



VILLA GRANDE

DOMESTIC WATER IMPROVEMENT DISTRICT

Note: All meeting minutes are posted for informational purposes only. The board of directors does not ratify meeting minutes until the next scheduled board meeting.

Minutes

April 5, 2017

Regular Meeting

Call to Order: Allen Grant called the meeting to order at 7:00 pm.

Directors Roll Call: Present were Terry Eickstaedt, Allen Grant, Cauy Washburn and Ray Roerdink. Bernie Vargas was absent.

Discussion/Action Minutes: Minutes from March 1, 2017 and March 30, 2017 (Special Meeting). A motion was made by Terry Eickstaedt to approve and ratify the minutes for March 1, 2017 and March 30, 2017 as written and seconded by Cauy Washburn. Vote unanimous 4-0. Motion carried.

Call to the audience: None present.

Discussion/Action: Well #1: Tom Hoover from John Hoover Well Service & Repair was present to discuss the findings after drilling the well. While they were drilling, they ran into an old set of pump bowls. The first 100 feet went well before hitting the pump bowls. It is time consuming drilling up these steel castings. They went beyond their scheduled hours trying to see how far they could drill down. After getting through the pump bowls they ran into the tail pipe. At that point they stopped drilling. It would be more time spent drilling up steel. It can't be fished out due to the sand that has built up around it over the years. It would have to be drilled out. The tail pipe is typically a softer material than the bowls but they don't know how long this tail pipe would be. It could be a 2-foot piece or it could be a 40-60 foot section. He believes the final depth was 588 feet. They started about 460 feet. There appeared to be some inactivity at the site due to other jobs. They were out of allotted hours so he donated some time when his guys had some down time from other jobs just to see if they could get past the pump bowls. This particular set was about 8-feet long. Over time a pump may come apart and the bowls are just left inside. There is no way to fish them out. For future information...if you ever lose one, remove it at the time. They are much easier to remove when it occurs. Typically when there is tail pipe, there is a sand issue. Tom's recommendation is to do another video scan. If we decide to continue drilling and try and remove the tail pipe, he would drop his hourly rate to \$185 per hour down from \$225 per hour. His best estimate would be another 100 hours of drilling to try and obtain the 1,000-foot depth. Well #1 has apparently had sand issues in the past because it is filled in. Tom did brush and clean it so that if we want to get another video we could inspect the casing as it sits now. According to Tom, there is still a lot of use left in this well. The purpose for drilling deeper was to try and get away from the high nitrates. A rule of thumb is...if the costs of drilling deeper exceed 60% of the cost of drilling a new well, it is time to drill a new well. There was no material or rocks coming in from up top. If there were any breaks in the casing, they would not be major. At this point the well stayed intact. Having another well scan is the cheapest form of insurance. He did not get aggressive with the bailer so as not to damage the casing. He did not believe it is deep enough for us knowing that we are trying to drill deeper in order to get away from the high nitrates. Tom believes he may be looking at another 20 hours just to get through the tail pipe but there are no guarantees. Approximate cost to reach 1,000 feet: \$18,500. We are currently into this with Tom at \$22,750.00.

Tom Hoover stated we should get another video to make sure there is no issue with the casing and then the pump can be dropped in and used again. He stated we could use it for two or three years and revisit drilling again if we choose to. When there is a nitrate issue, nitrates tend to migrate down into the water and you need 30 days or more of pumping to know if there is any change in nitrate levels. Cauy Washburn stated that our issue is we have no way to pump the water for 30 days to see if that would help. Tom stated there are other options, such as a zone airlift to take water from the well to take samples to see where the nitrates are. The accuracy rate is about 90%. It would involve about three days worth of work on Tom's end. This would let the water company know if we are pulling more from the top or down lower. Again, there is no guarantee.

Ray Roerdink asked what a new well would run. Tom stated a new 16-inch well to replace our existing well would run \$280,000 for a 1,000-foot well. A 12-inch well would run \$185,000 for a 1,000-foot well. That includes the casing but no pump. A new 8-inch is about \$85,000. Tom's recommendation if we wanted to seal the top part would be to put in 12-inch blank (no perforation) down to 600-feet and then 10-inch perforated another 600-feet. When you run all the same size bore hole, you run a greater risk of nitrate migration.

Cauy Washburn commented the board would need to review and determine how to move forward from here. The board thanked Tom Hoover for the information and the board would discuss and make a final decision.

Cauy Washburn stated that he would hate to spend \$280,000 or even the \$185,000 when we don't need to pump 300 gallons per minute. The 8-inch would be more of what we need for our community because all we need is 80 gallons per minute. Cauy's recommendation is that the water company gets another video done to see where we stand after all this work has been done to make sure the well casing is in good condition. After getting the results from the second video scan, the board can discuss what options are available. Ray Roerdink asked the question whether we could use Well #1 and issue an immediate notice of high nitrates. Danny Baeza commented the water could be used for showing, laundry, etc.; it can't be used for drinking, especially for babies and the elderly.

A motion was made by Ray Roerdink to have Joni Roerdink contact Jack Moore and order another video scan of the well that was just cleaned. Terry Eickstaedt seconded the motion. Vote unanimous 4-0. Motion carried.

Discussion/Action: Well Site Security Update/Property Acquisition. Joni Roerdink took the Resolution 2017-04-0001 that was approved and ratified at the Special Meeting 3.30.17 by the board of directors to the attorney for his signature. The attorney reviewed the Resolution 2017-04-0001 and signed it. Joni Roerdink then took the Resolution to the title company. The attorney instructed Joni Roerdink to have the title company record the Resolution with the other documents. Joni Roerdink stated that she believes the title company has everything needed from the water company. At this point, the escrow officer will contact the seller and schedule the closing between the two parties. The escrow officer will contact Joni Roerdink with the details of the closing after speaking with the seller. Joni Roerdink stated the directors will need two or three days notice so they will be available. She was told that would not be a problem. There will be a mobile signing, meaning the notary will come to the house for signatures.

Well site security: There has not been any work done on the fence until we close on the property. Allen stated that there are fewer people cutting through the lot at this time. Until the property acquisition is complete and the fence is extended along Appaloosa Drive, it will not eliminate traffic on the three lots. Allen asked the board if they wanted to proceed with the sucker rod as the second rail. Allen made the comment that he wasn't sure we would need the second rail on the fence. Bernie Vargas had contacted Cauy Washburn that he may have some cable but Cauy didn't know how much. We can revisit the cable issue after the property acquisition is complete to price cable if we don't have enough.

Discussion/Action: Generator Maintenance Update. Terry Eickstaedt added diesel additive to the fuel since the fuel sits so long. He ran the generator and everything was running well. No problems at this time.

Discussion/Action: Well #2. Well #2 is running well. Nitrates were 8.1 ppm, which was down from 9.4 ppm the previous month.

Discussion/Action: Website Update. The Agenda and Minutes were updated on the website. Joni Roerdink also added new links for the Special Meeting Agenda and the Special Meeting Minutes. She hasn't added additional links due to extra responsibilities relating to property acquisition and the ADEQ NOV's (Notice of Violations) found at the site inspection of March 7, 2017. Three of the four NOV's were due by March 31, 2017.

Discussion/Action: Managers Report. Joni Roerdink reported that we have \$849.00 in delinquent accounts. Final notices were sent on 4/4/17 and disconnects are scheduled for 4/12/17. The water customer that was over 120 days late was notified the water company could place a lien against the property and/or pull the meter and charge an additional water deposit if payment was not received by 3/20/17. The customer would also be charged for reinstallation if water services were requested at a later date. Joni Roerdink included the excerpts from the Policy Guide in the letter for the customer to review regarding liens and/or pulling the meter and/or valve. The account was paid in full but asked that we not turn the water back on at this time. The customer will be traveling out of the country.

There was one courtesy disconnect last month because the customer is gone until December. The customer was charged the \$20 disconnect fee and will not be liable for the base fee during the months they are gone. There will be another \$20 fee to reconnect fee once they return. They were reminded to give Joni five days notice so she can schedule someone to turn the water when they arrive.

Joni Roerdink stated that she attended the annual Special Districts Meeting on March 28, 2017 in Casa Grande. Ray Roerdink was unable to attend. Joni stated she received additional information regarding Public Meetings that she will make copies and give to all the directors. The meeting was very informative. There was information provided regarding new companies coming into Pinal County but only one coming into the Eloy area. This company will provide underground storage tanks. There will be billions of dollars coming into our immediate area. Billions of dollars and thousands of jobs will be coming into the county with these new companies. This does not include Phoenix Mart. Someone asked about the theme park recently mentioned on the news. The county has not been approached about it. Currently only the State of Arizona has discussed it.

Danny Baeza and Joni Roerdink have been working to resolve three of the four NOV's the water company was cited for at our site inspection on March 7, 2017. These included the following: 1) Emergency Operations Plan 2) Lead and Copper Monitoring Plan 3) The target cable on the newest storage tank had be sealed with #16 mesh screen. The fourth NOV deals with grading and the ring around the storage tank. It needs to be properly graded away from the well and the tank's ring needs to be properly placed. The tank sits on part of the ring. This must be completed by 6/14/17. Pictures must be taken and submitted to ADEQ. Danny reviewed it this week and believes if we excavate around it properly to get the weight off it, we may be able to move the ring or cut and replace it. Danny thought it would be an easy job if done correctly. There would be an area on the south side that may need hand digging. The rehab of the old tank was done about 6 ½ years ago. We spent approximately \$38,000.00 for the rehab, which included repairing the base of the tank due to excessive leaking. There was no mention of the tank being lifted and set back down. The required paperwork for satisfying the first three NOV's were submitted on 3/31/17 and acknowledged by the inspector. She thanked us for getting them in timely. Danny also prepared the 2016 Annual Water Report, which was also due on 3/31/17. That was submitted on 3/30/17. Our water loss for 2016 went down about 50% over the previous year. Danny Baeza believed the reduced water loss might be a result of replacing several old meters during the past year.

Joni Roerdink told the board that she had not be able to work on the purchasing policy due to the other tasks she was handling with the end of March deadlines. During the past three weeks while working on the NOV's received as a result of the site visit, Joni Roerdink has had numerous conversations with the ADEQ inspector over the issues being addressed. One of those issues was raised at the site visit when Danny asked for our Well # 2 number. Joni sent the well number to Danny who provided the information to the inspector while

she was here. This prompted the inspector to ask for additional information last week regarding copies of the ATC (Approval to Construct) and the AOC (Approval of Construction) permits filed for Well #2. The inspector sent an email to Joni Roerdink asking if she could provide the copies. Joni spend a couple of days going through boxes of well project paperwork. She was unable to locate either form. She did not know when it would have been filed or who the responsible person would have been to see that it was filed. Joni Roerdink spoke to Ray Miller and he was unsure. She also spoke to Ray Roerdink and he downloaded a copy of some permits from ADWR. Joni then submitted the copy to the inspector at ADEQ on 3/30/17. The inspector replied the copies she submitted were not the permits she had requested. Those were from ADWR. The permits she was asking for would be issued by ADEQ. The inspector said she would review copies on their end. The inspector called Joni on 4/3/17 and stated ADEQ only had the ATC permit filed. Joni Roerdink had met with Danny Baeza that evening and asked if he was with the water company at the time Well #2 was drilled. He said no. Joni asked him about the permits and he told to review the contract from the engineering firm because many times the engineering firm files the permits. Joni Roerdink went through the boxes of well project information again.

Joni Roerdink added to the "*Manager's Report*" item on the Agenda the issues ADEQ had addressed with her the day of the meeting. She wanted the board to be aware of the conversation and not wait until the next meeting. When Well #2 was drilled there was an ATC filed with ADEQ but the AOC (after completion) was never filed. If the AOC is not filed within 12 months after the ATC is filed, the ATC becomes invalid. Joni Roerdink asked the compliance officer/inspector what had to be done to be in compliance. The compliance officer gave Joni Roerdink a list of items that need to be filed again and signed off by an engineer. Joni Roerdink contacted Bill Collings with DNA, Inc. the same day. She met with him for a couple of hours and he tried to locate copies he thought he might have in his files from prior work he had done for the water company. He didn't have the permits either. Bill stated the original contract was awarded to M3 Engineering to draft the site plan and oversee the project. Bill recommended VGDWID try and contact M3 Engineering if they were still in business and try to hold them accountable. Joni asked for an approximate cost of getting all of the information to ADEQ they were asking for. He gave a ballpark figure of about \$11,000-\$12,000 which was on approximate. That would include filing fees again, required lab tests and the engineering report. He could have a quote for the 5/3/17 board meeting. Bill Collings also recommended asking the compliance officer if time could be extended to fall within the water company's next fiscal year. Joni Roerdink asked what type of time frame would be involved in gathering all the documentation. He stated it would take about six weeks or so. He recommended asking ADEQ for 120 days to be compliant. Joni Roerdink then called the inspector back again asking for time to meet with the board and explain the situation. She would be issuing an NOV and asked how much time we needed. Joni told the inspector she didn't know how long it would take because she didn't know what was involved in getting all the information gathered or the time frame for the engineering report. Joni Roerdink asked for enough time to get the feedback from the board and to call her back on 4/6/17 with their request. The inspector granted that request. The inspector also emailed a list of everything that needed to be included with the application. This has been the reason the VGDWID Well #2 paperwork could not be found. To ADEQ, the well didn't exist because they didn't receive the AOC after completion and the ATC became invalid.

Ray Roerdink asked Joni Roerdink if we paid for the permits during the construction through 3M Engineering. Joni stated she has not been able to locate the bill in the paperwork she has reviewed listing the permits as part of any specific payment. Joni Roerdink again stated Bill Collings comment about trying to hold 3M Engineering accountable. He said if we couldn't, ask the inspector if she could possibly extend the due date to 120 days to that would allow us to put the expense in our next fiscal year, which starts July 1st.

Ray Roerdink recommended that before we contact 3M Engineering, we should try and locate the specific document breaking down the expenses for filing the ATC and AOC, the lab reports and the engineering report. Allen Grant stated that we need to ask for 30 days to investigate and check with the engineering firm, review receipts, etc. Allen also commented the board would then need more time to come to a decision after the investigation. Ray Roerdink said we should have copies of the ATC and AOC if it were filed. Joni said she has not been able to locate either one prior to the meeting. Joni Roerdink said in her discussion with the inspector, she had asked if she could get a copy of the original ATC that was filed and the inspector said "yes but keep in

mind it is no longer valid.” Joni said at least she would know what she would be looking for and a “date” to narrow down the search. Well #2 was purchased with grant money, which extends over a period of 5-6 years just to be approved. We are looking through a period of about seven years worth of paperwork. Ray Roerdink said we should ask for 120 days to be able to contact the engineering company and investigate and then have the board make a decision. Joni Roerdink said she will ask the inspector for the 120 days on Thursday when she returns her call.

Discussion/Action: Equipment & Site Report/Lab Tests. Lab reports 8.1 ppm for nitrates. Danny Baeza said he would be taking a sample tonight for the nitrates and coliform. Danny Baeza also recommended that when the decision is made to put Well #1 back together, we have a new sand separator in the shed, we should have it installed at the same time. Allen Grant also asked Danny Baeza about a meter on Cauly Washburn’s property. Danny Baeza and Joni Roerdink looked at it on 4/3/17. Danny dug around it but was unable to get the cap off. It is a little further north of our main water line but Danny didn’t know what it was. He was going to research a little further.

Discussion/Action: Meters/installations/Reinstallations/Leaks/Repairs. Danny Baeza commented that he had not installed any new meters during the previous month. He did install the box on Pinto Drive around the exposed service line. Allen Grant told Danny Baeza about a meter over at the west end of Appaloosa. Danny knew which property he was referring to. Danny asked if he could get some help getting it cleaned up around the box. It is surrounded by brush and difficult to find and access. Allen Grant and Terry Eickstaedt said they would go clear some of brush around it for ease of access for the reading and service of the meter.

Discussion/Action: New Water Line Installation. Last month Joni Roerdink stated the water company had 34,844 gallons of water loss last month between the NWC meter and the two customers on Carter Lane. VGDWID has 232,598 gallons in the last 11 months in the same location. Joni Roerdink stated due to all the work on the NOV’s she has been doing, she has not had the time to send a letter to Brian Betcher regarding the repair of the overchute the board asked her to write at the last meeting. Joni Roerdink stated she had a concern with writing the letter to Brian Betcher right now regarding the repair. Due to the current situation regarding the NOV’s and the current financial situation of the water company, her thought was if Brian Betcher can’t get the work done right now and because the property belongs to them and we are not allowed to work on it, they may use their team to make the repair for us and bill us for the work, including running the line under the Shedd Road which is believed needs to be buried six feet under ground. Danny Baeza suggested that it might be bored. Allen Grant stated maybe we could express our concern over the growing water loss and possibly affecting the pressure to the customers on Carter Lane. Cauly Washburn confirmed again that he had stressed the sense of urgency for that reason in his last email and the reply from Brian Betcher was we could pursue a temporary fix at the expense of the water company. Brian Betcher stated they were trying to get it scheduled before the next monsoon season. Cauly Washburn stated he didn’t want to cause waves since Brian was willing to fix it at minimal cost to the VGDWID. Ray Roerdink and Cauly Washburn commented that due to our financial responsibilities for the remaining of this fiscal year we may just want to ask about how close are we getting to the completion of the repair. Cauly Washburn will send the email to Brian Betcher.

Cauly Washburn asked Danny Baeza about the difference in water loss for 2016. With the amount of water lost especially in the canal area, how did our overall water loss go down? Danny explained when compared to the total water pumped and sold throughout the year the actual loss went down.

Discussion/Action: Approve and Ratify Expenditures & Purchases. The Board reviewed the Expenditures and Purchases for the month. Ray Roerdink made a motion to approve and ratify the expenditures and purchases as written for March. Terry Eickstaedt seconded the motion. Vote unanimous 4-0. Motion carried.

Adjournment: The Agenda being completed, Allen Grant adjourned the meeting at 8:36 pm.

Date _____

Bernie Vargas

Allen Grant

Ray Roerdink

Cauy Washburn

Terry Eickstaedt