

Minutes of May 9, 2019 Board meeting of the Concho Wastewater Improvement District

Roll Call: Present: Susan Buttler and Tracy Howard. Jenni Wicks as clerk and manager of CWID. Don Fredrickson as new management company. Bill Wilder not present. No one from the public was present.

Regular agenda items

1. **Approval of minutes** for meeting on February 7, 2019 Buttler motioned to approve the minutes. Howard seconded. All voted to approve the Feb. 7, 2019 minutes.

2. **Discussion of current financials, projections, tax revenue income, and customer count status with the Manager.**

Wicks stated that the revenue from user fees and tax revenue was as expected with a few of the customers paying ahead on their user fees. CWID has 34 customers at this time with another expected residential vacant home to be activated soon. There have been a couple of requests from people looking at building within the district that also might be hooking up. The park model next to the motel should be hooking up within the month and the subdivision at Concho West Shore on the lake should have final ADEQ approval by the summer and hopefully there will be more hookups then.

Buttler asked who owned most of the lots in the Concho West Shore subdivision and Wicks told her it was someone in California who held the note on the land and had taken over the property when Banta's development company went into bankruptcy. She asked for the contact information and Wicks said she would get it to her next week.

Buttler asked what the budget for White Mountain Publishing was and Wicks said it was for publishing the budget and election notices.

Buttler asked who Stickler Webb was and Wicks told her it was the insurance company. The payment in July to Stickler Webb is for the property/liability insurance.

3. **Discussion of status of plant repairs and map project.**

Wicks stated that the first draft of the map project should be arriving next week from the engineer. Wicks and Davis need to go over it and send it back to the engineer for updates and revisions. The project should be completed by the end of June. The final maps will be both paper and digital. Both board members stated they would like to get copies.

All of the lift stations that needed repairs are done. The next big project is the epoxy project. CWID will only be able to afford to do 2 or 3 this year. Wicks is looking over estimates with two different contractors and will have the selection of the contractor ready for Saguaro Accounting for the next meeting.

4. **Discussion and vote on contract with Saguaro Accounting.**

Fredrickson summarized the contract going over the basic services include daily customer service, accounting, accounts payable and receivable, clerking for the board, plus other standard services. It will not include any financial compilations required by banks or government entities. Saguaro will keep the records for up to 5 years. If there are any services that will cause supplemental fees, Saguaro must get approval from the board before doing those services.

Fredrickson will have the ability to sign checks but there will need to be a process for how bills are paid and checks signed. Wicks said that all of the checks for bills have been signed for this month so they can finalize the process at the June meeting. Fredrickson recommended that he send out a list of bills to be paid each month and gets written authority from one or more board members to pay them.

Howard motioned to approve the contract. Buttler seconded. All voted in favor of approval.

5. **Discussion and vote on contract with Matt Davis.**

Wicks summarized the contract and the board members thought the rate was high. She said that he works an average of 8 hours per week on the sewer system, knows the system backwards and forwards and is very honest with his accounting and repairs. He will be charging \$50 per hour for supplemental services (mostly just repairs). Wicks said that the only other operator service she could find charges \$75 per hour and they will not come as far as Concho. Wicks said they he has worked out with the owner of Livco on how to fit the work in around Livco hours so there will not be a conflict between the companies. After the Fredrickson calculated he is charging about \$17 per hour

for the normal work, they agreed to the contract. Buttler added wording that if there will be any service that causes supplement charges, it needs to be approved by the board first.

Howard motioned to approve the contract. Buttler seconded. All voted in approval. If Davis has a problem with the added wording, he will notify the board and the contract will be renegotiated at the next meeting.

6. Presentation by Wicks on budget figures for 2019-2020 fiscal year with vote on budget to present at the Public Hearing in June and vote by board.

Wicks created the budget showing the new management & operator costs, and fees for the use of the generator and storage of CWID supplies by Livco. There will be a \$50 per day charge if CWID needs emergency use of the generator and \$45 per month fee for Livco to store the CWID pipes and supplies in the Livco storage unit.

The extra fees and estimated costs of \$36,000 for the epoxy project will increase the budget from previous years. After discussion, the board decided to reduce the emergency fund to \$10,000, reduce the plant additions from \$15,000 to \$10,000 (which should be enough for 1 large pump or two small pumps), and reduce the sludge removal expense by \$3000 which means cleaning out the mains in Units 5A and 5B every other year instead of every year. Buttler did not want to raise the tax rate by any more than \$5 which would bring it up to \$85 from the previous \$80. Howard agreed. Wicks said she would recheck the previous year's expenses to make sure the figures are correct and then adjust the expenses as discussed so that the tax rate would be \$85 for the 2019-2020 fiscal year. She will make the adjustments and send copies to the board members before publishing them in the newspaper.

Howard motioned to vote on accepting the budget and increasing the tax bill to \$85. Buttler seconded. All voted in favor.

Wicks went over the CWID fees to customers that may need changing. Wicks asked the board if they want to continue to charge customers for using credit cards. If CWID decided to absorb the cost it would cost CWID about \$80 per year. Buttler and Howard said they did not want to do this. Wicks felt that the fee needed to be added to the fee list. Fredrickson will contact Wicks in the next week to let her know what the credit card fee will be.

Last winter, a temporary change in the commercial fee was initiated that allowed 1000 gallons to be included in the flat commercial account rate of \$50. The board members decided to make this a permanent change.

Buttler motioned to vote on adding the credit card fee and to make the temporary commercial rate permanent. Howard seconded. All voted in favor to add the fee and keep the temporary rate change.

7. Discussion and vote on procedures for signing checks and caps on non-board approved repairs.

Buttler motioned to table this issue until the next meeting when Wilder will be present. Howard seconded. All voted in favor of tabling this discussion until the June meeting.

8. Discuss process for change of signatures on checking account and new debit card. Wicks explained that to change the signatures on the National Bank operations account, all of the signees need to do it on the same day. Wilder will not be back for 2-3 weeks so they could either wait for him to come back or just not have him as a signer on the account. Buttler and Howard wanted to wait until Wilder gets back. They will set up a day when everyone can get to the Show Low branch bank and sign the signature card.

The warrant account only needs Howard and Fredrickson to fill out a form and send it in to the county along with a form stating that Wicks' name is being removed. Howard and Fredrickson will return the forms to Wicks to send in to the county.

9. Discuss and vote on consulting fees for Jenni Wicks after Saguaro takes over management of district. Wicks

wanted to know if they wanted to decide on a consulting fee after she is not working for CWID any longer. She will be available for simple calls at no cost to help guide Saguaro Accounting through the changeover but if she is needed to come to their office and go over files for any length of time, there will be a consulting fee. Wicks stated that if something like this happens while she is still working for Livco, Livco will charge the same fee it is doing now, \$35 per hour plus travel. Fredrickson and Wicks felt that after the end of June, it is very doubtful that Wicks will be needed for anything other than short answers on where to find things or how she recorded items. If for some reason a longer meeting is required, Wicks and CWID will agree on a fee at that time.

10. **Discussion of changing the amount of term years to 3 years for the next term** for the position that Buttler has ending in 2019 as per the request of the county elections department.
Wicks said that the county asked if the next position going up for election could be changed to end on a regular election year which would make it much easier for the county and more cost effective. Buttler motioned to allow the next position term to end in three years instead of four and for four years after that. Howard seconded. All voted in favor to let the position that has a term ending in 2019 to have the next term end in 2022 and then each term thereafter last for 4 years.
11. The next meeting will be on June 13, 2019 at 4:30pm at the Livco office building. Wicks will open the building but not be a part of the meeting. This will be the last time that Livco can host the board meeting.
12. Adjournment. Buttler motioned to adjourn. Howard seconded. Meeting adjourned at 6:58pm.

Dated this 13th day of May 2019

CONCHO WASTEWATER IMPROVEMENT DISTRICT

Jenni Wicks, Clerk