



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

March 4, 2020 • Regular Meeting

Call to Order: Bernie Vargas called the meeting to order at 7:05 pm

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

Discussion/Action Minutes: Minutes from February 5, 2020 Regular Meeting. A motion was made by Allen Grant to approve and ratify the minutes for the 2/5/20 Regular Meeting as written and seconded by Cauy Washburn. Vote unanimous 4-0. Motion carried.

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

Discussion/Action: Annual Election of Officers. According to our By-Laws, we are to annually elect the Chairman, Vice-Chairman and Clerk positions. Allen Grant made a motion to nominate Bernie Vargas as the Chairman and seconded by Terry Eickstaedt. Vote unanimous 4-0. Motion carried. Bernie Vargas made a motion to nominate Allen Grant as the Vice-Chairman and seconded by Terry Eickstaedt. Vote unanimous 4-0. Motion carried. A motion was made Allen Grant to nominate Ray Roerdink as Secretary/Clerk and seconded by Bernie Vargas. Vote unanimous 4-0. Motion carried.

Discussion/Action: ADEQ. Joni Roerdink received the draft of the Feasibility Study from WestLand Resources and provided all directors with copies to review prior to the meeting. Joni Roerdink also reviewed the draft. Joni did contact Troy Belcher at WestLand Resources. He was out of town until 3/3/20. Troy called Joni late afternoon on 3/3/20 to answer her questions. She had invited him to the board meeting but he would not be able to attend. Joni also contacted Stephanie Diaz, ADEQ and Samantha Lemke, project specialist at WIFA and explained the situation. Joni was unable to give either of these women anything until she heard back from Troy Belcher. Troy contacted Joni on Tuesday evening after he returned. Joni discussed with him some of the issues that she had found. The Feasibility Study is used to determine the most suitable treatment option for treating the groundwater to reduce the nitrates. In reviewing the data from 1995 – 2019 the nitrate levels have nearly doubled. The system needs to be designed to handle the maximum peak day flow of 86,400 per day and treat the water with 19 mg/L down to 8 mg/L. WestLand solicited revised proposals from both Dytec and AdEdge. When we first received the proposal from AdEdge, the price for the same skid was \$194,294. Over the past two years there has been a

large price increase. Those were the only two vendors that were used in the 2018 study by M3 Engineering. AdEdge responded with the revised proposal the directors were presented with prior to the board meeting to review. Dytec never responded. The equipment pricing has increased over \$63,000 and that is only for the equipment. After speaking with Troy Belcher on 3/3/20, Joni found out the cost has doubled due to the nitrates rising to a level of 19 mg/L. Joni also found out the proposal does not include any of the following:

- Interconnecting pipes to the system and connections
- Pressurized water supply for use during startup
- Non-AdEdge system related site, civil or structural engineering or support costs from VGDWID
- Safety equipment for media loading, startup/commissioning
- Offloading storage and placement of all equipment and media
- Site work and any building structure/facility or shade structure to be provided: HVAC
- Construction of structural concrete pad as necessary for treatment equipment
- Anchoring Equipment, tanks and other equipment to the building's foundation/structure pads.
- Dedicated power supply to AdEdge equipment and interconnecting control and instrumentation wiring to control panel
- Two laborers for one day for media loading with AdEdge Supervision.
- Interface with Regulators/Permitting and all permits for successful completion of the project.
- Freight and Taxes are not included. Taxes alone could exceed \$30,000 (est. at 10% on just the AdEdge equipment)
- We also need installation costs, tank, pumps, yard piping, electrical or controls.
- Another item Joni noticed was the connections being reported at 229.

The cost of the "Low-waste Ion Exchange" system from AdEdge is \$257,300 plus \$37,569 for the Evaporation Pond for a total of \$294,869. This does not include any of the items mentioned above. Dytec was much lower and included many of the items listed above. Those costs were part of the 40% indirect costs according to a conversation with Fiona from M3 Engineering when VGDWID received that proposal.

In speaking with Samantha Lemke prior to the conversation with Troy Belcher, Joni commented if VGDWID accepts the proposal for the Low-Waste Ion Exchange Nitrate Treatment System and wish to have the additional cost covered by the loan with WIFA, then we would have to apply for another loan amendment. Another option would be to negotiate with WestLand at our board meeting to make it fit the current budget if that is possible. Joni stated that even if we try to get the amended loan agreement, she doesn't know if WIFA will extend the 90% principal forgiveness. If they don't, we would be responsible for the additional amount. Joni is just guessing on cost exceeding \$200,000. Joni said she could ask if we could get the additional 90% principal forgiveness. Joni also asked Troy about the annual O&M, AdEdge is stating the cost about \$14,297, which is a little less than quoted a couple of years ago. That is for the Low-waste Ion Exchange. The footprint is smaller and less waste. Joni spoke with Troy about the annual O&M and mentioned that we also need the cost of the media that has the average 6-year life span. Troy didn't have that. Joni told him we would need it in addition to the annual costs. Joni reminded the board that when we were negotiating the loan, we were told we needed \$28,000 per year for maintenance costs. That was the reason we raised the rates to cover the additional maintenance costs. Cauly Washburn asked about the pump station between the new "equalization tank" and the Nitrate Treatment System. Cauly raised the question regarding "why we need the equalization tank and the pump station." His well's pump right from the well to the Nitrate Treatment System. Joni will raise the question with WestLand Resources. Do we need to blend? We can't blend because the nitrates are too high. Cauly also asked about the 60-mil pond liner. Can we drop that to 20-mil? If

the evaporative pond needs to be pumped periodically, that will also be at our cost. The board asked Joni to go back to WestLand and try to get them try and fit it within our budget. If they can't fit it within our budget, we then need all the additional pricing before we can go back to WIFA. Cauly will get me the name of the company to pursue getting another quote.

Stephanie Diaz, with ADEQ, spoke with Joni Roerdink regarding the Consent Order and the ATC. Stephanie said she had spoken with the engineering desk and received the information regarding the ATC. She said the ATC would expired if triggered by R18-5-505(E). An Approval to Construct becomes void if an extension of time is not granted by the Department within 90 days after the passage of one of the following:

1. Construction does not begin within one year after the date the Approval to Construct is issued, or
2. There is a halt in construction of more than one year, or
3. Construction is not completed within three years after the date construction begins.

She said VGDWID shouldn't have to file for an extension but Joni told her it would be three years on 8/15/20. She said she will check again with the engineering desk. Joni told her the work wouldn't be completed by then. Joni also told her about the Feasibility Study and the increased costs associated with it. Joni told her she would get back to her after she spoke to Troy Belcher and Samantha Lemke regarding what would be the next step and the new timeline. Stephanie said the Consent Order won't be an issue. She has gone to bat for us and has explained our situation. They are aware we are working on it. Stephanie said she will go back to the engineering desk and talk to them again and find out what they say. The extension will be an additional cost to VGDWID but she doesn't know how much.

A motion was made Terry Eickstaedt to have Joni Roerdink contact Troy Belcher at WestLand Resources and explain to the them the board wants them to try and make it fit within our current budget. We also need to know all of the costs including everything omitted from the study submitted by WestLand Resources. We will need all costs before even considering an amendment to the current loan for the additional costs. After getting the costs, Joni is directed to contact the loan officer to see if we can receive the 90% principal forgiveness on the amended amount as well if it is determined the system will not fit within the budget. Joni will also have WestLand reach out to Hennesy Mechanical for another quote. Cauly will get the contact information to Joni for Hennesy Mechanical. The motion was seconded by Cauly Washburn. Vote unanimous 4-0. Motion carried. The board would like to have another Special Board Meeting after Joni hears back from WestLand Resources whether or not it can be built within our current budget. We would also need all the associated costs before making any decisions about going back to WIFA.

Discussion/Action: Well #1. Jack mentioned he had not had any issues with well #1.

Discussion/Action: Well #2. Jack got Well #2 back online after spending about 20 hours of pumping and monitoring the system. Jack chlorinated and consistently surged and monitored chlorine levels as well checked the color of water until acceptable levels were reached and the water was clear on multiple restarts. Jack is checking well readings weekly now.

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

Discussion/Action: Generator Maintenance Update. Terry Eickstaedt had checked the generator on 3/4/20 just before the meeting. There were 361.1 hours on it. All fluid levels were

good. The fuel is down to 5/8 of a tank. Ray recommended last year that we don't let the fuel level get below 1/2 a tank. In the event of an emergency, the generator would only run for 12 hours on 1/2 tank of fuel. The board wanted to wait until reviewing the information at the next meeting. There were no bees at the site and no other issues.

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

- Water bills were sent out on 3/1/20.
- Final notices were sent out on 3/2/20. There were 26 delinquent customers.
- Disconnects are scheduled for 3/12/20. No disconnects in February.
- Past due amounts \$1,974.93.
- The Annual Report had been completed by Henry and Horne. A draft was sent to Joni for review and everything looked good except the revenue. There were some changes that had to be made. Steven May called Joni and both worked together to find why the total sales were lower than what was reported in the draft copy. It was revised and updated and submitted to Pinal County by Henry and Horne. Steven confirmed that Pam Villareal did receive it timely. A copy has been provided to the directors.
- Joni completed the Census report and it was filed timely. We are required to file this report because we receive federal funding. As a government agency, we are required to do this annually.

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

- Nitrate sample taken on 11/25/19 was 16.8 ppm. Resample was taken 12/2/19 and came back at 16.6 ppm. A new sample will be taken this month.
- Coliform sample came back absent.

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

- VGDWID replaced 1 meter and box and filled with gravel. The box had to be relocated onto the customers property. The box was on the lot next door and Jack had to jump the fence each month to read the meter.
- Housekeeping – Jack spent about 15 hours of weed control around the well sites.

Discussion/Action: New Water Line Installation. Last month we lost 134 gallons in February which is down from 212 in January. After meeting with his team, Elijah was not able to get us any assistance on the fire hydrant. He will come out again as his time and schedule permits to see if we have any other issues with the line across the canal once he can gather the new equipment. It has been out testing other leaks.

Joni raised the question that since the loss has gone down to a minimal amount for the past six months, if the board of directors would like to remove this item from the agenda. Joni suggested removing it but continue to track it on a monthly basis. If it rises again for no apparent reason, we could add it to the agenda again. All four directors agreed.

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

Adjournment: The Agenda being completed; Bernie Vargas adjourned the meeting at 8:16 pm.

Date _____

Bernie Vargas

Allen Grant

Ray Roerdink

Cauy Washburn

Terry Eickstaedt