



## BUCKSKIN SANITARY DISTRICT

P O Box 5398  
Parker, AZ 85344

Board of Directors:

Shelly Rohde Gary Hansen Gary Svider William Risen Robert Troxler

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### **MINUTES**

#### **OF THE BUCKSKIN SANITARY DISTRICT BOARD OF DIRECTORS**

##### **Worksession**

**Tuesday, February 2, 2010 – 5:30 p.m.**

**Boating and Safety Building, 8484 Riverside Dr., Parker, AZ**

Elected Board Members and District personnel present: Chairperson Gary Svider, Vice-Chairman Gary Hansen, Treasurer Bill Risen, Secretary/Clerk Rob Troxler, Director Shelly Rohde, Other attendees: Administrative Assistant Pam Stark, Legal Council Paul Harter, Pat Jones & Dennise Jones, Andy Hinson, Barry Gerson, Jeff Daniel, Cathy Trujeque, John Drum, Teri Crawford, and A.D. Lickert

Call to Order

Chairman Svider called the Worksession to order at 5:35 p.m.

1. Presentation by Legal Counsel Mr. Paul Harter on ADOT/Holiday Harbor

Mr. Harter asked Director Rohde to jump in if she had anything to add.

The Holiday Harbor project and concept was to work with ADOT and would be used at a later time. The cost would be substantially less to work with ADOT or we could do it on our own and the cost would be significantly higher, ADOT would require a permit and they could put some strict criteria on the right-of-way permits. Mr. Harter said he has met with the Attorney General two (2) years ago and ADOT; we discussed a high bred and we would put an amount of money up front to ADOT to help pay their contractor costs. The District then engaged Triguna Israel of Principle Engineering to work with ADOT to help reduce the burden on the District. The consultants and professionals that we have were seeking financial money but the District has no collateral to secure the financing except for the treatment plant which already has a 1<sup>st</sup> position lien by the bondholders. You can always propose to the 1<sup>st</sup> lien holder to move to the second position but that it is not likely to be agreed to by them.

The likelihood of borrowing funds to fund the Holiday Harbor project is not good. The question is whether you want to continue this line.

You do have other sources of funds such as the user fees that covers the cost of operating the system, ad valorem tax which are funds based on the assessed values on properties in the district which would represent a tax increase, and an election for the entire district to get approval to issue bonds to fund the project. These are realistically the only 3 options. There is an EPA grant that you have that has not been used in excess of \$400,000 as well.

Director Hansen explained that the EPA funds have to be matched by the District and he believes it to be \$485,000.

Mr. Harter explains in terms of the Holiday Harbor project and moving forward as originally contemplated that the result is problematic at this time. Mr. Harter asked for questions.

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Director Hansen asked if ADOT had a timeline that they wanted us to meet. Mr. Harter answered yes and Director Hansen asked if we have had any discussions on that timeline with ADOT.

Director Rohde explained that it is in early March 2010 and that they expected a token payment from us in January. Also they stated that if we didn't have a District Manager in place that this was not going to happen.

Mr. Harter explained that was another point that came through from all the professionals that you have hired; was their concern over not having a District manager in place.

Director Hansen suggested that also he believed that the timeframe precludes some of those funding sources. Mr. Harter agreed and Director Rohde stated that she didn't hear that pessimism but assumed that Mr. Harter has had a more recent conversation with these professionals.

Mr. Harter explained that at this point the IGA with ADOT exists and I recommend that you go to them to terminate the IGA based on the unavailability of funds

Chairman Svider asked how much they were looking for up front. Director Rohde said she believed it was around \$250,000 and suggested if we get our financial ducks in a row and a strong District Manager in place we could pull this out.

Director Hansen believes we have a backlog of problems piling up. We don't have an office, we have demands of additional work and add to that this uncertainty of the funding situation; it's pretty thin ice.

Mr. Harter said it is a difficult situation and explained that the cost working with ADOT would be in the \$1.2M range versus \$5-\$6M to do it on our own.

Director Rohde also explained that as far as other technologies, ADEQ was sent the information to see if they would accept it here on the river and hasn't heard back from them yet.

Director Rohde explained that she has had extensive conversations with ADEQ and they say we need to get professionally equipped, move things along or it's possible that they will come in and dismantle the district and bring in their own people to run it. They'll do it at their cost and no one will have a say in it. That's where we are heading right now.

Mr. Harter explained that last year during the 3<sup>rd</sup> quarter that Director Rohde spent a lot of time trying to get this project funded and worked closely with ADEQ. They expect progress to be made.

#### Call to the Public

Andy Hinson stated that the Shelly talks about working as a team, but asked Director Rohde why she was working with ADEQ on her own. He also stated that the previous District Manager Doug had sent him a letter saying that they would have the sewer in their area within 3 years.

Director Rohde explained that her conversations were started as a homeowner before she was voted on the Board. She also advised Mr. Hinson that he should hang on to that letter.

2. Discussion regarding Gail Kolesar, CPA to prepare and mail the 2009 W-2's and 1099's  
Director Svider explained that the decision had to be made to bring in the CPA to assist in the W-2 and 1099 process due to major deficiencies in the figures matching on the 3<sup>rd</sup> Quarter 941's and that the office staff could not figure out what the problem was. In the best interest of the District we asked our CPA to help so we wouldn't get any federal penalties.  
Director Rohde asked if there was a problem with the 1099's.  
Administrative Assistant Pam Stark explained that work that had been done prior to her arrival was deficient and there was a lot of missing information or incorrect information.  
Director Rohde believes that we should contact KJ from Heinfeld Meech and get them to step up and fix the issues that they were paid to do.  
Chairman Svider asked if we were done with them yet. Director Rohde said that she had sent them an email last week and has not had a response yet.

3. Discussion regarding and offer of acceptance letter to Mr. Patrick Jones for the District Manager position including the benefits package

Discussion:

Director Hansen asked if that was about the employment agreements, health insurance, retirement, etc. and what is the status of the personnel manual.

Mr. Harter stated that it was adopted on 9-15-09 and Director Hansen said he would like to see a copy and which one is the correct copy. Director Rohde stated that all Board Members gave input and feels that the manual is all the direction that is needed. Chairman Svider said he just wanted to make sure we were in agreement and that the credit card was another issue. Director Troxler said he would like to review the manual and they could send a letter stating what the benefits were.

4. Discussion and report on 2 health insurance proposals for all full time employees  
Administrative Assistant Pam Stark gave a presentation on the 2 proposals for health insurance policies for the fulltime employees for the District from Myron DesChene Insurance Center and Erin P. Collins & Associates.
5. Discussion on extending the contract with Silex Construction & Development for 30 days from 1/29/10.

Discussion:

Chairman Svider explained that the contract with Silex had ended on 1/28/10 and no District Manager was in place as originally expected on 2/1/10 and Mr. Jones was volunteering his time since 1/29/10.

Director Risen questioned whether they would extend a contract to Silex for what reason when we asked and no one was available, is there someone available now.

Mr. Jones stated that Silex has agreed to whatever the Board would like to do and Director Hansen asked if that meant he would be representing Silex. Mr. Jones said that it would not be him, but someone else would be sent by Silex.

Director Rohde asked for clarification that if it wasn't going to be Mr. Jones, then we would bring in someone who has no knowledge of what they are doing.

Cathy Trujeque also asked if we had extended an offer to someone for the District Manager position, then why are we extending a contract with Silex Construction. I don't understand and as a taxpayer I have a problem with that. What's the delay?

Chairman Svider said it would be a formal letter of employment.

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Teri Crawford asked how long does it take to draft a letter of employment.

Andy Hinson said that he thought they were shooting themselves in the foot.

Teri Crawford asked if we were going to lose funding if we don't have anyone in place.

Mr. Harter stated that we are not going to lose any funding. All funding is in place, but it could affect any future funding.

Cathy Trujeque asked then why are we extending a contract.

Barry Erson asked what the timeframe would to receive and review the personnel manual and draft a letter to the District manager applicant. Chairman Svider stated that he believed by the end of the week. Director Rohde said she was confused with the question as to a contract as we have never done contracts or sent letters before. Mr. Erson said that he was confused also and restated his question.

Mr. Harter said he could draft an offer of acceptance letter and send to the Board by 10 a.m. tomorrow morning if that was acceptable.

Jeff Daniels stated that Mr. Jones had no clarification of the package that he needs to accept.

Mr. Harter explained that he would draft a letter to Mr. Jones by 10 a.m. the next morning and send to the Board for their approval.

Open Comment

None given

Chairman Svider closed the Worksession at 6:45 p.m.

Minute's approved \_\_\_\_\_ Dated \_\_\_\_\_  
Chairman Gary Svider