

MINUTES OF MEETING
of the
CAMP VERDE SANITARY DISTRICT

The Board of Directors of the Camp Verde Sanitary District met in regular session on Thursday, March 11, 2010 in the Training room at the Marshall's Office, 646 S First St., Camp Verde, AZ. at 5:00 pm. The public was invited to attend.

I. OPENING

a. Roll call

The meeting was called to order by Chairperson Freeman at 5:05 pm. All Board members were present. Attorney Rigg arrived during item III.a.

II. CALL TO PUBLIC

This is the time for the public to speak to the governing board on any issue not on the agenda. A comment card must be filled out and turned in to a staff member before the meeting begins. Members of the Board may not discuss or take legal action on matters raised during an open call to the public. The only allowable responses a Board member may make are: 1) Board member may respond if there is direct criticism of the Board member; 2) Board member may direct staff to look in to a matter; or 3) Board member can ask to have this item placed on a future agenda A.R.S. 38-431.01(G)

a. Public comment (2 minute time limit per speaker.)

Gregg Freeman apologized to Ben Bueler for being inconsiderate to his feelings at the last Board Meeting.

III. PRESENTATIONS/INFORMATION/REPORTS

a. Presentation, consideration and possible acceptance of the 2008-2009 fiscal year Financial Audit by Larry Fester of Fester and Chapman, P.C.

Larry Fester of Fester Chapman PC presented the audit to the Board. He stated that the audit went well. We needed to do a single audit this year because we have Government loans. A single audit includes a financial audit and an audit to verify compliance with the laws and regulations of our grants.

Larry went over the reports. There were no deficiencies noted.

Chip moved to accept the 2008-2009 fiscal year Financial Audit by Larry Fester of Fester and Chapman, P.C.

Seconded by Ben. Motion carried unanimously.

b. Reports from Operators.

Jim reported that we are meeting our Fecal Coliform discharge limits. It is costly but they are trying to keep it as low as possible. We are meeting all discharge monitoring requirements. Ben asked what our method we are using to apply the Sodium Hypochloride. Jim replied that the dosing is through the effluent flow pumps. He also asked if the excess Total Suspended Solids will improve with warmer weather. Jim replied that the problem is due to getting behind on the solid removal from the beginning so they are trying to catch up now and it is improving. Marshall reported that the pump from Lagoon 1 to Lagoon 2 ran 113.5 hours. 82,564 gallons was pumped from Lagoon 2 to the digester.

IV. CONSENT AGENDA ITEMS – All these items may be enacted upon by one motion and approved as Consent Agenda items. Any item may be removed from the Consent Agenda and considered as a separate item on a Board members request.

a. Approval of the minutes:

1. Feb 11, 2010 – Regular Meeting
2. Feb 16, 2010 – Special Meeting

b. Approval of Financial Reports:

1. February Financial Condition Report
2. Feb 12 – Mar 11 Warrants
3. February Project Funds Report

Ben moved to approve/disapprove all consent items as presented. Seconded by Chip. Motion carried unanimously.

V. UNFINISHED BUSINESS

a. Discussion, consideration and possible approval to sign Lease Agreement with the Town of Camp Verde.

Brett Rigg stated that as part of the IGA we were to lease 15 acres to the Town. The Town has said they are planning to sublease the land for a profit. He has sent a letter to the Town's attorney asking for the Town's intention as to the land. He recommended that the Board not sign the lease until a response is received. Robin Whatley from the Town Council stated that they don't have anyone lined up to sublease the land. The lease states that the District Board must approve any sub leasers. The Board further discussed the language of the Lease Agreement. Attorney Rigg agreed that the District would be protected.

Dick moved to authorize Chairman Freeman to sign the Lease Agreement with the Town of Camp Verde when all documentation is attached. Seconded by Chip. Motion carried unanimously.

- b. Discussion, consideration and possible action to issue Notice to Proceed for Sand Filter installation. Discussion to include revenue sources and alternative filtration systems.

The Sand Filters were removed from the design as a cost savings measure. Coe and Van Loo the engineers assured the Board that the plant would meet the State's water quality requirements without them. This hasn't been the case. Gregg and Chip met with Rural Development in the Fall. The Acting Director assured them that we were eligible for a Grant to put in the Sand Filters. In December the Rural Development Director returned and told them that we are not eligible for a grant because we have the \$2,000,000 loan from WIFA available to us. Staff was directed to do more research and bring this back to the Board. Chip will work with them

- c. Report from Attorney Rigg regarding status of claim against Coe & Van Loo.

This item was moved to the end of the Agenda for an Executive Session.

- d. Discussion and possible approval of Release with ADOT to settle the outstanding construction claims for \$480,000 in funds from the Rural Development Grant

The District informed ADOT that the Main Street Pump Station has material failures due to faulty design and /or construction. In a meeting with ADOT we informed them that we would turn the claims into them. They agreed to settle for a lower amount if we release them from any liability. Brett recommended that the District sign the release changing the due date to 120 days.

Carol moved to amend the due date to 120 days and authorize Chairperson Freeman to execute the Release Agreement. Seconded by Ben. Motion carried unanimously.

- e. Discussion, consideration and possible approval to move forward with repairs at the Main Street Lift Station and issue a Request for Proposals per the approval given at the January 13, 2010 Board meeting.

The reason for the settlement with ADOT is that there have been material failures in the construction of the Main Street Lift Station which was built under ADOT's direction during the highway work on General Crook Trail and Highway 260. Now we need to make the corrections to the station. At the January 13th meeting approval was given to issue a Request for Proposals. We were waiting to receive the paperwork from ADOT before proceeding. Ben moved to approve moving forward with repairs to the Main Street Lift Station. Seconded by Chip. Motion carried unanimously.

VI. NEW BUSINESS

- a. Discussion, consideration and possible direction to apply for a Technical Assistance Grant from WIFA. This item to include discussion of possible projects.

WIFA has a yearly grant cycle where they offer Technical Assistance Grants. This grant can only be used for planning. The maximum grant is \$35,000 and requires a 40% match. The project we could use this for is to design the sewer for Salt Mine Rd area. The design can be kept until we are ready to sewer this area.

Carol moved to direct staff to apply for and hire a Grant Writer to apply for a Technical Assistance Grant. Seconded by Ben. Motion carried unanimously.

- b. Discussion, consideration and possible action to change the time and/or date of regular Board Meetings.

The Board felt that a later time would be more beneficial for Ben and Gregg so they can finish their work day. Chip moved to change the time of the regular Board meetings to 6:00 pm. Seconded by Dick. Motion carried unanimously.

- c. Discussion, consideration and possible action to approve the placement of a sign in the easement right of way on Rod Proper's property. This item to include discussion and possible direction to staff on the location of the sewer line.

Mr. Proper has submitted a letter requesting that he be allowed to place one footing of a sign within the District's easement. Greg noted that it looks like the manhole on that property wasn't placed within the easement. Chip moved to approve the placement of a sign in Mr. Proper's easement with the condition that if it is determined that the manhole or any portion of the line is outside of the easement that Mr. Proper give us permission to modify the easement. Seconded by Ben. Motion carried unanimously.

- d. Discussion and review of Fee Schedule. This item to include setting a work session to further discuss fees if necessary.

The Board was directed to review the Fee Schedule.

The Work Session scheduled for March 23rd will be used for the Fee Schedule and the Policies, Procedures, Rules and Regulations of the District.

- e. Discussion, consideration and possible approval to hold a Rate Hearing and scheduling the date.

No action was taken on this item. The Hearing will be scheduled after the Work Session.

- f. Set time and date for work session to discuss changes to the Policies, Procedures, Rules and Regulations of the District.

Work Session scheduled for March 23rd will be used for the Fee Schedule and the Policies, Procedures, Rules and Regulations of the District.

- g. Discussion, consideration and possible action on employee matters of the District. This item to include possible appointment of Manager and salary and adoption of District Operational/Organization Flow Chart.

Suggestions were given for changes to the flow chart. Gregg will bring this back to the Board.

Ben moved to go into Executive Session to discuss Item g and VI. c. Seconded by Dick. Motion carried unanimously.

VII. UPCOMING AGENDA ITEMS

There were none.

VIII. ADJOURNMENT

Seeing no objection the meeting stood adjourned.