



## BUCKSKIN SANITARY DISTRICT

P O Box 5398  
Parker, AZ 85344

Board of Directors:

Shelly Rohde Gary Hansen Gary Svider William Risen Robert Troxler

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### **MINUTES**

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

#### **Special Meeting**

**Wednesday, May, 12, 2010 – 5:30 p.m.**

**Buckskin Fire Department, 8585 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. Office Staff: District Manager, Jim Gorman, Office Administrator, Pam Stark, Administrative Assistant, Lin Bachtel. Other Attendees: Legal Counsel, Paul Harter, Terry Jones, Jack & Linda Sweeney, Pat Jones, Jeff Daniel, Squeak Kossnar, Sam Camarata, Teri Crawford, John & Diana Rose.

#### **1. Call to Order**

Chairman Svider called the Meeting to order at 5:30 p.m.

#### **2. Approval/Disapproval of the May 12, 2010 Agenda as presented.**

Director Hansen made a motion to approve the Agenda for May 12, 2010 as presented

Director Troxler seconded

Call to Vote – 5 ayes      Motion passed

#### **3. Managers Report by District Manager Jim Gorman**

Mr. Gorman reported that District Sewer Hookup FAQ's were to be mailed following a decision by the Board on the Connection Fee amount, to be decided at the May 19, 2010 meeting. He also gave an update on the Irrigation Pump Upgrade and reported that a letter was sent with a deadline for a response from the Contractor and that no response was made so Paul Harter will be contacting the bonding company. He also discussed the Holiday Harbor/ADOT meeting and the proposals that were presented. He explained that the first proposal was rejected and was waiting to hear from them on a second proposal. It is still under consideration by ADOT. He explained an outline of what was presented. He would explain more details in the Budget process. He reported that an Inventory of the Storage facility had been completed and would be compiled this week. He also reported that PBS&J submitted the Grant Application to WIFA on April 29, 2010 and it would be June before we heard anything.

Director Hansen asked if the assessment mailings had gone out yet. Pam Stark stated that they would be mailing out on Monday. Chairman Svider stated that there had been a mailing of a notice that was required by the State Statutes and had caused a lot of confusion.

#### **4. Call to the Public**

Jeff Daniel asked a question regarding the money that the District was matching and for clarification on the ADOT payments. Jim Gorman explained the proposal to ADOT and how the grant money was going to be turned over to ADOT. Jeff asked if we had the money and Mr. Gorman stated that the decision would be based on the final bid that comes in from ADOT.

Terry Jones asked about the Budget and whether it was a line item budget. He inquired as to whether you could use funds from one category for something else. Chairman Svider and Paul Harter explained that this was not a line item Budget and that the Budget is a guideline to assist the District to stay within the total dollars budgeted for the year.

Pat Jones asked to make a statement regarding a rumor that he had said the office staff was dysfunctional and incompetent. He stated that he had made no such statement and these 2 women have been doing an incredible job for this District and he wanted to make that clear to them and the public. He stated that although he couldn't say that about some Board Members and others, he felt again, that these women have done an incredible job for the District and the taxpayers.

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Sam Camarata asked if the location for the treatment plant had been decided yet. Chairman Svider stated no, that it is a long process. Sam stated that it has been a long time already.

#### REGULAR AGENDA

5. (Action Item) Accept the resignation of James Gorman, District Manager.

Director Hansen made a motion to accept the resignation as presented by James Gorman

Director Troxler seconded

Discussion: Director Hansen, Risen and Rohde expressed their regrets at his leaving and thanked him for his service.

Call to Vote – 5 ayes      Motion passed

6. (Action Item) Discussion and authorization regarding the job announcement, salary & benefits, and job advertising utilizing the local newspapers, Web Job Sites and Recruiter for the replacement position of District Manager.

Chairman Svider asked if there was a copy of a job announcement in the packets and Jim Gorman gave the Board a copy that he had revised.

Director Rohde and Chairman Svider stated that they liked the revised job announcement. Director Troxler asked if this was the new one and Jim explained that yes as he didn't have the old one with him.

Director Rohde made a motion to approve the new job announcement to be advertised in the local newspapers.

Unable to hear who made the second

Director Troxler asked what about the Web Site and Recruiter and Director Rohde stated that it wasn't in her motion.

Call to Vote – 1 aye

4 nays      Motion failed

Director Risen made a second motion to utilize the job announcement as put forth by our current District Manager to advertise by all means possible.

Director Hansen seconded

Director Rohde asked if there would be a cost limit or would it be open ended. Director Risen and Director Hansen stated it should be within reasonable limits and if it was outrageous then it should come back before the Board for approval.

Call to Vote – 4 ayes

1 nay      Motion passed

Terry Jones asked if there were any previous candidates that should be looked at and Chairman Svider stated no.

7. (Discussion/ Possible Action Item) Review finances versus available funding for the Holiday Harbor/ADOT project with Buckskin Sanitary District.

Jim Gorman stated that it might be best covered when we go through the Budget Worksheet and it is no different than what I discussed before in my Managers Report. Chairman Svider stated that he would postpone this until we cover in the Workshop and then call the meeting back to order to make a decision. He asked Mr. Harter if that was permissible. Mr. Harter stated that yes it was and that he should recess the Special Meeting and go to the Worksession and then come back into the Special Meeting and address that item.

8. (Action Item) Approve/Disapprove adopting the "No Free Ride Ordinance" for the Buckskin Sanitary District.

Mr. Harter explained that this was previously brought to the Board in a very rough draft and was regarding a person having one EDU on a property and then be reassessed additional EDU's if the property changed it's use. He wanted to call their attention to the significant change in Section 3 that if it had been determined that there is an increase due to development of a particular property, thus indicating an increase in the properties use of the District sewage treatment services, the District will assess said property for each additional EDU at the same rate at which the property was originally assessed. He believed that this is in the best interest of the District and makes all property owners share equally in the cost based upon actual use of the property.

Director Risen asked that if the property was cleared and a huge hotel was built, then would that mean they would be assessed additional EDU's? That money would be used to pay off the loan? Mr. Harter said that is correct. He explained that any leftover money would be used to reduce the final payment of the property owners in that Area. He asked what would

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happen if the loan is paid off and what would happen with the extra money then? Mr. Harter stated that it is up to the District, but he felt that the loan is 25 years out and there is limited area with the River on the West.

Jack Sweeney asked about reassessing properties and Mr. Harter explained that the additional assessment would be on the additional EDU's. Mr. Harter stated that this is a policy matter and whether the Board wants everyone to pay the same amount and he gave an explanation of whether the guy comes along later and gets a free ride or pay the same amount as if he was there on day one. Mr. Harter stated again that it is a policy issue. Director Hansen asked about the rebate back to the property owners after the loans are paid and Mr. Harter again explained that it was up to the Board how they wanted to structure it. Director Hansen asked if you could reduce the current payments as they go. Mr. Harter stated that you could do that also, although it typically reduces the final payment. Jack Sweeney asked about those that paid their assessments in full, would they receive a return as well. The answer was yes. Diana Rose asked for clarification and gave an example and Mr. Harter went over the ordinance requirements again and said it is a policy issue for the Board. Mr. Harter and Director Hansen discussed an encumbrance and they stated that yes there is an actual encumbrance because the property owner would have to pay before they hook up. Squeak Kossnar stated he had a special issue with his storage units, that he has 8 units and the units have 8 laterals and you came along and only put one main for 5 of the buildings and 1 for the 3 buildings. How are we going to hookup and if someone doesn't pay, are you going to shut down all 8 buildings. Chairman Svider said that there will be a shut off at each building. Director Rohde asked about the cost of the different assessments in each Phase of the sewer construction and basically we would pick and choose where you are going to build because everytime we get an RD loan it is different. Mr. Harter said that is correct because the cost of each collector system was different based on size and costs at that time and that is how the assessments were determined at that time. A question was asked if it would be fair to put it all in a pot and divide it equally by all the people in the District. Mr. Harter stated you can't do that under the statutory procedures. Director Rohde asked what happens when we build a new treatment plant and and it was explained that everyone in the District would pay for that plant. Director Troxler questioned whether we could structure a repayment plan on any additional EDU costs to reduce the burden of a large one time payment. Sam Camarata asked if the project in this District was similar to the one in Lake Havasu City. Director Rohde explained that no, it was financed with collateral owned by their District and done all at once which lowered the property owner costs. Unfortunately this District has no assets to borrow against and that is why the assessments will go up and up as it goes up the river. Jack Sweeney stated that in all his years he has never heard of new construction being built way down the road and the homeowners having to pay again. Mr. Harter stated that this is a common practice although not everywhere, it is the norm. Pat Jones cited a city in California that did it on a Condo expansion and that the assessments were paid up front. Mr. Harter said he believed that Mr. Jones statement was accurate as it related to general practices in the United States.

Director Hansen made a motion to table the approval of this Resolution pending some presentation of some different options including having a flexible payment plan for the collection of additional EDU's whether they could be spread out over time and also clarifying the ability of the additional EDU's being factored into the overall payment plan and perhaps rebates back to the original EDU holders.

Director Troxler seconded

Chairman Svider asked if we got the complete motion.

Call to Vote – 4 ayes

1 nay          Motion passed

Director Risen asked to make a statement that as a directive for the next meeting next week, that Jim Gorman's protocol for the Call to the Public is brought to the Board for consideration. Chairman Svider said he would take it upon review. Director Rohde said she would second it and Chairman Svider said he believed that was a suggestion.

Board recessed the Special Meeting to the Worksession at 6:22 p.m. to discuss the Holiday Harbor/ADOT project item and then re-address back in the Special Meeting.

Board reconvened the Special meeting at 6:35 p.m.

Chairman Svider called on Item #7 (Discussion/Possible Action) Review the finances versus available funding for the Holiday Harbor/ADOT project with BSD.

Chairman Hansen asked if this was just a discussion and Chairman Svider that it is a Discussion/Possible Action item

Director Rohde made a motion to do everything possible to move forward with the Holiday Harbor/ADOT project with the full cooperation of the Board.

Director Risen seconded

Discussion: Director Rohde stated that the District has already spent a lot of funds and time and Jim has explored another possible option. Director Risen stated that he thought we were on an E-Ticket ride and he didn't know how it was going to go even if it goes through, and that he didn't know how he was going to vote in the end, but we should give it a chance.

Call to Vote – 5 ayes      Motion passed

Chairman Svider said he thought at this point we needed to be prepared to issue a check by the 14<sup>th</sup> as requested and Jim Gorman stated that he didn't know if ADOT would be ready by the 14<sup>th</sup> and could very well extend some time do to their delay but it would be very quick and short timeframe.

Director Svider requested that if we had not had an answer from ADOT by May 19, 2010, under their final terms and conditions, that this item be added to the Agenda for the May 19, 2010 meeting. Director Rohde asked if he just modified the motion and Mr. Harter said no, he was asking for an item to be placed on a future Agenda. He also reminded them that under the proposal, this is just to make the deposits and the Board has not made any final commitment to the project, and depending on the bids the District may say yes or no and that won't be until this summer.

Chairman Svider adjourned the Special Meeting at 6:42 p.m.

Minutes Approved \_\_\_\_\_

Chairman Gary Svider

Date \_\_\_\_\_