



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

February 1, 2017
Regular Meeting

Call to Order: Bernie Vargas called the meeting to order at 7:04 pm.

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

Discussion/Action Minutes: Minutes from January 4, 2017. A motion was made by Allen Grant to approve the minutes for January 4, 2017 as written and seconded by Terry Eickstaedt. Vote unanimous 5-0. Motion carried.

Call to the Audience: No one made a request to address the board.

Discussion/Action: Well #1: Joni Roerdink mentioned that she had emailed all directors the response she received from Tom Hoover. Jack Moore and Tom Hoover mentioned at the January meeting they would review the drillers report on Well #1. Tom Hoover had emailed his response regarding his findings from the drillers report for Well #1. Tom found Well #1 was drilled to 1,029 feet in 1960 and is a 16" well. The directors were also given a recommendation and quote to clean out the well to the original depth if possible and brush and clean out to open up perforations. There would be a final cleanout after brushing. The quote was \$22,750.00. That does not include reinstallation of the pump as was mentioned at the onset of the project. The original quote to pull the pump was \$1,520.00. It may be a little more to reset the pump since we will try to set it a little lower if the well can be cleaned out to the original depth. Additional wiring and drop pipe may be required per Cauly Washburn. Ray Roerdink made a motion that we move forward with the quote from Tom Hoover to have the existing well cleaned to the original depth if possible and brushed and bailed so as to get Well #1 back online. Terry Eickstaedt seconded the motion. Vote unanimous 5-0. Motion carried.

Discussion/Action: Annual Election of Officers. When the board revised the By-Laws in April 2016, Ray Roerdink noticed in Article V that each year, generally in December, the board should annually elect Principal Officers of Chairman, Vice Chairman and Clerk. These positions are voted on from among its members with officers taking their seats at that time. At the January 4, 2017 meeting, Ray Roerdink asked the election be tabled until all board members were present. Ray Roerdink nominated Bernie Vargas for Chairman. Vote 5-0. Ray Roerdink nominated Allen Grant as Vice Chairman. Vote 5-0. Allen Grant nominated Ray Roerdink for the Clerk Position. Vote 5-0. All votes were unanimous.

Joni Roerdink mentioned to the board there are two terms set to expire in November 2017. Joni contacted the elections director, Michele Forney, to let her know and asked if there would be a general election this fall. Michele Forney got back to Joni and stated they are about 95% sure there would be a general election but she would let us know later. Joni Roerdink reminded the board the cost of having a spring election versus holding out until the next general election if necessary. As per our attorney...the officers will stay in their current position until the next election. There is no penalty charged for waiting until the next general election. The

board decided the directors would stay in their current position until the next general election for cost savings. Joni Roerdink will contact Michele Forney in late March to see if a decision was made regarding having a general election in the fall. If a general election will be held, the Pinal County IGA will have to be filed in April 2017 to be filed timely.

Discussion/Action: Well Site Security Update/Property Acquisition. Joni Roerdink contacted the seller per the board of directors request. Joni Roerdink told the seller about the local escrow officer and the seller agreed to use our escrow officer. Joni Roerdink met with the escrow officer to discuss the terms outlined by the board of directors. The seller requested the forms from the escrow officer regarding escrow instructions. The escrow officer provided a blank copy of the escrow instructions to be completed with all the terms and other necessary information for the title company to complete the escrow. Joni Roerdink completed the information for the Water Company as the Buyer and forwarded the form to the seller to complete the Seller portion. All terms were listed as presented to the board in previous board meetings. The Seller will forward the completed form to the escrow officer.

Discussion/Action: Generator Maintenance Update. Terry Eickstaedt checked on the generator on 2/1/17 and the generator has 264.4 hours on it. Everything is running well. The fuel is slightly below ½ tank. Terry contacted Loftin regarding the fuel buzzer and was told to silence it. It shouldn't come on until about ¼ tank. Joni Roerdink contacted John Orton about the possibility of getting fuel. His truck is currently in the shop so she told him it was not urgent as we still had about ½ tank.

Discussion/Action: Well #2. Well #2 is running well. Nitrates were 7.7, which was down from 9.1 the previous month. Danny Baeza was going to take samples on February 2, 2017 to Turner Lab. Joni Roerdink asked Danny if he was able to install the switches and he said no. He had been working on a customer's valve but he was scheduling the installation of the switches for 2/4/17.

Discussion/Action: ADEQ Consent Order Status and Compliance Reports. Ray Roerdink sent a letter to Steven Schoen last month because he still had not had a response. Ray wanted to insure that we didn't have an issue with ADEQ. Steven said there was no issue and a letter should be sent out stating we had been released from the consent order. Joni Roerdink had not received one as of 2/1/17.

Discussion/Action: Website Update. The Agenda and Minutes were updated on the website. Joni stated she had updated the policy guide regarding the Rental Agreement requirement when signing up for services on a rental unit. It has not been published at this time due to the massive amount of time involved in preparing for the annual audit. As soon as it is published it will be visible to everyone viewing the page.

Discussion/Action: Managers Report. Joni Roerdink reported that we have \$790.00 in delinquent water bills. We currently have 16 delinquent accounts, which is less than half of the normal amount of delinquent accounts. Final notices will be sent on 2/2/17 and disconnects are scheduled for 2/10/17. The past due customer that was disconnected in November still has not paid his past due balance. Joni will be sending the customer a letter stating "it has been (x) number of days since we received a payment and we are proceeding forward with collections as outlined in our Service Policy." The customer will be charged late fees; a reconnect fee of \$35.00 and the customer will be required to put down an additional deposit, which is also outlined in our Service Policy. The final step being VGDWID has the authority to pull the equipment and/or place a lien against the property. If the equipment is pulled, the reinstallation will be at the homeowner's expense.

We had one disconnect last month for non-payment. There was \$35.00 reconnect fee charged. Last month Joni Roerdink also collected a delinquent water bill in excess of \$1,203 from a renter that moved out 17 months ago with no forwarding address. The renter was denied service until payment was made.

The Forms 1099-MISC were filed on time with the IRS last week. This IRS date had been moved up from February 28th in prior years to January 31, 2017.

Joni Roerdink told Danny Baeza the customers that are located at rental properties need to have valves replaced that can be locked.

Joni also stated that she has been working on the information for the annual audit, which is being done by Henry and Horne. The audit has to be completed and submitted to Pinal County by the end of February.

Discussion/Action: Equipment & Site Report/Lab Tests. Nitrates were 7.7 and the switches will be going in on 2/4/17.

Discussion/Action: Purchasing Requirements and quote requests. The board had set out guidelines for purchasing requirements and quote requests at the January 4, 2017 meeting. Danny and Joni are aware of those guidelines now. Joni Roerdink stated that she has looked for written documentation regarding purchasing requirements. In doing some research regarding purchasing guidelines she found that because of the type of entity the VGDWID is, we have to have a written purchasing policy. When there is a publicly funded grant, the entity has to have a formal, written purchasing policy. Joni Roerdink found a very simple one online and reviewed some of the suggestions. Some of the issues that need to be addressed in a purchasing policy guide are:

1. Transparency – keeping all documents and recording decisions in such a way as to ensure that the process can be seen to be fair and transparent.
2. Equal treatment – all potential suppliers have the same opportunity to quote for and supply goods and services.
3. Proportionality – contracts or specifications should not require information that is not pertinent to the delivery of the goods and services being purchased.
4. Non-discrimination – Awards of contracts should not be based on geography, previous contractual arrangements etc.

In practice this means that you normally need to obtain a number of quotes to the same requirements (specification) and be clear on what you will take into consideration when choosing the one that's most appropriate for your business, which maximizes value for money.

Since Joni Roerdink can't locate any sort of written policy in our records, she recommends to the board that a written purchasing policy be written for the protection of the VGDWID. The board asked Joni Roerdink to try and obtain a simple Purchasing Policy that could be adapted for the VGDWID for the next meeting.

Discussion/Action: Meters/Installations/Reinstallations/Leaks/Repairs. Danny has been working on a valve and meter over on Colt. The customer complained about low pressure and stated that he would be doing some work on the house and needed to be able to shut the water off. He could not shut the water off completely. The customer also asked if he could have a larger valve installed. Danny did find out the valve was nearly completely plugged. After cleaning the valve and finding the problem, he is going to stay with the ¾" valve. Because of all the rain we have had this year, Danny couldn't do as much as he wanted to complete.

Discussion/Action: New Water Line Installation. Last month we had 3,500 gallons used between the two customers on Carter Lane. Our loss last month was 26,500 gallons between the NCM and Carter Lane. Cauly Washburn had sent an email to Brian Betcher stating his concern over our water loss and low water pressure,

as it appears to be increasing. Cauly wanted to bring it to Brian's attention. Cauly raised the question "what if" we completely lost pressure to those customers. Cauly mentioned to Brian the board had discussed some kind of an emergency plan to get the customers back online. Brian didn't recognize it as an emergency. He stated the VGDWID could start planning but according to Cauly we really can't do anything about putting in the flood control bridge and attaching our line to the overchute until they are ready. Brian didn't give Cauly any other options at this time. The only information Brian provided was they wanted to get the project started before the monsoons. Legally, we can't do anything about running a pipe across without their permission.

Discussion/Action: Approve and Ratify Expenditures & Purchases. The Board had reviewed the Expenditures and Purchases for the month. Ray Roerdink made a motion to approve and ratify the expenditures and purchases as written. Allen Grant seconded the motion. Vote unanimous 5-0. Motion carried.

Adjournment: The Agenda being completed, Bernie Vargas adjourned the meeting at 8:02 pm.

Date _____

Bernie Vargas, Chairman

Cauly Washburn, Director

Allen Grant, Vice Chairman

Terry Eickstaedt, Director

Raymond Roerdink, Director