



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

Tuesday, April 20, 2010 – 5:30 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: District Manager James Gorman, Administrative Assistant Pam Stark, Pat Jones, Dennise Jones, Terry Jones, Gene Ohlendorf, Dan Miller, Andy & Valerie Hinson, Tony Guardalabene, Walter Rose, JR Pooler from Pooled Resources, David Fabiano from Stanley Consultants, and Legal Council Paul Harter

1. Call to Order

Chairman Svider called the Meeting to order at 5:50 p.m.

2. Project Report by JR Pooler.

On the construction side, Wagner has a scheduled completion date and we were suppose to fire up Lift Station 7 today but it was delayed due to a problem with a control panel. It was sent out and failed the test and was repaired and sent back and arrived today. They intend to complete Lift Station 7 and complete everything by the 28th, 29th, & 30th of this month. Wagner Construction has also filed a substantial completion on Lift Station's 6 & 8 and all the gravity line that serve 6 & 8. Once they are done with Lift Station 7 they will file the substantial completion and that starts a legal process to do a walk through and to complete a punch list of any items identified. That should be completed by the first week of May. As soon as that is finished we have asked Stanley to file a temporary right to discharge and that gives you full rights to use the lines. Once that is issued they come back and file a permanent right to discharge. The difference is that the temporary permit takes typically 7-10 days and a permanent one can take up to a month because they have to review the as-builts and all documentation. We believe we are in the final days of completion with Wagner Construction. There are some items tonight to deal with Wagner Construction. We have also ran into some issues with Rural Development and they set up the wrong dollar amounts for design and engineering. They denied payment that we sent last month, but have conceded there was a mistake and is processing the request so that we can pay Stanley. We have been dealing with several financial issues and we are working with Rural Development and others. We projected that we might have some savings and there are some change orders tonight and after looking at the funding on the project, some of the savings that we predicted was in the electrical installation for the three (3) Lift Stations. We do believe that the amounts projected for Stanley are going to be right on the money. After talking with Rural Development they believe we will be \$140,000 short of funds for the project. I believe that number is low due to a couple change orders and there were some funds paid out of the Operating District that we intended to reimburse, but if we are short on RD funds we will not be able to do that. We are about a week away from knowing exactly where we stand completely and the guess is we are short on funds with RD that has been expended on the project. I will prepare a report for you and send with details on the funding on the project. Rural Development denied the Change Orders 6 & 7 that had to do with the full width paving, because they cannot spend sewer funds on paving. They have agreed to work with us and I have asked Stanley to prepare a report. They say if we can show by pictures and demonstrate the average width of the trench and show the raveling of the trench, they will accept that average and increase their funding authorization for some of the pavement width that was denied. We hope to get that resolved in a week or so. We are trying to meet with La Paz County to see if there can be any relief of the charges that the County charged the district for traffic control, water truck, striping, etc. and most have been paid for except for one striping bill.

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We are in the process of working with your staff; we are approaching a time that the invoices to the property owners must be mailed out. We are quantifying the amount of money that will be billed to the property owners somewhere around June 1 – June 10. These will be interest only payments, not principal. We need to finalize those bills and get them out and we have determined what the debt service is to Rural Development. We are in the process of assisting your staff to input these bills in your accounting program so that we can get these bills out to the property owners. There is another issue that we need to look at, and that is the properties on River Dr. There were seven properties where individual taps were not installed because there was anticipation of E-1 pumps to be installed. It is the responsibility of the District to install these taps. There are two options, first option would be to have Wagner complete them and there would be a change order because they were taken out when the E-1's were ordered and it would cost more than the original contract. The second option is to wait and install when they are required when the customer wants to hook up to the system and you are required to install those taps when the customer wants to hook up. You could hire a local contractor who is licensed and qualified and the cost is a toss up between Wagner and a local contractor. Those seven taps are in the neighborhood of \$10,000.

Open to the Public

Terry Jones asked how they handled the \$200,000 of paving that was not on Riverside Dr. Is that what you are talking about? Mr. Pooler said that is correct and explained why they would not pay. Terry asked who will pick up the difference. Mr. Pooler said that hopefully it will come from savings in other areas or it will have to come out of the District funds. I need to remind you that during the hearings on the original funding, when assessments were sent out, the Board chose to do some modifications of the assessments and resulted in a District participation of \$58,015 that was anticipated to be covered by the savings in the project, but that savings offset the additional paving costs. Gene Ohlendorf asked if it has been decided or undecided if this is a pump situation or not a pump situation and has it been decided like in our situation with a grinder pump. Mr. Pooler said there were the ones on River Dr., the properties by Terry Jones on Riverside Dr., the Chauncey's property and the Ohlendorf property and none of those have been resolved. It is not something that needs to be decided to finalize the contract with Wagner Construction. The Board can address this when they send out notices to the property owners to hook up in 6 months. If we get a letter of acceptance somewhere around the first of June, that would begin the 6 month counter. Whatever is going to be done will have to be resolved and determined prior to the property owners hooking up. We are not recommending anything on this issue at this point. Our goal was to find out where we are financially, find out where we are on the project financially, get the contractor completed within his contract period and get our funding exhausted with Rural Development. That has been our goal to work on those items only. Terry Jones asked about the loan with Rural Development, and whether each property owners assessment became the collateral for that loan. Mr. Pooler stated yes. Terry asked if the Board adjusted EDU's like you are talking about, was Rural Development notified because the sewer district doesn't own anything, so the collateral for that loan is now reduced. Mr. Pooler explained that the debt doesn't go down, so the difference is paid by the District. Terry Jones asked whether Rural Development is concerned that they don't have assets to back up the loan. Mr. Pooler explained that Rural Development isn't concerned about the assets that back up the loan. What backs this is the ID statutes that governs the fact that the project was built using an improvement district and the responsibility rests with the District and they must administer the District, send out the bills and in the case of non payment, sell a lien against the property at public auction. The District is accountable and responsible for the paying the payment even if they don't collect enough money.

4. District Manager's Report

Started with monthly user fee collections, we have 9 that are over 90 days past due. We have 2009 assessments over 90 days past due at 92. Just to give you an idea, 25% are under \$50, 27% are \$150, the largest one is \$325 at 7%. Generally speaking the dollar amounts aren't large. Collection letters have been sent and we have had discussion with legal counsel on foreclosures, bankruptcies, and liens and all liens will be filed before next Board meeting. Projects are the irrigation pump upgrades and we have received the schedule and the installation during the month of July and a substantial completion date of September 5, 2010. We hope to beat that.

Holiday Harbor project: we have received an alternate low pressure system preliminary design and cost estimate and John Malone from Stanley is currently reviewing it and we hope to schedule a workshop before month's end. WIFA grant: PBS&J is preparing an application for my review and a submittal on or before April 30, 2010. EPA Grant: letters were sent to Senator Kyl and Grijalva thanking them for their assistance in seeking grants for the treatment plant replacement. Budget: two (2) Worksessions were held and revised draft copies are in your packet for the treatment plant budget and the first Worksession for the General Budget is tentatively scheduled for May 12th and we will have a packet ready for that.

Consent Agenda

5. a). Approval of minutes dated 2/9/10, 2/23/10, 3/12/10, 3/31/10, & 4/14/10.

Chairman Svider asked that we table the minutes dated 3/12/10 and 4/14/10 because they are not prepared until next meeting.

Director Risen made a motion to table the minutes until the next meeting

Director Hansen seconded

Call to Vote – 5 ayes

Motion passed

Chairman Svider asked for a motion on the Accounts Payable dated 3/11/10-4/18/10

Director Rohde asked for clarification on the motion on the minutes and if they were all tabled. Director Risen said no that he thought they were only tabling the two dates that Gary stated and we were going to vote on the others. Director Rohde stated that she only had the minutes dated 2/9/10 and 2/23/10 and 3/12/10 and I have not reviewed that one. Pam stated you have March 31 not March 12.

Chairman asked for the motion to be read. Director Troxler said he thought we were voting on all the others. Pam stated that the motion was to table the two items dated 3/12/10 and 4/14/10. Mr. Harter stated that the motion was to table the two dates and they needed to make a motion on the rest.

Director Rohde made a motion to approve minutes dated 2/9/10 and 2/23/10 and table the rest.

Director Risen seconded

Call to Vote – 5 ayes

b). Approval of Accounts Payable dated 3/11/10 – 4/18/10

Chairman Svider made a motion to approve the accounts payable except for Principle Engineering and Heinfeld Meech.

Director Rohde asked Director Risen if he had a copy and Pam gave him a copy.

Chairman restated the motion

Director Troxler seconded

Director Rohde asked why we are not paying Heinfeld Meech, when we by majority vote approved that amount of money for the 2 days in the office. Pam stated that wasn't the bill Director Rohde was talking about.

Call to Vote – 4 ayes

1 abstained (Director Rohde due to not enough information)

Committee Report

a). Lateral/connection issues by JR Pooler: the Board authorized a Change Order to have Wagner complete the lateral lids and that work has been completed.

Pay Request #9 they did a total of 228 within the limits that were set by the Board and the project is complete. Mr. Pooler wanted to add a caution that they have been lowered and marked and there needs to be some notification to the property owners that if they add concrete or asphalt they need to raise those lids flush because you will be tearing up their driveways if you need to enforce no connection by shutting off the valve. Chairman Svider said that could be in the instructions for the hookups.

b). No Free Ride Ordinance: Mr. Harter stated this is a discussion item that Mr. Pooler and I have been discussing regarding the change of use on a property in regards to the EDU's. If the property owner chooses to develop their property and that increases their use then the owner should be required to pay the original amount of the additional assessment monies and if the Board adopts this the additional collections would be retained to reduce the bonded indebtedness, an example is that if you collect \$50,000 then that would be retained and would reduce everyone's final payment to the debt. So other property owners benefit by the collection. We are asking the board to consider this, and this is only for discussion with no action tonight. We are asking to adopt an ordinance that would eliminate the possibility of what we call a "free ride". It would obligate the owner who changes their use and effectively increases their number of EDU's to pay their fair share toward the cost of the collector system and treatment plant. We believe this to be a sound public policy and we do know that during the life of the assessment there are changes in use and this is used in other districts and we believe everyone should pay their fair share. The basic concept is if you were assessed one (1) EDU and you develop your property and now there are three (3) EDU's you would be required to pay two (2) additional EDU's. If the Board is inclined to move forward we would bring this back for possible action at the May meeting.

Director Rohde asked if there has been any precedent, we would have guidelines that would be very clear, because we obviously don't have that now, right?

Mr. Harter stated absolutely we need guidelines. The District Manager would periodically review properties to see if there are changes in use. You will know if someone starts building, applies for connections, you will need additional taps. We just wanted to bring it to the Board for discussion before going to the next step and see if this is something you would like to see us continue to work on. Director Rohde said that the stronger we make our policies and procedures it will benefit the District. Mr. Harter said that this was an idea to address for future occurrence. Chairman Svider asked if we need to have this in place before we allow the authorization for hook up in Phase II & III. Mr. Harter said no. Chairman Svider asked then we can go back and change their EDU's after the fact based on property use. Mr. Harter stated yes if they have a change in use. Mr. Pooler stated that it would be easier prior to connection. It would be more difficult after. Mr. Harter said this is a going forward, you can't go back. Mr. Pooler even though it is going forward, it applies to Area 1, 2 & 3. Mr. Pooler gave an example of a current property that is being sub-divided and how that would be affected. Director Risen stated that he would like to see this continue forward and out on the May agenda. Director Rohde said she seconded that and Chairman Svider stated that this is discussion only and Director Rohde said she was just agreeing with him and Mr. Harter stated that he believed at least two Board members would like to see this move forward. We will put together a complete package and come back with a formal proposal and possible action in May. Director Rohde inquired about some paperwork about hookups and Mr. Harter said that he had put that on the back burner, but based on Mr. Pooler's report he would get it completed immediately.

REGULAR AGENDA

6. Chairman Svider asked for a motion to go into Executive Session

Director Hansen made a motion to go into Executive Session

Director Rohde seconded

Chairman Svider stated that the motion was to go into Executive Session at 6:34 p.m.

Call to Vote – 5 ayes

Motion passed

The Board came out of Executive Session and re-convened the Regular Meeting at 7:05 p.m. Chairman Svider stated that no action was taken and some direction was given.

7. Approve/Disapprove possible modification of assessments of Parcel#311-47-016A, commonly known as the Miller property from 15 EDU's.

Chairman Svider asked for a motion.

Chairman Svider made a motion to reduce 15 EDU's to 5 EDU's based on fixture count in our policy on the Miller property
No second was given and the motion failed

Director Rohde made a motion to disapprove modification of assessments of Parcel #311-47-016A, commonly known as the Miller property from 15 EDU's

Director Hansen seconded

Discussion: none

Chairman Svider opened the item to public comment: Mr. Miller made a statement saying he knew it was difficult to make this decision to reduce the EDU's on his property. He wanted to remind the Board this is a savings due to the District because we are going to request to be reimbursed by the District for the property that was taken from us by less than reputable methods which put up an easement through the middle of my property and putting a burden on us. It totally restricts our property and not necessary and reduces the value of the property. We are going to ask for the same reimbursement that was done for the city property in front of us, by the way we were paid \$6.00. We were told by the previous management that we didn't need to attend the meeting previously and defend ourselves. Based on this we are also going to request that a pump be put in that will only cost you \$162,000 and so we can do this fairly we will just measure the amount of waste we use from our park and just pay our monthly amount of usage. Between the amount of money that we are going to request from the District to reimburse us for our property \$50,000-\$75,000 and the amount of money it will cost you to put in the pump \$162,000 and I can't see how you people don't understand that this would be saving you money up front. I think we have been through this with Mr. Pooler and yourselves and we keep coming up with the same thing over and over; 15 EDU's. So if that's the case, then give us the pump. That's the way we will have to go. We have come up with all these ways to do this and the fair way was to do the fixtures. 75 fixtures, we audited them, Pat audited them and 75 fixtures divided by 5 gives us 5 EDU's, 15 per unit. What's wrong with that? Can the Board tell me what's unfair about that? Can the Board tell me why they don't want to save money? He asked them to tell him. He stated that there was a vote before and the gentleman on the end here abstained. But now no one can make a decision. I don't understand why we can't come to a conclusion on this. These methods that I am telling you are fair, fair to you and fair to me. He asked if Director Rohde could tell him why she was rolling her eyes and you think this isn't fair. Director Rohde stated she wasn't rolling her eyes she was looking down at her notes. She apologized. Mr. Miller asked for a fair answer from anyone on the Board. Gene Ohlendorf stated that he was at a previous meeting when this was on the Agenda and Mr. Pooler, I think, showed it reworked whether you went with a fixture count or the size of the property and Mr. Harter explained there was a lot of legal with the amount of property, size of the property, and the dollar amount clearly exceed the 15 EDU's and it seemed like it was more than fair and it looked like it was clearly over assessed to begin with. That is what he said he understood. Mr. Miller stated that Mr. Harter and Mr. Pooler both informed the Board there is no recourse in reducing these EDU's without further problems. There is nothing beyond this. What I am asking for is a fair reduction on my property. Can anyone tell me why this is unfair? I'm not asking for the moon here, but this affects my property to the point it is worthless with this \$101,000 I am being assessed. I am asking for it to be reduced to somewhere around 50, based on 7000 times 6 or 5 or whatever you decide. The Board is responsible to do that and let's be fair about it. Mr. Miller asked the Board what is wrong with it; (5),(6), or(7), just vote on a number. Chairman Svider asked if anyone had anything to say. He addressed Mr. Miller that he thought he had been clear on this and I have toyed with this for a long time and we have a policy based on fixtures or the area of 1.8 acres and that actually comes up to more EDU's. He stated that this is his opinion and 5 is the number based on the costs of putting in the flowmeter and based on the easement that you would have to give up on the Space # 1 there, and the electrical. That is why I made my motion and it is strictly my opinion. Mr. Miller asked if they were going to come a decision; are you going to table this or are you going to come to a decision on it. Chairman Svider said he thought there was a motion on this. Pat Jones stated that he thought Mr. Miller was unaware that the District would need to pay him for the easement that the power comes through that goes into the manhole, there is a section about 12' x 14' that he would have to give up or make some arrangements on. Also he mentioned that he has set in the meetings a long time and he directed toward Director Rohde that her disregard for the taxpayers and smiling and smirking was unacceptable. It is my own personal opinion. Director Rohde answered that she has never disrespected the taxpayers and she is only one of five (5) board members. She stated that a personal attack is inappropriate. There were exchanges between the two and Chairman Svider called for order. Director Rohde said she has never done anything that hadn't included all 5 of the Board members and Pat Jones said that there was a restocking fee because you haven't.

Mr. Miller said he just wanted to know what was going to happen with his property. I think 5, 6, or 7 EDU's whatever you decide are fair but \$101,000 and 15 EDU's is unfair and he would appreciate a vote on this tonight and he stated that he knew he couldn't demand it, but he would certainly appreciate their consideration.

Director Hansen said that he believed that Mr. Miller mentioned the easement and he thought that had been returned to him. Mr. Miller said that is conditional on this vote tonight because the easement doesn't do him any good if there isn't a reduction in EDU's. Mr. Miller asked what the procedure is as to the vote. Mr. Harter stated that there is a motion on the floor and the first one failed for lack of a second. Chairman Svider said there is a motion to leave the 15 units to the property as is and we had a second and we are in the discussion phase. Mr. Miller said that he doesn't know of anyone that has been assessed \$101,000 in the District which is probably 2% of the whole Budget and he didn't realize if anyone knew that or not.

Call to Vote – 3 ayes

2 nays

Motion passed to leave the 15 EDU's as they stand

Mr. Miller said he wanted to thank the Board for sticking it in him and twisting it and you should be ashamed of yourself.

8. Approve/Disapprove modification of Parcel #311-66-136, commonly known as the Tony Guardalabene property at 17 EDU's.

Chairman Svider asked for a motion.

Director Risen asked if Tony was present tonight. Mr. Guardalabene stated he was present.

Chairman Svider stated that with no motion they would move on to Item #9.

Director Risen made a motion to disapprove possible modifications of assessment Parcel # 311-66-136, commonly known as the Tony Guardalabene property at 17 EDU's

Director Hansen seconded

Chairman Svider asked if there was any discussion. Tony asked to speak to the Board. Tony said at this time it is one parcel. Doug dropped the ball when he put 17 on this thing. WE talked about it. It was never finished. It is being sold as one parcel, it is on the market now at \$350,000. It makes it useless with 17 EDU's on it. It wrecks the property, I can't develop it. It is one and has never been anything but one. I was never notified about meetings or any discussions on it when the EDU's were decided and no one ever told me about any meeting. It needs to be treated differently than it is being treated. It is going to break me. I don't have any bites on it now and they don't even know about any EDU's. It is still one parcel, it has never been split. The 6 acres is only one parcel at this time. The next person that buys it may be able to cut it up and I am sure they would have EDU's on it. Doug just took it upon himself to put all those on there, I would have said no if I had been notified about it. Chairman Svider asked if there was anything else. Mr. Harter said there are two things he would like to point out, if the Board did decide to reduce the EDU's that this would be a situation where the No Free Ride policy would come into play before any future developer could develop the property. Also I would like to call on Mr. Pooler to confirm that notice was given as this is required to give notice to all property owners. He would like a confirmation on that. Mr. Pooler stated that he couldn't hear and Mr. Harter said he would like confirmation that notices were given to all property owners of the Public Hearings. Mr. Pooler stated that there were notices published in the local paper, and notices when the assessment warrant was filed, invoices were mailed to offer to pay the assessments in cash and notices were mailed to each property owner to the address as they were on the last equalized tax role. Tony said he was in Havasu and never got it. He said that he never received any notice other than the meeting in October or whenever that was. Mr. Miller asked him if Mr. Konkright ever told you how many EDU's he was going to give you. Tony said he never told me much at all he was hardly ever there. Mr. Miller asked if he had any conversation on what you were going to do with the property. Tony said he was aware that I was trying to develop it. He wasn't very helpful. Mr. Miller said he helped us a lot.

Call to Vote – 3 -ayes

1- nay

Could not hear Chairman Svider's response

Motion passed to leave at 17 EDU's

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9. Approve/Disapprove Change Order #10 to Wagner Construction in the amount of \$24,996.00 that covers the overage estimated quantities that were approved in Change Orders #6 & 7

Chairman Svider called for a motion

Director Hansen made a motion to approve Change Order #10

Director Risen seconded

Chairman Svider asked Mr. Pooler if there was any input on this. This is a Change Order request that was brought forward previously and we have been in a spirit of negotiation and verification of the quantity submitted by the District, he stated he meant by the Contractor. One important thing to note is that there was a concern that there was a change in the structural section provided that the County allowed to go out on the roadway that was different than the structural section that was approved in the contract documents. This change order now includes a credit back to the District for the reduced costs that the Contractor was allowed to incur for the normal pavement repair. So that was one of the reasons that held this up bringing it to you. This is based on field measured quantities which is traditionally the way it is done when you have a Change Order based on estimated quantities. This has been reviewed by your Construction Management Stanley Consulting and brought to you.

Call to Vote – 5 – ayes

Motion passed

10. Approve/Disapprove Change Order #11 to Wagner Construction in the amount of \$5,484.11 which includes the costs to convert the pump motor for lift station #7, adjustment of the odor scrubber coverlid and the added \$5.00 per ton AC costs incurred by Combs Construction.

Chairman Svider asked for a motion

Director Risen moved to approve Change Order # 11

Director Hansen seconded

No discussion

Call to Vote – 5 ayes

Motion passed

11. Approve/Disapprove Application Pay Request #9 from Wagner Construction in the amount of \$254,319.69 to be submitted to Rural Development for payment.

Director Hansen made a motion to approve Pay Request #9 from Wagner Construction in the amount of \$254,319.69 to be submitted to Rural Development for payment.

Director Troxler seconded

No discussion

Call to Vote – 5 ayes

Motion passed

12. Authorization of payment to Stanley Consultant's in the amount of \$228,024.93 which includes Invoices # 125962, 126919, 127469, 128436, 128750, and 129259.

Chairman Svider asked for a motion

Director Hansen made a motion to approve payment to Stanley Consultants in the amount of \$228,024.93 which includes Invoices 12596, 126919, 127469, 128436, 128750, and 129259.

Director Risen seconded

Director Troxler wanted to know what the invoices were for. David Fabiano explained that these are invoices that were due from October 2009 and back. Director Troxler asked why they waited so long to bill. David said they had been billed every month. Mr. Pooler explained how the bills were laid out and Director Troxler said he didn't think this was a way to do business by sitting on bills that long.

Call to Vote – 5 ayes

Motion passed

13. Discussion to address policies and procedures to be put into place regarding the discrepancies found in the forensic audit and Financial Audit Reports.

Chairman Svider called on Mr. Gorman

Mr. Gorman discussed that there should be an outline of the proposal in the Board packets. Basically the deficiencies were inadequate and no PO's being utilized. He stated he was reviewing the current Chart of Accounts, monthly board packet to include monthly cash flows, salary and benefit increases and reimbursements to be in for board approval. Inventory lists to be updated and each item to be tagged and identified. There can be additional items added or modified.

Discussion: Director Rohde said it was a great start. Chairman Svider said some of these have been asked to be done before and have not been done. Mr. Gorman said, we want to have all of this implemented by the new fiscal year. Director Risen asked if we are looking for direction and it was stated that this was a discussion. Chairman asked about the item # 2 and he asked if there was an annual review that we tie to the Budget. Mr. Gorman said he was pulling this out of a management review and this was one of there comments. Mr. Miller asked, shouldn't these things have been in place prior to the construction. Didn't you have an accounting practice in place? Mr. Gorman said that best he could tell there were gaps and PO's were used sporadically. Mr. Miller asked Mr. Pooler if there was something in place at the time. Mr. Pooler stated that Rural Development managed the funds and then we will take over the collection in the District. Mr. Miller asked who signed the checks. He also asked if there is public accounting of what was spent. Terry Jones asked if we could get a monthly accounting of what was spent against the Budget. Mr. Miller asked if it was the Chairman and another that signs checks and Chairman Svider explained that the Board approves and two Board members have to sign a check.

14. Approve/Disapprove Membership in the Rural Water Association of AZ in the amount of \$400.

Director Troxler made a motion to approve membership in the Rural Water Association in the amount of \$400.

Director Hansen seconded

Director Rohde asked who was going to be on it. Pam stated that it just had to be the District

Call to Vote – 5 ayes

Motion passed

15. Approve/Disapprove proposal in the amount of \$955.73 by Independent Signs and Lighting for signage at the office Building located at 8832 Riverside Dr. #4.

Director Hansen made a motion to approve the proposal of \$955.73 by Independent Signs and Lighting for signage at the office located at 8832 Riverside Dr. #4

Director Rohde seconded

Discussion: Chairman Svider asked Mr. Gorman to describe what the signs are and where they are going to be located for clarification.

Mr. Gorman referred them to the items in the packet and asked Pam to help. She explained the size of the signs and where they would be located. Dennise Jones said that she realized it isn't a lot of money but questioned whether we needed to spend taxpayer money for signs. The other office never had a sign before. From what she understood this is a temporary office until the plant is done. Do we really need these signs? Valerie Hinson asked if this is the only bid. Chairman Svider stated that three (3) were asked for and only one was submitted. Mr. Gorman stated that this is the person that Mr. Plunkett used when he did his sign and it conforms to Mr. Plunkett's signs. Someone else asked why we need the signs. Dennise stated that we don't need these signs. Valerie asked if we can get other bids.

Call to Vote – 2 ayes

3 nays

Motion failed

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Andy Hinson asked for a verification of Item # 7 or # 8, and how I will find out as a taxpayer if there is action against the District; how would I find out if these people turnaround and sue the District. Chairman Svider called on Mr. Harter. Mr. Harter said that if claims are made against the District, they will hire counsel whether or not they have insurance and the District chooses to defend the action. Bills will be submitted for payment. If the matter is settled it will be a matter of public record. If it goes to trial there will be a jury trial and it will be recorded. Dennise Jones asked if all of that comes out of our tax dollars. Mr. Harter said maybe, some of that can come out of insurance but we have no way of knowing until that is settled. Mr. Miller stated that under these circumstances and some of the shenanigans that have gone on I have the right to do that and I will certainly explore that opportunity. Andy Hinson asked the Board and the lawyer, if Mr. Doug Konkright's neglect is going to reflect on the Board, correct? His making promises which were not fulfilled, is that going to reflect on the Board. Mr. Harter advised that the Board not engage in that dialogue; whatever consequences flow from whatever statements that Mr. Konkright may have made will be the consequences of those statements and he had no idea how that will turn out.

Chairman Svider called for a motion to go into Executive Session

Director Hansen made a motion to go into Executive Session

Director Troxler seconded

Chairman Svider adjourned to Executive Session at 7:58 p.m. Mr. Harter asked Chairman Svider if he called for a Vote.

Chairman Svider forgot to call for a Vote.

Chairman Svider called for a Vote – 4 ayes

1 nay

Motion passed

Chairman Svider reconvened from Executive Session at 8:12 p.m.

17. Discussion and possible action on a car allowance was discussed and Chairman Svider asked for a motion.

Director Hansen made a motion to approve to provide the district Manager a car allowance in the amount of one half of the health insurance that he has forgone.

Director Rohde seconded

Discussion: Terry Jones asked what the amount of the health insurance was. Director Hansen said that we had a bid of \$1300. Terry stated he thought it was like \$250-\$300. Director Hansen said it was like \$600 - \$700. Terry said he knew it wasn't in that many digits. Dennise Jones said she didn't have the recording and it wasn't on the website and she recalled, and said she could be wrong, that it was something like he would be reimbursed for the cost of him to drive here and back, not an actual dollar amount. Like what is it, the government rate, \$.52 per mile or something like that, what does that calculate to? Has anyone done that calculation, because I thought it was something to do with the actual cost and then it was said not to exceed the cost of the health insurance, but like I said I couldn't pull it up and it wasn't posted. Pam stated the motion was to provide a car allowance in lieu of health insurance. Dennise said that she remembered that it said not to exceed the health insurance so there had to be something there in front of it, the cost of his travel not to exceed the cost of his health insurance. Pam stated that she believed that a cost not to exceed was discussed, but the actual motion wasn't. Dennise stated that she thought she remembered hearing that. Valerie questioned that if he denied the medical insurance again shouldn't that money go back to me as a taxpayer since he choose to live out of the District and work here. He knew where the job was, no one is going to pay for me to drive to work. Why are we going to pay for him to drive back and forth every day?

Chairman Svider asked for any other discussion

Call to Vote – 3 ayes

2 nays

Motion passed

Valerie stated that I guess our comments don't mean anything. Is that what it is, we come out and speak and nothing means anything. It is just like all the money that was paid out on the Change Orders, did someone actually go out and look at these Change Orders from the Board. This is a lot of money that you are paying out, but whoops we don't have any money to finish the Phase. We have to compensate for things that are happening, but oh by the way you have to pay \$7000 to get on the sewers. We come and give our input and it doesn't mean anything. Chairman Svider said he can only speak for myself and he went out and looked but he is only one Board member. Valerie stated, now all of a sudden we are asking and everyone's heads are in the books and not looking at us. What is going on? Mr. Miller said that the Board needs to provide some viable action. Dennise Jones stated that it is open meeting law and they don't have to respond.

18. Discussion or possible authorization to enact Budgeted, Non Budgeted and Emergency Authority Limits for BSD Staff. Chairman Svider called on Mr. Gorman to go over this item

Mr. Gorman referred them to a spreadsheet and explained authority limits for staff personnel in the case of conforming and non conforming Budgeted items, non budgeted items, and Emergency items. Terry Jones asked if that started now or next years Budget. Mr. Gorman said that he believed it should start with the next Budget. Chairman Svider said that with the PO structure that you are setting up I believe the Plant Operator should not have any authority limits. I don't think he should be able to get on the computer getting parts and then you don't get the bill until later or it is past due. Mr. Gorman stated that he felt that he would be on the scene and should be able to make the call. Chairman Svider said that he was talking about other items that are not operational. Director Hansen said maybe we could come up with a list and define them. Chairman Svider asked Director Troxler how they do it in Quartzsite. He stated that he has no authority; he has to make a phone call and get approval.

Director Risen made a motion to table the item for further refinement

Director Hansen seconded

Call to Vote - 5 ayes

Motion to table

Open Comment

Walter Rose spoke about two easements and when they were going to pay him for the other one. He told how he was paid for the one that the lift station was out on. Chairman Svider asked if that was the one that referred to his septic, hook ups and 2 other items. Walter just wanted to know because in 3 weeks you will be testing generators. David Fabiano stated that the testing would be fired up next week. Mr. Rose said he just wanted to know when. Mr. Harter stated that it is a fair question, but because it is not on the Agenda that someone get with Mr. Rose and answer his questions. Pat Jones said he had a couple statements from the Holiday Harbor and Buckskin Valley Homeowners Association and there concern is the Buckskin Sanitary District Budget last year of \$1.3M compared to Buckskin Fire District Budget of \$1.4M and they are concerned that the BFD closely compares to the BSD. Buckskin Fire Department has 2 houses, 9 trucks, 20 people, you dial 911 and everyone shows up at your house. We haven't even been able to have sewer. It's only \$100,000 difference. Our other concern is after being in the Plant Budget sessions, I heard there was going to be a 4% increase for the payroll and how that can be justified when the City, County and State are taking cuts. No one has any money. The fire department for one has no increases and we are considering giving pay raises. One other question is why haven't we looked at out sourcing the plant and get rid of the people and trucks, it has been really successful in California and saved some money. What will it hurt to get a price on it. Last item I have is the restocking fee for the E-1 pumps and what is going on with that. All the documentation that I have rounded up, there was an authorization to purchase those E-1 pumps prior to the Board approving that and why can one individual Board Member can order in excess of \$60,000 for these E-1 pumps prior to Board approving them. Mr. Harter directed Chairman Svider to have Mr. Gorman speak with Pat Jones regarding these issues. Terry Jones said that he looks at Capital Equipment and the way this is budgeted it charges 100% to that year, things that typically wouldn't be an operating expense.

Dennise Jones said she specifically asked if the Budget was just operating budget and that means that they lied to me. Pat Jones said that this is the Treatment Plant only, not the General Fund. Pat Jones restated his statements regarding the difference between the Fire Dept. and the sewer District. Gene Ohlendorf said he realized that this is a thankless job and tempers are flared. He wanted to acknowledge that some Board Members have been in my neighborhood and some of us have been paying for 13 years and still not using it. He had some concerns on the way the voting went tonight and they have some issues and he can already tell how it will be voted on and there is no money so you won't get it. He talked about the Tony Guardalabene and Miller property. He asked what if you were in that man's shoes and it's not worth what the assessments are. A lot of people are frustrated by some of the spending that is going on. We are talking about trucks that are purchased for a District Manager that is no longer here and car allowances. Maybe we need to cut back in these areas and we really need to look at it. Dennise Jones stated that she knew that the District was coming up on their Budget and is asking the Board to take a hard look at where you are spending money in an environment when people are being laid off, hours cut, no one is getting raises. She asked you to really look at your Budget, and she voiced an opinion on the car allowance and appreciated the Board not voting to approve the signs.

Chairman Svider scheduled the next meeting May 18, 2010.

Chairman Svider adjourned the meeting at 8:42 p.m.

Minutes approved _____
Chairman Gary Svider

Date _____