a five-member board. They stated we started with a three-member board. Joni reviewed the By-Laws and the board has been a five-member board since it’s inception in 1999.

Discussion/Action: Website Update. The Agenda and Minutes were updated on the website. Joni has gone back two years with the agendas and the minutes. She also added new links for the Special Meeting Agenda and the Special Meeting Minutes. Joni added a Directors tab to the website that is not available to the general public. A password is needed to access this tab. The password has been provided to the directors. This tab can be used for information for the directors to review prior to any meetings such as agendas, prior meeting minutes, quotes, etc. all located in one place for easy access and convenience. Joni asked for any recommendations from the directors after they review the Directors tab. The information found here can be reviewed, printed, etc.

She also reviewed other water company's websites and found actual lab results were not posted. Rather, summaries of the test results were posted similar to our CCR's. This is the document we provide when individuals or mortgage companies request information about our water. Joni posted links to the CCR's back as far as 2006. If individual lab tests are requested, we can pull hard copies. Per Danny Baeza, this is the document that we are required to provide. The board agreed this would be an acceptable practice.

At the Special District Conference Joni Roerdink attended on 3.28.17, the attorney that gave the presentation regarding the Open Meeting Law (hereafter referred to as OML) recommended that board members have a separate email account for board business rather than having items go to their own personal email. In the event an OML complaint is ever filed, investigators can seize your computer including your personal email for review or investigation of a complaint regarding the water district and any OML violations. Ray Roerdink asked if it were possible for the directors to contact Joni Roerdink through the Directors Tab instead of using personal email. Joni said she would explore options.

Discussion/Action: Managers Report. Joni Roerdink reported that we have \$1,268.00 in delinquent accounts. Final notices were sent on 5.1.17 and disconnects are scheduled for 5.10.17. There were two disconnects in April due to non-payment. The customers were charged the \$35.00 reconnection fee.

Joni Roerdink told the board that she has not been able to work on the purchasing policy due to additional work relating to the ATC/AOC with ADEQ. That project has consumed all of her time. She will try to have some information for the next meeting.

Discussion/Action: Equipment & Site Report/Lab Tests. Lab reports 10.0 ppm for nitrates. Danny Baeza said he pulled samples on 5.1.17 for the nitrates and coliform. Danny Baeza also mentioned that he would be working around the well site removing tumbleweeds, etc. on Saturday, 5.6.17.

Discussion/Action: Meters/installations/Reinstallations/Leaks/Repairs. Danny Baeza replaced a meter and valve on Pinto Drive that needed replacing. He had to isolate half the block in order to replace it. Notices were posted on the homes that would be affected. As it turned out, it was necessary to shut off the entire street for about an hour. Apparently the line ran across the street and then it branched off. Joni Roerdink did not receive any calls or complaints during the time Danny was working on the line.

Discussion/Action: New Water Line Installation. Cauly Washburn has not had a chance to send the email to Brian Betcher regarding the overchute repair across the canal. He will get it out and also cc: Joni when he sends out the email. Joni created a spreadsheet for the directors to review regarding the water loss between the NWC meter and the two meters on Carter Lane. The loss for April was 30,748 gallons, which is less than the loss for March. There appears to be a substantial overall increase in water loss since October 2016. Joni prepared the spreadsheet more for informational purposes and an overview for the directors. Allen Grant noticed on the spreadsheet, the less water usage of one customer is followed by a decline in the water loss for the month. Ray Roerdink also noticed the difference. Joni Roerdink will continue to provide the spreadsheet on a monthly basis for monitoring purposes. Cauly Washburn stated that we had changed out the NWC meter and then put a valve on the other side to shut off the two customers to isolate the problem. When the valve was shut off, the NWC meter was still running. Cauly Washburn has never seen anything like this before. Typically a water leak will progressively get worse over time not increase and decrease as is happening here.

Discussion/Action: Approve and Ratify Expenditures & Purchases. The Board reviewed the Expenditures and Purchases for the month. Cauly Washburn made a motion to approve and ratify the expenditures and purchases as written for April. Ray Roerdink seconded the motion. Vote unanimous 3-0. Motion carried.

Adjournment: The Agenda being completed, Allen Grant adjourned the meeting at 8:25 pm.

Date _____

Bernie Vargas

Allen Grant

Ray Roerdink

Cauy Washburn

Terry Eickstaedt