



BUCKSKIN SANITARY DISTRICT

P O Box 5398
Parker, AZ 85344

Board of Directors:

Shelly Rohde Gary Hansen Gary Svider William Risen Robert Troxler

MINUTES

OF THE BUCKSKIN SANITARY DISTRICT BOARD OF DIRECTORS

Regular Meeting

Friday March 12, 2010 – 6:00 p.m.

Boat Safety Building, 8484 Riverside Dr. Parker, AZ 85344

Elected Board Members and District personnel present: Chairperson Gary Svider, Vice-Chairman Gary Hansen, Secretary/Clerk Rob Troxler, Treasurer Bill Risen, Director Shelly Rhode. Other attendees: Administrative Assistant Pam Stark, Pat Jones, Dennise Jones, Terry Jones, Lin Bachtel, James Gorman, Sam Siar, Gene Ohlendorf, Sharon Siar, Jeff Daniel, Dan Miller and Legal Council Paul Harter

1. Call to Order

Chairman Svider called the Meeting to order at 6:45 p.m.

2. Project Management report by JR Pooler of Pooled Resources

The best thing that I can report to you is what is going on with the project. I reported previously that we had a Rural Development inspection and they were pleased with what they have seen so far. They don't do a final, but check at 90%. We were supposed to have startups on two Lift Stations this week but only one was fired up. Next was to finish Lift Station 7 and then a fire up by the end of March. If that is so then the contractor can request to file for substantial completion by April 15. Then they would file a punch list of all the items that need corrected and they also have to file all the final costs owed such as pay requests. Once we have that done, Stanley Consultants would submit a request for a temporary permit to discharge. If they grant this request you would then allow hookups to the system. Then they may issue a permanent permit to discharge. This could take some time and with the cutbacks in all areas could affect this timeline. We suggest sometime in the month of June or July we would allow the right to hookup. We are preparing a letter to send out to the property owners and I have a copy of the letter that was sent out in 2008. Director Rohde asked if this was the one that she sent to Mr. Harter to rewrite. Mr. Pooler said he would work with Mr. Harter to get this done. We need to get these letters out and have had two property owners already illegally hook to the sewer. We want to give them some information of permit fees, and the schedule, and we also want to talk about the process with the County. Director Rohde asked if the Board had written that letter. Mr. Pooler stated that it needs to be changed. Director Hansen stated that we need something that shows the rules and the fees to hook up. We also want to sit down and discuss how many can hookup at once and Mr. Pooler stated that the current plant can handle all of Phase I & II & III. Director Hansen stated that we need to think about these things and make sure that we don't make a mistake. Director Rohde asked that the contractor had 365 days from the time the contract to proceed. When did the project start? December 2008 was the answer, but Mr. Pooler explained the fact that the contractor started earlier doesn't count. They actually don't start the clock until Rural Development closed the loan which was in July 2009. Mr. Pooler wanted to highlight that there was some dispute on the paving and there has been some talk about the cost being \$24,000 but is closer to \$2000. There have been no more Pay Requests until the final. You authorized the change order to start work on the lateral lids, but he isn't making rapid progress. As of today there were 12 finished. Not only is he doing the lowering and he is inspecting the pipe for debris at the same time. Any other questions concerning the contractor.

3. Call to the public

Chairman Svider asked if the public had any questions for Mr. Pooler. Sam Siar asked about the lids with green plastic lids and Mr. Pooler stated that these are the lids that are being fixed and some of the ones that are in concrete are not correct either and will be fixed also. These are the ones in the dirt that are being repaired. They are going to be below the ground.

Phone: (928) 667-7197 * Fax: (928) 667-1697 *

Web: www.buckskinsanitarydistrict.org

An Equal Opportunity Employer and Provider

Consent Agenda

a). Approval of Minutes dated 2-9-10 Worksession, 2-9-10 Special Meeting, 2-23-10 Worksession and 2-23-10 Regular Meeting

Chairman Svider entertained a motion to approve the Minutes as stated in Item a.

Director Rohde made a motion to break out each one individually.

Director Hansen seconded

Call to Vote – 5 ayes Motion passed

Director Rohde made a motion to approve the Worksession Minutes dated 2/9/10

Director Hansen seconded

Call to Vote – 4 ayes

1 abstained (Director Risen wasn't present for that meeting)

Director Hansen made a motion to table the Minutes dated 2/9/09 Special Meeting pending discussion with staff regarding content

Director Rohde seconded

Call to Vote – 4 ayes

1 abstained (Director Risen wasn't present for that meeting)

Director Risen made a motion to approve the Worksession Minutes dated 2-23-10

Director Hansen seconded

Call to Vote – 5 ayes

Director Rohde made a motion to table the minute dated 2-23-10 Regular Meeting due to lack of information to the general Public if no recording was available.

Director Risen seconded

Call to Vote – 5 ayes

b). Chairman entertained a motion to approve the Accts Payable from 2-9-10 – 3-10-10

Director Hansen made a motion to approve the accts payable dated 2-9-10 – 3-10-10

Director Troxler seconded

Discussion: Director Risen asked about the charge with J & S Electric charges and what it was for. Director Rohde asked if we went out to bid or got multiple bids and Pam stated that we did not and it was done by Steve Jackson. She also asked why the bill was so late. Chairman Svider stated it was the relay switches on the pumps. We stated that we had not received the bill until late January. Someone asked about Wright Express and Pam stated that is our fuel bill. Director Risen asked why we pay more for the NPG Cable on one bill than another. Pam explained that we have 2 internet connections and we use their modem at one site and our own at the plant. Director Rohde asked why the Sprint cell phone bill was so high at \$299.43. Pam explained that they bill in arrears and Mr. Jones was using it when he was working here. Director Rohde asked if anyone was using the phone now. Director Rohde asked about the \$4503.00 bill from Staples. Pam explained that it include 3 desk set ups, 4 file cabinets and 2 chairs for the new office.

Call to Vote – 5 ayes

Motion passed

Committee Report

Chairman Svider asked Mr. Pooler to report on the various consultants and their work.

Mr. Pooler said he wasn't aware he was reporting on this item. You have a contract with Stanley Consultants and we have submitted a bill to RD and we have only received part of that payment. We are working with RD to get the funds transferred to the correct column and then sent out for payment to Stanley Consultants. It is their intent that their final costs will come in under their original costs to you. You have a contract with Triguna Israel in relation to the Holiday Harbor project and you hired him to help coordinate with ADOT. He is currently out of the country and when he returns he will pick up where he left off with ADOT talks. Mr. Pooler tried to remember who else we had contracts or discussions with. Chairman Svider asked about Mark Reader and Dan Jackson. Mr. Pooler stated that we received a bill that has not been paid regarding a report he prepared and the report was distributed on 2/2/10 by Director Rohde. Chairman Svider asked that all Board Members receive a copy of that report as he doesn't recall getting a copy of that report. Mr. Pooler stated that he would make sure that Pam would forward this report and she stated that she doesn't have a copy of that report either. Director Rohde stated that she sent out that report via email and that possibly no one was paying attention to it then. Chairman Svider asked about Mike Cafiso. Mr. Pooler stated that he doesn't have a contract with the District and that he was the Bond Counsel on the previous project. He has been assisting Mr. Pooler on some assessment issues and various things that he has asked for help on, but we don't have a contract with him.

Regular Agenda

4. Discussion and consideration of request by James Gorman that his employment agreement be revised to authorize an auto allowance in lieu of health insurance.

Legal Counsel Paul Harter asked to speak to this issue. He stated that he extended an employment offer to Mr. Gorman and Mr. Gorman responded in writing and is ready to start employment next week. He has asked to receive an auto allowance in lieu of the health insurance as he is not in need of the insurance as he has other health insurance and it would be of no benefit to him. If there is an automobile allowance he would be using his vehicle and not the District truck. It is a zero sum transaction. The allowance would not exceed the amount of the insurance premium. I believe that Mr. Pooler has spoken with some of you about this and Mr. Gorman has spoken with Director Rohde also. I have asked that Mr. Gorman join us tonight and he is still sitting in the chair so that is a good sign. Director Hansen stated that he felt that this would be a sum of money to help reimburse him for traveling from Lake Havasu to here and when he is here on company business he should be driving the company truck and he would be covered by insurance. Mr. Harter said that there is another solution to this that is not an uncommon practice for upper management periodically will use their own vehicle with insurance naming the District so there is no liability. This is a policy decision and the issue is that the District is covered at all times.

Director Risen made a motion to approve paying Mr. Gorman an allowance at the rate of his medical premium
Director Rohde seconded

Discussion: Director Troxler asked what the amount was. Director Risen stated that we would need to get a quote on that and we have something later in the Agenda on that. Chairman Svider said it would be based on age and application. Daniel Miller asked if the city would be responsible for him when he leaves home to the office. Mr. Harter stated that they are not except in the case of Law Enforcement officers who are considered on duty. Individuals are traveling to work on their own time unless they are doing work on their own time. Chairman Svider asked to fire it back at Mr. Gorman if it was because he travels from Havasu or is there another reason. Mr. Gorman stated that yes that is part of it and I don't think it's unusual to have an auto allowance. It's a zero sum game and I am not looking to take the health insurance and I can use an auto allowance. Terry Jones asked if this was a straight across exchange. Mr. Gorman stated yes. Pat Jones stated no it wasn't and Mr. Gorman stated it was. Director Rohde stated that his is not uncommon at all except maybe in government day to day, but he is basically giving up a benefit and he is entitled to a compensating benefit.

Dennise Jones basically agrees with Director Hansen and that he should use the company truck and we are talking about spending taxpayer dollars for him to drive back and forth from Havasu. If he chooses not to take the benefit of health insurance then he doesn't need to take it and I see it as a benefit to us and I feel like we have paid enough. Terry Jones again stated that he sees it as an even exchange. Mr. Gorman said the intent was to have an even exchange. Jeff Daniel questioned if we start something now then if anyone that comes in later or even Pam who drives from Big River and her husband has health insurance and she could use an auto allowance. Do we want to set this precedent? Director Rohde said that this is for management positions not hourly employees.

Dennise Jones stated that it's not to drive to and from work. Everybody here drives to and from work. Terry Jones stated he was paid an auto allowance in his job as well as health insurance. Dennise Jones asked Mr. Jones what his job was and he stated it was Chief Financial Officer. Mr. Daniel stated that it isn't the same as what we are talking about here. This gentleman has taken the job, he is out of the District and that was his choice. Discussion continued between Terry Jones and Jeff Daniel regarding Mr. Gorman and his using the company truck. Director Rohde called for the question. Dennise Jones and Jeff Daniel voiced their views of the attorney and Director Rohde talking in private conversation and felt there should be no secrets in an open public meeting. Mr. Harter explained to the Chairman that this is the Board's meeting that the State Law requires be held in public, it's not a public meeting it's the Boards meeting to which the public has been invited. The Board Member asked how to call for a vote and that is a right that every board member has a right to do. Chairman Svider stated OK and called for a vote.

Call for Vote – 3 ayes

2 nays

Motion passed 3-2

Chairman Svider asked to switch around item # 5 & #6 so we can address the EDU issue and then the easement issue.

6. Approve/Disapprove modification of assessments for Parcel# 311-47-016A, commonly known as the Miller Property from 15 EDU's to 6 EDU's.

Mr. Pooler explained that this item has been before you in the past and tabled. I tried to gather information so that you could make a decision based on the effect to the District. The Miller's are here to address it also. There are various ways to calculate the EDU's and I don't have all the information that was used from the prior District Manager. There are 14 trailers on the site and I am not sure if it was based on the 15 sites. If we looked at the basis on the acreage it comes to four (4) EDU's and if you look at the fixture units it would come to five (5) EDU's. I came back to you with a consideration of eight (8), based on they were assessed eight (8) on the plant. I looked at and came back to reduce it to six (6). It gets a little cloudy and the Miller's wanted to know my logic. Part of it is spirit of cooperation. I substantiate six (6), based on they are currently zoned C-2 and they can put the same amount of trailers on the site that they have currently have and there is a limit to the size and based on the size and what the fixture count is based on the current code of La Paz County, based on average of nine (9) fixture units per trailer you come up with six (6) EDU's. There is substantial information that there was a lot of communication with the previous District Manager of what would be done including the confusion of the easement serving just them or the property up above. The easement will only serve them. And the Miller's granted an easement. There was some discussion regarding a flowmeter, there was arrangements made with the contractor to relocate the manhole to accommodate the flowmeter and work starting with the utility company for the source of the electrical power for the flowmeter. And a source was determined that required an easement from the utility company. We never proceeded with the flowmeter nor would it have made any sense for the district to proceed with the flowmeter. You have one other flowmeter and the cost was \$162,000 to put that flowmeter in. Due process was followed and there was notification to all property owners that there would be a hearing that discussed the assessments to their property and I don't believe the Millers' were present at that meeting. That was the time the property owners must come forward and object to the calculations to the assessments. You could then make a determination to lower there assessments and raise everyone else's.

Phone: (928) 667-7197 * Fax: (928) 667-1697 *

Web: www.buckskinsanitarydistrict.org

An Equal Opportunity Employer and Provider

You still have a cost to the project and you would spread 100% of that cost to the property owners. The District committed to making up some of the funds based on some modifications that they made at that hearing. Now if the costs come in lower on construction costs then the commitment goes down as well. Director Hansen asked if we choose to reset the EDU assessment we can choose to change it at sometime in the future. Suppose we now choose to set it at 6 and then later the situation changes and we can change it again. Mr. Pooler said that we are preparing to come back with a "No Free Ride Ordinance" that allows you to go up but you don't get the savings if you chose to go down. Director Hansen asked if the use of the property changes we can change the assessment. Mr. Pooler stated yes you can go up. He explained how that process would work and Director Hansen said that would calculate to \$4500 per year. Mr. Pooler said as the uses in the District changes that money you collect goes against the District's participation. Director Hansen said we are measuring against the cost of the flowmeter and potentially do this. Mr. Pooler disagreed with the Miller's thought of 4 and I could agree to five (5), six (6), or eight (8). I am just presenting choices. Mr. Harter stated that ordinarily the Miller's would be out of the luck by not participating in the challenge of the assessments and based on a 1922 case involving a drainage district where property owners didn't challenge the assessments. In 1985 there was a ruling by the AZ Supreme Court, which enacted a statute that applies specifically to sanitary districts and it allows the board to correct an assessment and they could reduce the EDU's and the trade off is that any reduction must be picked up by someone else and the bonds must be picked up somewhere else, this case being the District. However with this "No Free Ride Ordinance" if the District raises EDU assessments you can apply to the indebtedness. The District does have the jurisdiction to grant their request, there is also a provision for the Miller's to reimburse the District in engineering fees and legal fees with the next due assessment. Director Risen asked if there was a substantial difference between Item # 6 and Item #7. Mr. Pooler said that the next request is of the same nature however we don't have the same issue and there has not been a lot of negotiation or discussion with Mr. Guardalabene. He has been assessed one (1) in the plant and 17 EDU's in the collection system. He apologizes for not being able to attend tonight and asks that the item be tabled if you want to choose any option other than 1 until he can attend and address the situation. He does have plans in with the County and that is not unusual. Based on the restrictions on the property Mr. Pooler, recommended it be reduced to 8 and Mr. Guardalabene is asking for one (1). That burden would be \$8100 per year. Director Risen asked how can we say yes and no and now you open the door to set precedent with others. Mr. Pooler said that Mr. Harter stated that you would need to find some disproportionate burden to the property. Mr. Harter clarified the rules again and gave a hypothetical situation as example. Mr. Pooler stated the difference is the interaction with someone. Director Hansen stated that he believed there were promises or proposals to put in a metering device in the Miller's case that would have cost the District more than what we are talking about here for the reduction. He stated that there were promises and plans made and that the Board needed to balance off and see if we feel there is a need for an adjustment to actually save the District money. Mr. Pooler believed that the flowmeter was to correct the problem with the assessments with the property. Terry Jones asked if there was a formula for that flowmeter? The answer was no. Chairman Svider explained the two other formulas of acreage and fixtures that could be applied. Mr. Jones said he was told that each separate dwelling on the property was one (1) EDU. We have a letter that says each separate dwelling was one (1) EDU. Chairman Svider discussed a new code passed in 2006 or 2007 that is applicable and now if that is the case, we have to come into the District and every mobile home needs to be readjusted because they are considering every bathtub is two (2) and every small mobile home comes out to an average of nine (9). That is what we used when we made the assessments. Mr. Pooler stated that the Miller's were assessed 15 EDU's based on 15 spaces occupied. Mr. Pooler stated that residential are one (1) EDU and Mobile Homes, Restaurants, bars, etc. are different. Director Hansen stated that based on Mr. Pooler's figures that they were over assessed. Mr. Miller said we are here to correct errors made in the past by the previous District Manager. Mr. Pooler and I have talked and we want to make right the assessment on our property. We were severely misled by the previous District Manager. He told us that he encouraged us to give up the easement to our property that is about 100' long and divided our property in half. We were paid \$14 for it. We later found out that the city was paid \$40,000 for the strip that leads up to our property. We were told that we didn't need to attend the meeting by Mr. Konkright, he also offered to do our hookups after the project was completed for half the price. This has put a burden on our property and we would have to pay an additional \$30000 for the hookups to the laterals and I have a \$260,000 burden on this property. We are asking the Board to consider these things and come up with a fair and equitable way to help us. He stated the difference between the two methods of acreage and fixtures. We aren't going to take the pump that would save the District and the value of the easement on our property and we are requesting that the easement be removed. It would be a savings of \$262,000 to the District. We also ask that we not be charged for the legal fees or design fees. We are asking for the Board to do something that is fair. We can't afford to stay there and maintain it at \$262,000. We have been here a long time.

Phone: (928) 667-7197 * Fax: (928) 667-1697 *

Web: www.buckskinsanitarydistrict.org

An Equal Opportunity Employer and Provider

Chairman Svider made a motion on Item# 6 on assessment modification of Parcel #311-47-016A commonly known as the Miller property to reduce the EDU's from 15 to 5.

Chairman Svider asked for a second. Director Risen seconded

Call to Vote – 1- aye

3- nays

1- abstained

Motion failed

Chairman asked for a second motion that would be applied to Item # 6

Director Risen made a motion to drop it to 6 EDU's

Director Hansen seconded

Call to Vote – 2- aye

2- nays

1- abstained

Motion failed

Chairman asked if there were any other action for Item #6. None were given.

5. Approve/Disapprove abandonment of the sewer easement and 8" sewer line located on Parcel #311-47-016A, commonly known as the Miller property. Manhole 83A will remain.

Director Risen made a motion to abandon the sewer easement and sewer line on the Miller property and Manhole 83A remain.

Director Hansen seconded

Call to Vote – 4 - ayes

1 – nay

Motion passed

7. Approve/Disapprove leaving the Parcel # 311-66-136, commonly known as the Tony Guardalabene property at 17 EDU's as originally assigned

Director Risen made a motion to table per the owners request to be present when it's brought up again

Director Hansen seconded

Call to Vote - 5 ayes

Motion passed unanimous

8. Approve/Disapprove to purchase and install one grinder pump within the existing right-of-way to service Parcel #311-64-051A, commonly known as the Ohlendorf/Morgan property. The electric utility to service one grinder pump will be installed at the cost of the District. The cost of the electric service and maintenance of the pump will be billed monthly to the property owner.

Chairman Svider asked for a motion. Director Risen asked for some clarification. Mr. Pooler what is the story on the property. Mr. Pooler stated that he brought this item back to the Board because it was an item that you tabled previously. This is the one with a line relocated up on the reservation. This property cannot be served by gravity and would have to be serviced by a grinder pump. They have asked us to put in the grinder pump. If we ever decided to consider this we talked about some way of servicing it off of their electrical service. There also needed to be some program for these grinder pumps that are put in the right of way, and a monthly service charge and would pay for operation and maintenance of the grinder pump by the District. The service fee should also cover any replacement. It needs to be addressed not only here but any property that cannot be supplied by gravity. They are contending that they weren't aware of or have any information pertaining to this. It's not something that you have address tonight. It is possible that this is something you should address prior to hookups. There could be good reason to table until you look at the others. Director Troxler asked what the cost is. Mr. Pooler asked Pat Jones what the cost was. Pat Jones said it was \$1000 for electrical and \$4,250 for the E-1 to be installed. Director Rohde said you estimated at \$7000. Mr. Pooler said we rounded up for unknowns.

Phone: (928) 667-7197 * Fax: (928) 667-1697 *

Web: www.buckskinsanitarydistrict.org

An Equal Opportunity Employer and Provider

Director Hansen asked if this was something we could put off until we have a better financial picture. Mr. Pooler said that by June or July, you offered the opportunity to hook up and start the clock at hookups in 6 months. Director Hansen said he believed we have a list of these grinder pumps that need to be addressed and we need a uniform approach to this. If we have the funding it's possible we could do it. We are right on the edge of our funding and I just am concerned about that. Mr. Pooler said that was correct it could be done later and we certainly agree with that. We had pricing from Wagner to do the work. We aren't submitting that they do the work and you could later put out to bid that we believe it would be cheaper to use a local contractor to do the work. Director Hansen stated the issue of the redoing of the metal covers is one thing and these look they are relatively straight forward to be done any time after.

Director Risen made a motion to table the item
Director Hansen seconded
Call to Vote – 5 ayes
Motion passed

9. Approve/Disapprove a change order to install additional laterals to the properties to be serviced on River Dr.

Mr. Pooler stated that these are the properties had been proposed to be served by two (2) grinder pumps on River Dr. in anticipation of something that we thought was going to happen. The laterals were not installed to each lot. They were put in only in the locations that we thought we were installing E-1 pumps. It is our proposal that we do not install these laterals at this time until we decide on the installation of pumps or not. We can provide service laterals to the lots once the decision is made on how to proceed on these lots. I am asking you to not approve at this time.

Director Risen made a motion to disapprove the change order and not install the additional laterals to the individual lots on River Dr.

Director Rohde seconded
Call to Vote – 5 ayes
Motion passed

10. Consideration and possible authorization of Pooled Resources to communicate with ADOT requesting modification of the Inter-Governmental Agreement with respect to the funding of Buckskin Sanitary District portion of costs.

Mr. Pooler stated that he had addressed this earlier in the Worksession and was not going to repeat all the information. He continued that basically this was a question on whether the Board wants to direct us to continue communication with ADOT and then whatever comes in a form of modification, we would then come back to Board for approval. It will just be a discussion of options to work with ADOT that we initiated by phone conversation. This action doesn't commit a dime. It just says work on the conditions on how we proceed, such as modification of scope or different payment plan with ADOT. The next item is the one that they are asking that if they work with us that the District would be willing to deposit the matching funds. I am asking the Board for your direction if you want us to proceed with negotiations with ADOT based on the parameters I have set forth.

Director Rohde moved to authorize Pooled Resources to communicate with ADOT requesting a modification of the Inter Governmental Agreement with respect to the Buckskin Sanitary District portion of costs

Director Risen seconded

Director Hansen said he had a discussion item on this. Director Rohde said she did also. I believe we now have a District Manager and he has a pretty steep learning curve, but I do believe that the District Manager should be right in there and you should report to him and he should be in a position to direct what goes on as he assumes his leadership. Mr. Pooler said he doesn't disagree with that statement and that would be the arrangement and when and if the agreement goes forward Mr. Gorman would be the one to come back to you with that information.

Director Rohde said since she had taken the time to write a statement she wanted to read it. She stated that now since we have a District Manager with a wealth of experience in development and funding issues; I move to have Mr. Gorman, JR Pooler and Triguna Israel brainstorm all the alternatives that may possibly resolve the issue.

Phone: (928) 667-7197 * Fax: (928) 667-1697 *

Web: www.buckskinsanitarydistrict.org

An Equal Opportunity Employer and Provider

Director Hansen seconded

Call to Vote – 4 ayes

No response from Chairman Svider

Motion passed

11. Approve/Disapprove authorization to commit funds in the amount of \$396,818 to ADOT if modification of the IGA with ADOT for the Holiday Harbor project is successful.

Mr. Pooler stated that this item calls for, if successful negotiations are in place, the District being willing to commit the funds needed to match the EPA grant. You now know the impact on your operating budget and no action would be taken to deposit the money but only would go if you are willing to proceed. ADOT wants to know are you willing to commit the funds if the parameters are met and they come up with the condition to proceed with the project to include your work. It's an impact on your funds. Director Hansen said that it's an encumbrance and we would have to agree to encumber those funds. Director Risen asked if this is a non reversible encumbrance. Mr. Pooler said yes it is reversible if successful negotiation of the IGA is not there, there will be no deposit of the funds. Director Troxler stated but we have to come up with an agreement first. Director Hansen stated that it is pending an agreement. Director Risen said that sending you in without the funds would be like sending you in with an unloaded gun. Mr. Pooler said if you don't want to commit the funds, you might as well make that decision now, than we shouldn't be even doing the negotiations. The commitment of funds says we want to proceed with this project and yes we will look for other sources of revenue between now and the end of the project.

Director Rohde moved to authorize to commit funds in the amount of \$396,818.00 to ADOT if modifications of the IGA with ADOT for the Holiday Harbor project is successful.

Director Hansen seconded, but had a question.

Director Hansen asked Mr. Pooler, if in his professional experience, that we can afford to commit these funds and still be able to operate the District as appropriate. Mr. Pooler stated that he believed yes in his opinion based on my analysis of the budget, and you had some things that were budgeted that won't be used. You also will have an infusion of the next payment of the ad valorem taxes. He believes that yes it brings you down to a pretty significant point of reserve, but if you believe that the project for Holiday Harbor is significant to the District, and the wants and needs to the future of the District. This is the only way you are ever going to do it with ADOT or keep from losing the EPA grant. That would mean the cost to those future areas would be so high that it may be impossible to serve them. He believed that it could be done. Director Risen said that he believed there would be savings coming out of the budget, like the office that we aren't going to build or the truck we aren't going to buy, and Director Rohde stated that if push came to shove we have a line of credit. Chairman Svider said they could sell the Admin truck.

Call to Vote – 4 ayes

Chairman Svider had no response

Motion passed

12. Consideration and possible authorization of Pooled Resources to submit a grant application to WIFA in the maximum amount authorized. The grant, if approved would be utilized for the purpose of updating and revising as necessary the sanitary sewer master plan

Mr. Pooler stated that this was what I presented to you before. If you wanted to apply for a grant we need to get started right away and would have your District Manager involved, to meet the deadline. I would also follow up with a second wave of WIFA grants. It is my opinion that you should always apply whenever there are grants available. Director Hansen said, except in this case we need to do another encumbrance of funds to meet the match. We would have to set aside \$40,000. Mr. Pooler asked Mr. Harter if he was correct in stating that they didn't actually have to approve the matching funds, because if you get it you can choose not to use it and then it would be passed on to the next candidate. Mr. Harter said that is correct. Director Hansen said that then we can go ahead and try for it and if we don't get it, then it is like no harm, no foul. Mr. Harter and Mr. Pooler said that was correct. Director Rohde said that she understood a second part that if we incorporated some kind of "green" stuff that you wouldn't have to come up with the match. I am not sure how we would come up with green in the

Phone: (928) 667-7197 * Fax: (928) 667-1697 *

Web: www.buckskinsanitarydistrict.org

An Equal Opportunity Employer and Provider

Master plan. Mr. Pooler said that is correct and in the second waive there should be some type of green item included.

Director Risen made a motion to approve authorizing Pooled Resources to submit a grant application to WIFA in the maximum amount authorized for the purpose of updating and revising the sanitary sewer master plan.

Director Hansen seconded

Call to Vote - 4 - ayes

Chairman Svider gave no response

Motion passed

13. Consideration and possible authorization of Pooled Resources to prepare a ballot question to be submitted to the qualified electors of Buckskin Sanitary District which would authorize the issuance of bonded indebtedness in order to obtain funds for the purpose of site acquisition, site preparation, and construction of a new waste water treatment plant to replace the existing facility. The scope of work not to exceed \$20,000.

This is the one through your previous Chairman and efforts of others on how to come up with more money for the District. You sell bonds and it has to be authorized by voters. There is only one time of the year that you can put a question in and that is November. We looked at putting one in for this year, but that would mean you would have to put it in by mid June. After talking with Michael Cafiso and Dan Jackson, it is our recommendation to begin the process of preparing the question and getting the advice of your attorney and there are very strict rules of your involvement. It is going to take some community involvement and try to get quote "champions" and you are restricted from being involved and are completely restricted from using any District funds. Mr. Harter stated that is correct with the exception of funds other than to pay for the election costs that are assessed by La Paz County board of elections which are applied to any elections. We need to get started and the new manager will be involved and there are documents and information from your legal council, Dan Jackson your economist, and financial counsel. Ad Valorem tax rates will be what the basis of supporting the debt service. So we are asking if you want us to prepare for the November 2011 ballot and by then you have a new master plan, a budget that you know how much money you are going to go for in the election, and it gives you the authority to issue bonds and you may want to make it smaller than what you need. The not to exceed \$20,000, I can't give you an exact amount until I get all the costs from the various people that would need to be involved. So if we exceeded that, we would come back to you with a request for more money.

Director Hansen made a motion to table this as there is too much dust in the air.

Director Rohde seconded the motion. The timing is very bad. We don't have our District Manager in place and he has extensive knowledge in development and funding issues...

Chairman Svider stated that this is a tabled motion, there is no discussion. Director Rohde apologized.

Call to Vote – 4 ayes

No response from Chairman Svider

Motion passed

14. Approve/Disapprove closing the Business Basic Checking with Wells Fargo Bank in the amount of \$684.57

Chairman Svider explained that we are paying a monthly service charge that is eating up the funds.

Director Hansen made a motion to close the Business Banking Checking with Wells Fargo Bank

Director Risen seconded

Chairman Svider said it was basically set up for the trips.

Call to Vote – 5 ayes

Motion passed

15. Ratify to waive the 6 month probationary waiting period for the insurance benefits to 30 days for Pam Stark. The new insurance policy with Myron DesChene Insurance Center requires 2 or more employees to get the group pricing.

Phone: (928) 667-7197 * Fax: (928) 667-1697 *

Web: www.buckskinsanitarydistrict.org

An Equal Opportunity Employer and Provider

Director Hansen made a motion to waive the 6 month probationary waiting period for the reason that we need to get health insurance for our employees to get the group pricing.

Director Troxler seconded

Director Rohde asked about the 30 days because Pam has been here longer than 30 days and we aren't going to back cover you are we? Pam stated that we put in the difference... Chairman Svider said the reason for covering Pam is because for the next 3 months you are going to be paying \$710 for one person versus \$300 for that same person. Pam explained how the policy worked.

Chairman Svider asked for a motion and a second and he was told it had already been motioned and seconded.

Call to Vote - 5 ayes

Motion passed

16. Chairman Svider called to adjourn the meeting at 8:35 p.m. and Director Rohde stated she had a problem. We had just corrected this problem before that you became chair and we are supposed to vote to go into Executive Session.

Director Hansen made a motion to go into Executive Session

Director Troxler seconded

Call to Vote – 5 ayes to adjourn to Executive Session

Motion passed

Mr. Harter asked that they invite Mr. Gorman into the session as he would be involved in dealing with and implementing what is discussed.

17. Discussion and possible action regarding the Sandpiper Resorts and Development Corp. settlement dtd. 12/15/09.

Mr. Harter explained that Gary Svider knows about this but since the last discussion of Sandpiper and they have placed a whole lot of additional demands and we said absolutely not and they have since backed off of their demands. We have done what the 1999 agreement requires and the only issue in front of us is how and when we are getting the water over about 15' to the property line and that's it.

Director Hansen asked if the existing staff can do that. Director Troxler said we may need a backhoe. Chairman Svider said that he had some pictures that shows the supply line to the pond and the electrical and timer. The black pipe with the white elbow is their supply line and runs down parallel to the manhole and it is 12' from our fence. From the manhole up to the corner of the fence to the valve is 24'. The question I bring up is an estimate is \$5000 for a pump and a motor to offset the pressure to the head to pump it from the property line to the pond. Director Rohde asked how much and Chairman Svider said \$3000. The discharge valve in the plant won't deliver the water from the plant to the ponds. It has to offset the pressure. Is the agreement to get the water to the property line or to get it to the pond. Mr. Harter said you get it to the property line. Director Troxler said it gets us out of buying the pump. Let them buy the pump. Director Hansen asked if we can pump it to the property line? Director Rohde asked if even after we hook everyone up and Director Troxler said that won't affect it. Discussion was had between Director Hansen and Director Troxler. Mr. Harter said they have accepted that water to the property line is equivalent to a well. Director Hansen said we need to make sure we have a good connection. Chairman Svider said that we need to put a flowmeter and a switch on it. More discussion was between Director Hansen and Director Troxler and Mr. Gorman. Mr. Harter said that we need to control what we are delivering. Chairman Svider said that we have a policy that if they use more than the allotted 15,000 gallons we charge them for it. Mr. Harter said that all I am looking for is that the District Manager will meet with them and coordinate the coupling devices and metering systems so that our system isn't subjected to pressure. Director Troxler asked that if they don't use the 15,000 gallons per day are they going to come back and say we owe them an excess amount. Mr. Gorman stated that we will deliver it and if they don't take it then they don't have it. Director Hansen said that we aren't going to structure our system around them to deliver more. Mr. Harter stated that the issue of permits came up and Alycia Makita talked with ADEQ and the District has a reclaimed permit and all we need is a re-use permit and it is \$300 for 5 years. More discussion was around how to set up the system. The question was about the air scrubber pipe and they need to cap it off on their side under the ground and we should cap it off on our side as well. Mr. Harter stated that they should give a proposal to Mr. Gorman and we will respond to them.

Phone: (928) 667-7197 * Fax: (928) 667-1697 *

Web: www.buckskinsanitarydistrict.org

An Equal Opportunity Employer and Provider

Mr. Harter stated that you need to go out and remind everyone that the Board met in Executive Session and no actions were taken and some direction was given.

Chairman Svider reconvened the Regular Meeting at 8:50 p.m.

Chairman Svider stated that no action was taken in Executive Session and some direction was given regarding the Sandpiper Settlement. He asked to move to the next item and He stated that Mr. Gorman would be contacting Sandpiper to receive a proposal on dismantling the air scrubber vent.

Open Comment

The next regular Board meeting I would like to reschedule to a different date.

Mr. Pooler said he had one item before you move on. We have received the Notice to Proceed on the effluent upgrade at the ponds, and it has been reviewed by legal council. Just wanted to give you an update on that. Director Rohde asked when it starts and if Steve had notified the girl over at ADEQ. Pam stated that we were waiting for the documents to be approved.

Director Troxler asked when do you want to change the date. Chairman Svider asked if the meeting could be changed to April 13th. Director Rohde and Director Troxler said that they needed to check their schedules and Director Hansen asked that an email be sent around.

Chairman Svider adjourned the meeting at 8:55 p.m.

Minutes Approved _____ Date _____
Chairman Gary Svider