



## 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 Budget Worksession**

**Wednesday, March 31, 2010 – 5:30 p.m.**

**Buckskin Fire Department Meeting Room, 8585 Riverside Dr. Parker, AZ**

Elected Board Members and District personnel present: Chairman Gary Svider, Vice-Chairman Gary Hansen, Secretary/Clerk Rob Troxler, District Manager Jim Gorman, and Administrative Assistant Pam Stark. Other Attendees: Pat Jones, Jeff Daniel, and Lin Bachtel.

#### **Call to Order**

Chairman Svider called the Budget Worksession to order at 5:40 p.m.

Chairman Svider thanked everyone for coming. He asked if everyone would like to go down the list by line item. Director Hansen suggested that we concentrate on the items that are going to change. Concentrating on the important things first would be my suggestion. Pam Stark explained the spreadsheets and how they were laid out and that the spreadsheets weren't complete so the numbers aren't entirely correct to this point. Mr. Gorman suggested that we start with the plant and go through what we have completed. Chairman Svider expressed concerns about line items being carried from year to year. He used the Capital Equipment item on the Admin. Bldg. as an example and get rid of the items that we aren't going to use. Mr. Troxler expressed that he would like to see what the exact cost of running the plant is and trying to make sure that the costs are allocated correctly. Pam explained that she has been going through Quickbooks and trying to move the costs to the correct fund or account. Director Hansen said he would like to see a burn rate for items. Mr. Gorman said we tried to focus on the items that were over 75% to date and make those a priority. He also explained that he is trying to devise a coding program so that items are more recognizable as to what they apply to. Director Hansen also suggested that we use color coding so that he can see what the differences are for example items that are going away, items that are over budget, etc.

Mr., Gorman started going down the line items starting with Capital Equipment. There was discussion on what the \$10,000 Engineering was for. Tools had not been gone over at this point. Equipment we suggest moving from \$5000 to \$10000 to stock backup pumps so that they are there for replacement. The Pumper Truck we think should go away and that we don't need one. Chairman Svider asked where that money was going to go then. Mr. Gorman said that he felt we should go down the line and decide on the things you already have and then go back and decide if we need to reallocate it. Discussion was whether a pumper truck was needed versus using someone outside to do the work instead. Director Troxler felt that a pumper truck was not needed at this point in time. They also felt that the dollar amount was more to balance things.

Next item was the Effluent Upgrade at \$115,000. They discussed that this item would go away by June 2010 as the work was tentatively scheduled to be completed by then. Chairman Svider referenced that we could reallocate funds with the Holiday Harbor project and Director Hansen said there were some restrictions on moving money from one account to another. Chairman Svider questioned which budget the effluent upgrade was put into, the Treatment Plant or the General Budget. It was determined that it was in the Budget for the Treatment Plant. Mr. Gorman stated that in the Contingency we need to be in the arrange of 2 ½ to 5% of the total revenues in his opinion and it can be fixed

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once we know what the revenues are. Mr. Gorman said if you are going to use it as a balancing item that is where I would put it. He felt that the range was probably a minimum. Director Hansen said that we really need to prepare for a big repair, for a large emergency such as a big spill, or major event.

Mr. Gorman stated that we are looking at approximately \$36,000. Director Hansen felt that was a good number or even pretty cheap. Mr. Gorman went over more line items such as utilities, alarm services, new Lift Stations. Director Hansen said that we have a pretty large addition to the plant and we could have a pretty large repair costs potentially and hopefully not since everything is new. Mr. Gorman said that the good news is that it's all new. Director Hansen asked about how the warranty works and it was discussed that it is a one year warranty. Mr. Gorman discussed that the new Lift Stations are hard wired through Verizon as an alarm system. Chairman Svider questioned whether we need internet service at the treatment plant and Director Troxler stated that they could use the extra office to allow them access the internet. Mr. Gorman stated that if the phone system goes down or something of that nature it is another way of communication. Director Hansen also felt that he can do research also while he is at the plant.

Mr. Gorman stated that we skipped to the Repairs and Maintenance. For equipment we want to increase to \$10,000, Grounds \$500, Building \$800, Vehicle \$500 versus the previous year as new tires were put on the truck. Director Troxler said he felt we need to get a handle on this truck. Mr. Gorman stated that this is the plant service truck. Director Troxler said that I am talking about the plant truck that goes back and forth into town. I don't think it should be a home use vehicle. Director Hansen said that he is on call and that is his transportation. Director Troxler stated that he is also on call 24 hrs per day for his job and I don't have a vehicle. Chairman Svider stated that if he lived in the District, that would be different. Director Troxler believes that the vehicle is being abused. I had a report that the Buckskin Sanitary Truck was seen in Cibola last Friday. Mr. Gorman stated that he heard a rumor to that effect and that it was a lack of judgment. Director Troxler stated that it was during work hour and Mr. Gorman stated that he didn't disagree. Director Troxler feels there is no accountability. He believes that it is for work not for self use. Pam stated that we can control it with a mileage log. Pat Jones recommended GPS and told that it was what he used and it was cheap. Director Hansen stated that maybe we can look into GPS. He also felt that the abuse needs to be corrected, but he needs the truck when he is on call 24 hrs per day. Director Troxler stated he has his own business and that he also heard that he uses it for his own business up and down the river. Mr. Gorman stated that if you want me to handle it I will do that. Director Hansen suggested a written warning and Director Troxler agreed and this would be strike one. Pam stated that it should be something in the file so you can track it. Pam explained that she would create a mileage log to track where both trucks go and could be used to schedule mileage maintenance. Director Hansen also stated that BIA installed GPS on the cell phones and would be easy to track the whereabouts of anyone. Chairman Svider stated that you will be astonished when you track the miles on the truck and where it has been. Mr. Gorman stated that he should not be conducting business that is non District business except to drive it home and park it. Mr. Gorman said that is very reasonable. Mr. Gorman talked about the Clean/TV category. He understands that is part of the policy to clean the sewers once a year. We would be cleaning Phase II & III in 2012 but we would do Phase I this year and he understood it helps control the odor as well. Mr. Gorman stated that we need to go over more of this and we would come back with more complete information. Director Hansen asked about the trainings and certifications. He inquired about Jim going as well. Mr. Gorman stated that maybe we need to send Daniel to classes to be more helpful to Steve. Mr. Gorman stated that he would prefer to take classes over the internet rather than going out. Pam stated that Jim would need to do the certifications which was required in his hire information and that would fall under the plant. Director Troxler suggested that we should look into sending the Admin staff to some training and Pam agreed. He also mentioned that maybe she would like to go to Grant writing classes and they joked, that no she would not be interested in that part. Director Hansen stated that would be part of the General Budget. He thought having a line item for a Grant Writer would be money well spent. Mr. Gorman said he would be interested in that. He also said he would discuss the certifications for the Class 4 Operator. He felt that he would prefer to take a license in engineering in AZ. I am willing to do the Class 4 Operator certifications. Director Troxler feels that it is considered a backup and he explained the process and the deadlines for

Certifications and what ADEQ requires in a case of losing an employee and not having another one in place later. Pam asked what the costs and requirements are so that we can project costs. Director Troxler gave some general information and provided a person at ADEQ to talk to for more information. Also they talked about the helper needed some training as well. Director Hansen felt that it should be a perk or encouragement for the employees. Mr. Gorman asked if they had any other questions. Director Troxler didn't have any and Director Hansen didn't have any at this point. Chairman Svider wanted to discuss the equipment under repairs and maintenance and felt that the dollar amount may be too low compared to the costs of what a new pump or motor costs. They went over what has been replaced in the past. Chairman Svider said this has also been an issue. Director Troxler asked about WWTP Supplies General. Pam stated that it was whatever wasn't Fuel or Chemicals. Director Troxler asked Mr. Gorman to look into the chemicals and make sure that we are going to get a benefit from them. Mr. Gorman stated that Chairman Svider and he talked about looking into purchasing chemicals in Bulk and he has asked Steve to look into it. Director Troxler stated he didn't know where we received our chlorine from and he recommended looking into Ace Hardware as a possible alternative. He said Quartzsite uses them and so does Joint Venture. Pat Jones said they should check with Brooke Water also. Director Hansen felt that the shipping would be cheaper. Chairman Svider asked if we are looking at 6 months of operation with Phase II & III being added. Director Hansen said you aren't going to double the usage right of way. The discussion revolved around how many hook ups would occur right away and giving people maybe 12 months to hook up versus 6 months Director Troxler stated that the plant was not going to handle Phase I, II & III. Director Hansen stated that especially on a holiday weekend. He stated it just can't back up. Mr. Gorman said that we did allow for hook ups and increased fees and costs when that happens. Chairman Svider felt that we should be somewhere in line with taking on 50% of Phase II & III in this fiscal year. Director Hansen suggested using the cost per household. There were several discussions between Board members at the same time. Pam stated that we did figure increased costs when we worked on this budget. Mr. Gorman asked about his projection of 90% of the people in 6 months and Director Hansen stated that it won't happen. The concern was the flow on the big holidays or weekends and whether the plant would hold this capacity. Director Hansen stated that there was no way that there would be 90% hooked up in 6 months. Pat Jones stated that Mr. Malone was asked to give something in writing to state the plant would handle the three phases total and he was not willing to do that. Director Hansen stated that it needed to be tested in real life. There was discussion between Mr. Gorman and the Board to establish a hook up percentage over a certain amount of time. Pat Jones explained that JR Pooler talked about the people who are in the Vault & Haul categories and the people along the river area. Director Troxler also talked about the responsibility of the District and those who are not ready to hook up due to lacking laterals and so forth. Director Hansen suggested that the highest priority should be those that are on the water and the Vault & Haul. Chairman Svider stated that they should still get their notice and if they decide to hook up they can. Pat Jones stated that some of those on the River that are up in the air are just going to do their own thing. He also mentioned that they should not forget the ones up on River Dr. still need laterals. Director Hansen brought up their legal responsibilities as well. Mr. Gorman asked if they felt for the budget, that by June 2011 we would be at 70%? Director Troxler agreed that it was a safe assumption. He felt it should be easy to track because people won't just run in wanting to connect. Director Hansen believes we should hold back before we hit it full force. All you can do is make a best guess and Chairman Svider said you have a totally different atmosphere in Phase II & III. Mr. Gorman asked about the availability fee being charged at 50% per our Ordinance Schedule. He explained this fee and that it was in the Revenue projections. Director Hansen said he doesn't have any problem with this, but we are going to have to be careful here so we don't have a revolt. The concern is how far you want to push this thing. Director Troxler stated that he was concerned since we aren't very popular here. Mr. Gorman stated that we paid a ton of money for this thing, it is there for them to hook up, you spent the money for the capacity to hook up and he didn't feel it was unreasonable to him if you have it available and they pay a fee to hook up if they haven't hooked up. Director Hansen felt that we really need to think very hard about these little things like this. Pat Jones spoke about Block Grants are still available for those with hardships and he spoke with the County. Mr. Gorman said he would re work the sheet, one with the fee and one without. Chairman Svider asked again about the Capital Equipment to bump to \$10,000 and the repairs. Pam explained that Equipment increase would be to buy new pumps to backup the existing ones. Repairs would be to send the old ones out to be repaired. Chairman Svider said that he felt we were being conservative taking into count the cost of pumps and did we factor in Phase I? Discussion was that it was assumed those were already on the shelf.

Director Troxler said that the numbers for the landfill and the pumping are going to change and Mr. Gorman stated that we were working on that. Pam stated that there is another bill for \$1500 waiting to be paid. Director Troxler wasn't sure that the County might raise the fees and it is currently at \$.04 per gallon. Director Troxler stated that they have raised their rates on dry sludge.

Chairman Svider stated that we have been on this for an hour and a half and Director Hansen would like to call it a day. They felt that Mr. Gorman needed more time to go through this a little more. Mr. Gorman asked if they could live for two weeks before the next week. Pam explained that we have a meeting scheduled for the 13<sup>th</sup>. Everyone agreed they could go that long. Chairman Svider explained that he wanted to reserve the 20<sup>th</sup> in case they needed to do something with Holiday Harbor.

Chairman Svider stated that we can schedule it for the 14<sup>th</sup> and if we have to we can cancel it if we aren't ready.

Chairman Svider asked Lin if that impacted the billing and she stated no.

Chairman Svider asked if anyone wanted to talk about anything else.

Mr. Gorman asked if he could talk about Holiday Harbor. He talked about discussions about the Holiday Harbor/ADOT project. He sent a conceptual design to the engineers and they looked at it and they said they did some borings and the rock and the water problem we don't think is going to be there. They also said they probably wouldn't be able to change it anyway. Mr. Gorman said the things that he was concerned about were not there. He said this is a radical idea and he thought with some investigation we could get away with a low pressure system. He talked about the obstacles of tearing up the streets and rock; if we went to a low pressure system we could significantly reduce the construction costs. The downside is that even though you have lower construction costs you have a pump at every house. He thought you could potentially eliminate the gravity sewer. That would allow you to put it outside the roadway; you could forestall the cost until you have the revenue to track with that cost. Director Hansen stated that we won't get any payback and Mr. Gorman said that he was trying to do something to evaluate it with no or very little upfront cost to us. He stated that he didn't have the answers yet and we haven't spent any money and the engineers are looking at it. The drawback is that once you commit you can't back up and change your mind. Director Hansen asked why we can't do directional boring and Mr. Gorman said that it usually works with E-Ones. He feels that this is a radical idea and maybe something you may want to listen to. Chairman Svider asked if we have talked to APS and some of the utilities to see where they are on the side of the road. He also asked if that cost savings was going to hamper us by dodging all the utilities. Mr. Gorman expressed the same ideas and said it was in a preliminary investigation state and it doesn't come without some risk. He felt one great benefit was that you could put it off and it would make a huge difference. He stated he would tell them more when he knew more. He also said if he had to spend District money he would let them know, but he hasn't spent anything yet. Chairman Svider said a couple years ago that they talked about multiple lift stations. Mr. Gorman gave them an example of seeing this system in action in Ohio. He felt it was worth taking a look at. Pat Jones stated he met with the utility companies and that they are revamping storm drains and highway expansion and there won't be any room left in the roadside right of way. If we don't do it they are saying that they won't guarantee there will be room to put anything there. He recommended that you go over this carefully and talk to them. He just wanted them to be aware. Mr. Gorman said that it was a good point and he assumed that the engineer will check all of that. Discussion ensued regarding where they could put the pipe at Holiday Harbor between all of the attendees and Mr. Gorman.

Chairman Svider closed the Worksession at 7:20 p.m.

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