



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, May 12, 2010 – 6:30 p.m.

Buckskin Fire Department Meeting Room, 8585 Riverside Dr. Parker, AZ 85344

Elected Board Members and District personnel present: Chairperson Gary Svider, Vice-Chairman Gary Hansen, Secretary/Clerk Rob Troxler, Director Bill Risen, and Director Shelly Rohde. Other District Personnel: District Manager Jim Gorman, Office Administrator Pam Stark. Pat Jones, Terry Jones, Jeff Daniel, Squeak Kossnar, Sam Camarata, Jack Sweeney

Call to Order

Chairman Svider called the Budget Worksession to order at 6:22 p.m.

Chairman Svider asked that we review the Holiday Harbor/ADOT figures first so that they could go back and re-address Item #7 in the Special Meeting. Mr. Gorman explained the Holiday Harbor/ADOT figures and how they would affect the Budget and cash flow. He explained there were two (2) \$125,000 payments and the \$200,000 shortfall from Phase 2/3 construction and how that would impact the current funds. He directed them to the next years' Budget and there is an additional \$98,000 payment if the bids are 20% less, but there is no allowance for change orders. He explained that there is a contingency amount and there is no surplus. He explained that we would end the year with \$351.00. He went over the cash flow and the \$286,000 Line of Credit with the County and that mid-year we would have been into it by about half. He explained that we would be able to re-address after we see the bids and can decide then. This project proposal only addresses the gravity system and not the force mains. He said we don't have an answer yet from ADOT but he believed it was do able. Director Hansen asked if the EPA Grant could be used for other projects. Mr. Gorman stated that JR Pooler could address that but we would need to do another EPA permit as we are currently working under the one that ADOT has done. Chairman Svider asked if there is a timeframe that the County & ADOT & BSD could do a workshop and Mr. Gorman said that we certainly would welcome the County providing any funds to this project, but ADOT will not hold up there project.

Chairman Svider recessed the Budget Worksession at 6:35 p.m. to reconvene the Special Meeting to re-address Item # 7.

Chairman Svider reconvened the Budget Worksession at 6:43 p.m.

Jim Gorman went over the Treatment Plant Budget again in summary and explained that they have actual costs with May & June being projected. He felt there would be no surprises. He also stated that the money for the effluent upgrade had not been used for this fiscal year. He also called their attention to the comparison of cost per EDU from last year to next year. He also stated that this Budget had been refined several times, but is pretty much done. Chairman Svider said he wasn't going to address the Wastewater Treatment Plant tonight. He asked under salaries if this is including the Assistant, Lin Bachtel. He asked if that meant it would include three (3) people, one (1) full time and two (2) part time. Mr. Gorman stated yes that we included her in the plant as that was what she consistently does. He also explained that there is an increase for Daniel Head over the year.

Chairman Svider asked to go over the Administrative side. Mr. Gorman stated that we are talking about the General Fund for the current fiscal year. He said he would hit the items that stand out. He talked about the Holiday Harbor/ADOT amount of \$98,000. He addressed lien placements and the estimated costs for that and the El Valves

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assuming we place them on each one. He said there was some discussion on that and he believed there would need to be some resolution to the Ordinance to allow for that. He thought it was the Boards desire to be able to cut off service for non-payment and the Ordinance would have to be amended. Mr. Gorman stated that he thought that everything else is just a projection of what we had the rest of the year. Chairman Svider asked what he stuck in there for engineering for the next fiscal year. Mr. Gorman said he didn't place a lot of engineering because the bulk of the engineering is under Professional Services for the WIFA Grant for updating the Master Plan. Chairman asked where we were going to put any engineering money for the purchase of the site for the Treatment Plant. Mr. Gorman felt that the bulk of the year would be gone so he didn't put any significant amount of money in engineering. If the Holiday Harbor doesn't go forward then we have extra money and we will have used half of the Line of Credit and I was trying to keep it lean. He had Consultants for such people as Pooler Resources, Accountant, etc. Beyond that he hadn't put any significant money toward Engineering. By the time you get to January you have more money coming in and you look at Contingency, that money could be used for something in Engineering. Chairman Svider said that you would have the \$171,000 by June. Mr. Gorman said maybe, because he didn't want to dip into the Line of Credit anymore. Director Troxler said you are looking at a crystal ball, no one really knows till then.

Chairman Svider asked for questions. Director Rohde said that JR Pooler stated that when we go out and look for a District Manager that \$75,000 is a usual salary for this job and the size of this District and I don't see this built into the Salaries. Mr. Gorman said that he felt he was right. Director Rohde said that if you made that consideration without any raises for the Office Staff then it would raise that to \$104,000. Director Risen asked if we could find that money somewhere else. Mr. Gorman said no, but you need to know that it is spread out over months.

Jeff Daniel asked if we have enough money to complete Phase II & III in our Budget. Mr. Gorman said he believed so and we have JR's best estimate of what it is going to take and complete. He said that JR has told me what it is going to take and I have added \$40,000 to that for any glitches. Jeff asked, if we are \$200,000 short and we are going to make payments of \$125,000, where are we getting the money? Mr. Gorman explained that we have carryover from the prior year. Jeff also asked about the credit from the gravity vs. force main costs and what is the savings. Mr. Gorman explained that we don't have the actual bids yet but we think from the Engineers estimate we would save about 20%. Pat Jones asked is that the 20% of \$1.3M to eliminate the force mains? The District thinks that they can install the force mains for that cost later and that the savings would be 20%. Mr. Gorman said we are making the project fit to the money we have. In the future it will cost more, but we don't have the money now. Mr. Jones doesn't want everyone to think that we are going to be Ok. The people upriver are going to get dinged big time and what the County is willing to do is say they will stand behind the District to get this done versus costing the taxpayers money. Obviously this is preliminary with them and no meetings have been held. That is what we were told the other day when Gary and I met with the County Supervisor. He believes there are a lot of issues to deal with in the utility easement and it could easily cost \$1M to do the force mains. Director Troxler said it could, but we don't have enough money to do the whole project now. Pat said he totally understands that. Director Troxler said we are trying to do a piece of the project now that we can afford to do. If we don't do anything it is going to cost a lot more in the future. Pat Jones said that he didn't want everyone to believe that everything will be good. Terry Jones asked if interest is being charged to the Holiday Harbor project so they can do financing and so everyone knows upfront what it is going to cost. Director Rohde said that nothing has been decided. Pat Jones said that he doesn't believe the County has any money either. Buckskin Valley roads are being torn apart to redo their storm drains and now would be the time to put in the lines as it could save the District money. Director Troxler said it is just more money we don't have and it should be looked at to see if there is some funding out there. Chairman Svider said he thought they needed to digest this and select a date this month.

Mr. Gorman said that Pam will have all the files and she will be able to identify them to make any changes. Director Rohde said hopefully we will have someone as strong as you and get the Master Plan and then we can plan the entire project at one time and then we wouldn't have these issues and we wouldn't have these assessment issues. Chairman Svider asked everyone to look at the calendar and he would like to get another Workshop for the Budget and get everything wrapped and to the Public. He asked about the 26th, Director Rohde said she has a meeting and he asked about Thursday and Director Risen said he can't do Thursdays. Director asked about June 2. Chairman Svider said he would get it out to everyone. Director Rohde asked what happened to the Regular Tuesday meetings. Pam explained that the election is on May 18, 2010 and they use the meeting locations as polling places.

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The next Budget Worksession date was to be determined at a later time.

Chairman Svider adjourned the Budget Worksession at 7:20 p.m.

Minutes Approved _____ Date _____
Chairman Gary Svider