

**MINUTES OF MEETING OF THE
CONCHO WASTEWATER IMPROVEMENT DISTRICT
January 10, 2014**

- 1. Called to order by Jenni Wicks, manager of Livco Sewer Co at 10:00am.**
- 2. Organizing committee appointed Chairperson, Vice Chairperson, and Secretary/Treasurer.**
3. Rick Kautz made motion for Pat Murphy to be Chairperson, Sheldon Barrett to be Vice Chairperson, and Rick Kautz to be Secretary/Treasurer. Jenni Wicks was appointed as Clerk. Murphy seconded. All voted in favor.
- 4. Board members were sworn in and signed Oath of Office.**
5. **Call to Public:** No public was present. Discussion of whether or not to allow the public to address items not on the agenda. For sake of time and efficiency, it was decided that the public will be required to contact the Clerk before scheduled meetings to have something added to an agenda. There will be no items submitted by the public that are not on the agenda. It will be up to the Clerk to set a time limit before each meeting to have items added to the agenda. The Board requested the Clerk to research that this follows state regulations about public meetings. Kautz motioned for a vote. Barrett seconded. All voted in favor of having the public only give new items to the Clerk outside of board meetings.
6. After discussion it was decided to have Kautz serve an initial 2 year term, and Barrett and Murphy serve four year terms. All terms after the first terms served will be four year terms. Murphy motioned for a vote. Kautz seconded. All voted in favor of the terms.
7. After discussion, Livco Water Co was hired to be the management company for CWID. A one-year management agreement was reviewed and discussed. Within the contract it was stated that Livco will set up the financial accounts, web site, office administration and related matters. Barrett motioned to vote. Murphy seconded. All voted in favor of hiring Livco Water Co.
8. The approval of the Transfer Agreement of the assets from Livco Sewer Co to CWID was tabled until the next scheduled meeting. The Board members will review the agreement and have time to each make an appointment with Livco Sewer to have a tour of the plant facilities. Murphy motioned to vote. Barrett seconded. All voted in favor to table the issue.
9. The Board authorized Livco Water Co to start the transfer of assets process with the Arizona Corporation Commission. Murphy motioned to vote. Barrett seconded. All voted in favor to start the process.
10. Jenni Wicks, as a representative of the management company, discussed the existing sewer fees rate plan that Livco Sewer Co was charging. The board discussed the rates with Wicks and decided to keep the current rates and to add two new rates. A \$50 site inspection fee and a \$250 hookup fee which includes one site inspection. A hookup fee included the new customer exposing the main sewer line to where their service line connects, CWID installing the connection, and the customer burying the line again. Murphy motioned to vote. Kautz seconded. All voted in favor of keeping the current Livco Sewer rates and adding two more fees.
11. Wicks discussed one residence, Robert Jones, that is hooked up to the sewer system but is not paying any monthly fees as they told Livco Sewer Co that they are not using it. The Board decided that the residence connection needs to be capped off or the customer must pay a monthly fee. They directed the management company to write a letter to Mr. Jones stating that he either must cap off the sewer connection or start paying the monthly fees. The normal inspection fee for a cap-off will be waived in this instance due to the situation of changing from Livco Sewer to CWID. Kautz motioned to vote. Barrett seconded. All voted in favor to contact Jones.
12. After a discussion of annexation fees and permits, the Board decided to table this issue. The Board directed the management company to research more into annexation fees and how to protect the system from development after annexation that would stress the existing system. Murphy motioned to vote. Kautz seconded. All voted in favor of tabling this issue until the next meeting.

13. After discussion with Wicks about the electrical service to the six lift stations, it was agreed that CWID will pay for the electrical bills for all six stations as they are billed to Livco Water Co. with the understanding that within six months of this meeting, all six electrical services will be transferred with Navopache Electric Co-op to CWID. Wicks will attempt to transfer one service per month including the new security deposit as the CWID budget allows. Murphy motioned to vote. Kautz seconded. All voted in favor of agreement to take over the electrical bills for the lift stations.
14. The decision on purchasing Directors Liability Insurance was tabled until the Clerk has the bids on the insurance rates. Murphy motioned to table. Kautz seconded. All voted in favor.
15. The approval of a line of credit with Country Club Properties of Concho Inc was tabled to give more time for review by the Board. Murphy motioned to table. Barrett seconded. All voted in favor of tabling the approval.
16. The Board discussed training on Open Meeting Law and Public Records Law. The Clerk was authorized to seek out efficient and cost effective training. Murphy motioned to vote. Kautz seconded. All voted in favor of the authorization.
17. **No announcements**
18. **The next scheduled CWID board meeting will be Saturday February 1, 2014 at 9:00am at the Concho Public Library.**
19. **Future Board agenda items:**
20. Discussion and approval of commercial usage rates
21. Discussion and approval of annexation and other supplemental fees
22. Authorization of purchase of Directors Liability Insurance
23. Discussion and authorization of Transfer of Assets agreement
24. Discussion and approval of Line of Credit with Country Club Properties of Concho Inc.
25. Discussion of bid process for services
26. **Motion to adjourn at 11:30am by Kautz. Seconded by Barrett. All voted in favor.**

**MINUTES OF MEETING OF THE
CONCHO WASTEWATER IMPROVEMENT DISTRICT
February 1, 2014**

- 1. Called to order by Pat Murphy, Chaiperson at 9:00am.**
- 2. Roll Call:** Murphy and Barrett present. Kautz present on video call. Wicks present as Clerk and Manager.
- 3. Call to Public.** No public present.
- 4. Manager's Report by Jenni Wicks, Livco Water Co.**
 - a. The alternator needs replacing on Old Concho lift station. Part has been ordered and repair should be under \$200.
 - b. Discussed accounts receivables and accounts payables. Nothing is being paid until checking account can be opened.
 - c. Discussed payments pending to be deposited including \$220 in transferred security deposits.
 - d. Advised board that manager has not had time to research annexation fees and policies.
 - e. Advised that a new commercial account may be opening soon next to the Jiffy Store.
- 5. Minutes were approved unanimously by Board.**
- 6. Wicks reported on problem with opening a checking account.** A social security number or "responsible third party" company is required to apply to IRS for an EIN number which is necessary to open a checking account. Also discussed if Board wanted to set a limit to the maximum amount a check can be written without an authorized Board Member as second signature.
RK moved to ask the legal firm of Moyes, Sellers and Hendricks to be the third party including any charges for the service. If MH&S will not do it then ask the County and if the County will not do it, then Livco Sewer will be the third party. Also RK moved to set \$1000 limit for maximum check amount. Seconded by Barrett. All voted in favor.
- 7. Wicks discussed with Board the reporting procedure for accounts payables & receivables.** Murphy requested that a monthly report of checks written, bills received, and bills paid be supplied to the Board before each meeting with enough time to review it. Wicks will also provide projection estimates.
- 8. Transfer agreement was discussed and approved.** Wicks summarized the document stating that basically the system is transferred as-is for \$1.00. All board members requested that the Engineering Report form 2013 be emailed again to each of them. Kautz & Murphy will both get the signature page signed and notarized and get it to Livco to submit to ACC. Murphy moved to approve the transfer agreement. Barrett seconded. Murphy and Barrett voted for approval. Kautz abstained.
- 9. The loan agreement was tabled.** The board requested that the manager send the document Moyes, Sellers and Hendricks for review. Murphy moved to table. Barrett seconded. All voted in favor of tabling the loan agreement.
- 10. Director's Insurance.** Wicks reported on quotes for Director's and Officer's insurance policy. Still waiting on another quote from a second insurance agency. Board decided it is important to get coverage as soon as possible. Requested manager to try for one more week to get a second quote but with no other better quote, to accept the quote from Eric Broadbent with a \$2000 deductible. Then the management company was instructed to get new quotes in 6 months to review and try to find a less expensive policy. Barrett moved to purchase the insurance. Kautz seconded. All voted in favor.
- 11. Maximum limit on unapproved repairs.** After discussion of average repairs and frequency by Wicks, the board approved that the management company can authorize the cost of estimated repairs up to \$1000 without Board pre-approval. The management company was directed by the Board that whenever it is reasonable and feasible, to get competing quotes for repairs. Barrett moved to approve. Kautz & Barrett seconded. All voted in favor of \$1000 maximum for non-preauthorized repairs.

- 12. AZ Public Meeting Laws training.** The Board had not had time to read the AZ Public Meeting Laws handbook issued by the AZ Secretary of State. Wicks pointed out the pertinent pages that relate to the district. Kautz moved to table the issue of the need to search for official training until after they could all study the handbook. Murphy seconded. All voted in favor of tabling the search for training.
- 13. Manager reported on the ADEQ transfer application.** A few more documents are needed to complete the application. Also, the loan agreement must be approved before the application is submitted to ADEQ as the application fee must be borrowed from Country Club Properties.
- 14. Commercial rate change proposed by manager.** Wicks proposed lowering the monthly commercial rates for 1” meter to \$125, 1.5” meter to \$175, and 2” meter to \$225. The lower rates will be more favorable to attract new businesses. Kautz moved to approve lowering the rates. Murphy seconded. All voted in favor.
- 15. Robert Jones vacant residence in Old Concho.** Wicks reported that Mr. Jones was contacted about disconnecting his service line on County Road 5049. Mr. Jones is disputing that the line was ever connected. The Board instructed the management company to set up an appointment in writing with Mr. Jones to meet at the site while the line is dug up. If it is not disconnected and Jones still does not want to pay a monthly service, then the service will be disconnected at no cost to the Jones’. Kautz as owner of Livco stated that Livco will absorb the cost of the disconnection without billing CWID. Kautz moved to disconnect the service at no cost. Murphy seconded. All voted in favor.
- 16. No announcements**
- 17. The next scheduled CWID board meeting will be Saturday March 15, 2014 at 9:00am at the Concho Public Library.**
- 18. Future Board agenda items:**
 - a. Invite a grant specialist to speak to the Board about their services.
 - b. Discussion of the need for AZ Public Meeting Laws.
 - c. Approval of loan agreement with Country Club Properties.
- 19. Motion to adjourn at 10:34am by Murphy. Seconded by Barrett & Kautz. All voted in favor.**

Minutes of Public Meeting March 14, 2014 for Concho Wastewater Improvement District

Attended: Rick Kautz, Pat Murphy, Sheldon Barrett and Jenni Wicks (clerk)

Call to order time: 9:00am

1. Manager's Report.

- a. The EIN number issue was settled and the checking account is open.
- b. transfer agreement has been filed with ACC
- c. Directors and Operators insurance has been completed
- d. ADEQ form is completed and ready for signature.
- e. Jones disconnection is completed
- f. Management advised that line test for leaks in Old Concho should be performed this summer

2. Consent Agenda Items.

Approval of Minutes of the February 1, 2014 Meeting. Motioned: Kautz, Seconded: Barrett. All voted in favor.

3. Presentation by Mark Reader of Stifel Nicolaus and Company about their service for obtaining grants and loans.

4. Regular Agenda Items.

- a. Board discussed the promissory note with Country Club Properties of Concho Inc. Motioned for approval: Murphy Seconded: Barrett All voted in favor. Murphy signed the note.
- b. Board discussed accounts payables and receivables with the Manager. Asked to have an updated report for each meeting.
- c. Board discussed annexation policies. Board discussed having a special discount for landowners that want to join the district by December 31, 2014. If someone joins by 12/31/14, the annexation fee will be \$350. Starting January 1, 2015, the fee will be \$1000. Motioned: Murphy Seconded: Kautz All voted in favor.
- d. Discussed supplement fees proposed by Manager. Agreed to fee structure with one change – make NSF fee \$50. Motioned for approval of fees: Murphy Seconded: Barrett All voted in favor.
- e. Discussed proposed Customer Rules and Regulations proposed by Manager. Manager asked for interim approval until the Board has time to thoroughly approve the regulations. Motioned for approval: Kautz Seconded: Murphy. All voted in favor to allow management company to use proposed regulations in the interim.
- f. Discussion of need for training of AZ Public Meeting laws. Board agreed that each member is responsible for studying the laws in the document from the Secretary of State and that no extra training would be needed. Motioned: Barrett Seconded: Kautz All voted in favor.
- g. Board approved sending of ADEQ application with a \$2000 application fee. Motioned: Murphy Seconded: Kautz All voted in favor.

5. Announcements

- a. Next meeting will be at 9:00am on Friday April 4 at the Sugar Shack. Management will give the restaurant \$10 for each meeting held there.
- b. Management will contact Old Concho Water co-op to see if they want to meet with the board about adding more Old Concho properties to the district.

6. Adjournment

Murphy motioned for adjournment at 11:40am. Seconded by Kautz. All voted in favor.

Dated this 9th day of April, 2014

CONCHO WASTEWATER IMPROVEMENT DISTRICT

Jenni Wicks, Clerk

Minutes of Public Meeting April 4, 2014 for Concho Wastewater Improvement District

Attended: Rick Kautz, Pat Murphy, Sheldon Barrett and Jenni Wicks (clerk)

Call to order time: 9:00am

1. Manager's Report.

- a. Spoke with representatives from Old Concho and will meet with them again about joining the district
- b. Discussed problem at 73 Spring Dr – hedge which was planted on top of the main line in the easement has grown roots into the pipe including the service pipe. Will be contacting the customer about reimbursing CWID for the repair costs and notifying them that the customer needs to remove the hedge.

2. Consent Agenda Items.

Approval of Minutes of the March 14, 2014 Meeting. Motioned: Murphy, Seconded: Barrett. All voted in favor.

3. Presentation by Mark Reader of Stifel Nicolaus and Company about their service for obtaining grants and loans.

4. Regular Agenda Items.

- a. Board discussed accounts payables and receivables with the Manager.
- b. Board reviews Rules and Regulations with some wording and typo corrections. Murphy motioned to approve the Rules and Regulations with changes. Barrett seconded. All voted in favor.
- c. Board tabled discussion on grants and loans until the manager can get more information. Murphy motioned. Kautz seconded. All voted in favor.

5. Announcements

- a.. Next meeting will be at 9:00am on Friday May 2 at the Sugar Shack.
- b. Board will start to work on taxes for county.
- c. Discussions of grants and loan applications.

6. Adjournment

Kautz motioned for adjournment at 10:00am. Seconded by Barrett. All voted in favor.

Dated this 14th day of May, 2014

CONCHO WASTEWATER IMPROVEMENT DISTRICT

Jenni Wicks, Clerk

Minutes of Public Meeting May 9, 2014 for Concho Wastewater Improvement District

Attended: Rick Kautz, Pat Murphy, Sheldon Barrett and Jenni Wicks (clerk)

Call to order time: 9:00am

1 Manager's Report.

- a. Gave status of obstruction clearance of line at 73 Spring Dr. Hedges will be cleared and the customer has been issued a bill for the work that was done.
- b. Gave report on status of asset and permit transfers. ACC should be completed by July and ADEQ may be completed by August.
- c. Reported that the maintenance supervisor wants the rules for a new tap to include the customer digging to expose the line instead of just digging to within 5 feet of the line. He will be available to make sure the main line is not damaged.
- d. Meetings can be held at the library using Livco's liability insurance policy until CWID gets their own insurance.

2. Consent Agenda Items.

Approval of Minutes of the April 4, 2014 Meeting and to allow the Clerk to sign draws from the Promissary Note Line of Credit if the amount is approved in a Public Board Meeting.

Motioned: Kautz, Seconded: Barrett All voted in favor.

3. Regular Agenda Items.

A. Board discussed accounts payables and receivables with the Manager.

B. Manager discussed the grant and loan process with WIFA and USDA. Manager explained that she is looking in to obtaining a Line of Credit through the county using Wells Fargo Bank to replace the Promissory Note from Country Club Properties.

C. Board authorized a draw from the Country Club Properties line of credit for \$5,000 to be taken in as small of increments as possible by the management company.

Motioned: Murphy Seconded: Barrett All voted in favor.

D. Board finalized rates and budget. The requested tax ad valorem rate will be capped at \$65 per parcel.

Motioned: Barrett Seconded: Murphy All voted in favor.

4. Announcements

The next meeting will be the Rates and Budget hearing. It will be at 9:00am on Friday June 6 at the Concho Public Library. The meeting will be followed by a working session of the Board.

5. Adjournment

Murphy motioned for adjournment at 10:20am. Seconded by Kautz. All voted in favor.

Dated this 11th day of June, 2014

CONCHO WASTEWATER IMPROVEMENT DISTRICT

Jenni Wicks, Clerk

Minutes of Public Meeting June 6, 2014 for Concho Wastewater Improvement District

Attended: Rick Kautz, Pat Murphy, Sheldon Barrett and Jenni Wicks (clerk)

Call to order time: 9:00am

1. Hearing for Rates and Fees.
No new discussion. No public comments.
Motion to approve: Kautz Seconded: Barrett All voted to approve.
2. Hearing for Annual Budget
No new discussion. No public comments.
Motion to approve: Murphy Seconded: Barrett All voted to approve.
3. Start regular Agenda – Working session
4. Manager's Report
 - a. ACC and ADEQ transfer of assets and permits are on schedule. ACC final hearing in Phoenix is on Wednesday July 9 and Wicks will be attending with expected travel costs around \$325. ADEQ permit transfer is in the second stage of approval and hopefully will be completed by the end of July.
 - b. Update on collection of costs for repairs at 73 Spring Dr. The property owner is unable to pay this bill. Manger was directed to find the least expensive way to put a lien on the property so funds can be collected if the house ever sells.
5. Approval of minutes from May 9, 2014 meeting
Motion to approve: Kautz Seconded: Murphy All voted to approve.
6. Board discussed accounts payables and receivables with Manager. Approved Manager to withdraw up to \$2,000 from line of credit with Country Club Properties if needed before the next Board meeting.

Motion to approve draw: Barrett Seconded: Kautz All voted to approve.
7. Next meeting date will be August 1, 2014 at the Concho Library.
8. Motion to adjourn at 9:20am: Murphy Seconded: Barrett All voted to approve.

Dated this 11th day of June, 2014

CONCHO WASTEWATER IMPROVEMENT DISTRICT



Jenni Wicks, Clerk

Minutes of Public Meeting August 1, 2014 for Concho Wastewater Improvement District

Attended: Rick Kautz (by Skype), Pat Murphy, Sheldon Barrett and Jenni Wicks (clerk)
Meeting held at the Concho Public Library.

Call to order time: 9:00am

1. Manager's Report
 - a. Electric bills have all been converted to CWID from Livco.
 - b. CWID withdrew \$1500 from CCP line of credit.
 - c. Lien paperwork for 73 Spring Drive is being reviewed by lawyer.
 - d. Manager advised of new pending accounts and loss of one existing account.

2. Board discussed accounts payables and receivables with Manager.

3. Board discussed issue that the deadline to notify the State to be included on 2014 tax rolls was missed. The lawyer is trying to get this approved. Board will discuss how to handle issue at the next board meeting.

4. Board discussed options for obtaining low interest loans. Board tabled the vote on applying for a line of credit through the county.

Motioned: Barrett Seconded: Murphy All voted in favor.

5. At Manager's request, the Board discussed clarification in Rules and Regulations concerning property owner responsibility when CWID lines or equipment are damaged. Manager was instructed to make changes.

Motioned: Murphy Seconded: Barrett All voted in favor to have Manager clarify the wording.

6. Board discussed putting in an article in the Concho Connection announcing CWID. Approved placing an ad in the same publication for discounted rates to join the sewer system.

Motioned: Murphy Seconded: Barrett All voted in favor to run the article and place the ad.

7. Discussed rates for new types of commercial accounts and public restrooms. Tabled vote on approving new rates.

Motioned: Murphy Seconded: Barrett All voted in favor to table vote on new rates.

8. Tentative meeting set for August 15 to discuss tax issue. Another meeting set for September 5.

9. Motion to adjourn at 10:07am: Murphy Seconded: Barrett All voted to approve.

Dated this 20th day of August, 2014

CONCHO WASTEWATER IMPROVEMENT DISTRICT

Jenni Wicks, Clerk



**MINUTES OF MEETING OF THE
CONCHO WASTEWATER IMPROVEMENT DISTRICT**

September 5, 2014

1. **Meeting was called to order at 9:00am.** In attendance was Rick Kautz, Pat Murphy, and Sheldon Barrett. Jenni Wicks was in attendance as the Clerk and Manager of CWID.
2. **Manager's Report:** No new business other than waiting for attorney's review of the lien for 73 Green Drive.
3. **Minutes** were approved for June and August 1, 2014 meetings.
4. **Regular Agenda Items:**
 - a. Accounts payables and receivables were discussed with Manager.
 - b. Due to filing date missed with the State to be on tax roles for 2014 bills, the Board approved revising the management agreement with Livco Water Co. The new agreement will state that through 2015, Livco Water Co will pay any bills that CWID cannot pay including paying the current amount due to Country Club Properties. Starting January 2016, Livco will charge a late fee of 1.5% monthly (18% per annum) on all outstanding invoices that CWID owes to Livco. After the attorney has reviewed and approved the new agreement, the new management agreement will go in to effect.
Motioned for approval: Barrett Seconded: Murphy All voted in favor of the new agreement
 - c. The Board discussed and adjusted rates for commercial accounts and for public restroom facilities. The hearing for the new rates will be on October 10, 2014 at 9:00am.
Motioned for approval: Murphy Seconded: Kautz All voted in favor of the new rates
 - d. Board ordered the Manager to discontinue the ad in the Concho Connection.
5. Next meeting Public Meeting to be held on October 10, 2014 following the Hearing for the new rates.
6. Motion to adjourn at 10:50am by Murphy. Seconded: Barrett All voted in favor of adjournment.

Dated this 7th day of October, 2014



By Jenni Wicks, Clerk
Concho Wastewater Improvement District

**MINUTES OF HEARING AND WORKING MEETING OF THE
CONCHO WASTEWATER IMPROVEMENT DISTRICT**

October 10, 2014

1. **Call to Order was at 9:00am**
2. **Attending was Pat Murphy, Sheldon Barrett, and Rick Kautz. Jenni Wicks attended as Clerk and Manager.**

HEARING OF NEW RATES

3. **Rates for Commercial Accounts and Public Restroom facilities:**

The Board approved the new rates for commercial accounts and for public restrooms as follows:

Commercial monthly rates: \$50 base fee plus \$3.50 per thousand gallons of metered water purchased.

Public Restrooms monthly rates: \$50 flat rate fee for facilities up to 4 toilets. \$75 flat rate fee for facilities with more than 4 toilets.

Barrett motioned for approval. Kautz seconded. All voted in favor of new rates. Rates will go in to effect on November 1, 2014. There were no public comments.

REGULAR AGENDA FOR WORKING MEETING

1. **Manager's Report.**
 - a. Lien for 73 Spring Drive will be filed as soon as total legal costs are known.
 - b. Final approval of ACC for assets to be transferred from Livco Sewer Co to CWID will be on Oct. 15, 2014.
2. **Approval of Minutes of September 5, 2014 meeting.**

Murphy motioned for approval. Barrett seconded. All voted in favor of approval of minutes.
3. Discussion of payables and receivables with Manager. No new unexpected costs on projections.
4. Discussion of methods to add more customers to district. Murphy will contact some people in Old Concho area. Wicks will contact people on edge of district that may be building soon.
5. Next meeting will on January 9, 2015 at the Concho Public Library unless new business creates a need for an earlier meeting.
6. Murphy motioned for adjournment at 9:40am. Barrett seconded. All voted in favor to adjourn.

Dated this 15th day of October, 2014

CONCHO WASTEWATER IMPROVEMENT DISTRICT

Jenni Wicks, Clerk

