

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

August 12, 2017

Call to Order was at 9:09am. Meeting was held at the CWID/ Livco Water Co office at #1 CR 5100.

Attending was Susan Maddock, Tracy Howard, and Bill Wilder. Jenni Wicks attended as Clerk and Manager. No public attended.

1. Approval of minutes for June 17, 2017: Maddock motioned to approve. Wilder seconded. All voted in favor to approve.
2. Discussion of financials with manager. Wicks stated that there are no unexpected expenses from the last meeting. Wicks explained that the projections will now include a projected tax revenue income.
3. Wicks explained that a prospective customer adjacent to the current district boundaries has notified her that they want to connect to the sewer system. The parcel is #201-31-001A. She is not sure when they will start construction but felt that it would be best to get the Board's approval now so when they are ready for their permit, Wicks can start the process right away. Wilder motioned to put it to a vote. Howard seconded. All voted in favor of expanding the district to include parcel #201-21-001A when they request a permit.
4. Wicks discussed the status of the current repairs. The planned repairs are progressing as planned. The first station behind the old motel is almost done and there was no need to install a new pump. The second lift station (#2) will start in mid-September and the third project will be started in October or November.
5. Wicks discussed with the board that a bi-annual review needs to be done on the accounts. She received multiple estimates and the least expensive was one from a firm in Flagstaff for \$2800. Maddock suggested contacting Carol Smith CPA in Concho as she does the reviews for the fire department. Wicks will contact Ms. Smith to get an estimate.
6. Howard mentioned that Concho Can may be requesting hookup information for the park at the last meeting. She stated at this meeting that this will not be needed at this time as they are going to choose another site.
7. The next meeting will be Nov 4 at 9:00am at the CWID/Livco office.
8. Maddock motioned to adjourn. Wilder seconded. All voted in favor of adjourning at 9:43am

Dated this 8th day of Aug, 2017

CONCHO WASTEWATER IMPROVEMENT DISTRICT



Jenni Wicks, Clerk

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

November 11, 2017

Call to Order was at 9:02am. Meeting was held at the CWID/ Livco Water Co office at #1 CR 5100.

Attending was Susan Maddock, Tracy Howard, and Bill Wilder. Jenni Wicks attended as Clerk and Manager. No public attended.

1. Approval of minutes for August 12, 2017: Maddock motioned to approve. Wilder seconded. All voted in favor to approve.
2. Discussion of financials with manager. Wicks stated that income and expenses are about as projected. One customer moved out so CWID has 29 active customers at the moment. Explained the projections to show where projected tax revenue is and projected expenses. Maddock asked why the \$16,000 check that she signed earlier in the month is not deducted from the tax revenue. Wicks explained it was written in November so it is showing in the projected withdrawals. Wicks had not sent out the current October projections so she handed out new copies.
3. Discussion of bi-annual financial review status. Wicks contacted the local CPA, Carol Smith, to get an estimate on doing the review. It took a month for her office to ask for documents and then never responded for another month. Wicks could not wait any longer so, she ordered the service through Don Ignace in Flagstaff. Carol Smith finally responded and said she had been busy with family matters in Texas.
4. Wicks discussed the status of the current repairs. The second pump is failing on the motel lift station. The motor seems to be working but the pump is not pumping. A call has been place to Carlson to look at it. Wicks has also placed the order to start on the refurbishment of Lift #5 by the Maddock house. After that project is done, the next one will be to clean out some of the mains in Units 5A and 5B. Howard asked if there will also be cameras and pictures taken. Wicks said she will get that as a separate cost and let the Board decide if it is worth it. Wicks cannot find any company in the area that can do the work so it will have to be hired from somewhere else. Howard asked if this would be a good project for a local committee that is trying to organize job training if CWID purchased the equipment. Wicks explained that the equipment is very expensive and as the municipalities have their own, there would not be enough other business to hire out to cover the costs. Plus the insurance is very expensive for this type of work.
5. Wicks discussed the status of the well replacement by SRP. She stated that the documents are tied up in the legal depart of SRP but Dan Bevier, the CGS power plant manager is working with us to help us get it. Wicks asked if she could sign it if she did not see any problems. She also suggested sending it to CWID's lawyer to check it over. The Board members agreed having a lawyer look it over would be a good thing. Then Wicks should send a copy to each Board member. If anyone sees a need that it should be discussed, then an emergency meeting will be called. Otherwise, Wicks can sign the document. Wilder asked if there have been any penalties form ADEQ yet. Wicks said they have not contacted CWID yet about the dry well tests but she is expecting them to contact her soon. As CWID/Livco Sewer has never had a testing violation, Wicks feels that CWID is not high on the priority list to find out why the well is dry.

Wilder asked if there was a scheduled maintenance plan for the lift stations. Wicks explained that in the past, repairs were made when things broke. Now that there are funds, refurbishments and upgrades are being made proactively. Once the refurbishments are completed, then a maintenance plan should be implemented.

6. Wicks told the board that Meixler, the owner of the abandoned Villa project is applying to ADEQ to get the final certification on the sewer and water lines that were installed years ago. Wicks has filled out the paperwork needed for CWID. Wilder asked if there is any cost to CWID and Wicks said no. She explained that once they have the approval from ADEQ and then CWID inspects and approves it, then the lines become the property of CWID. CWID will be responsible for the maintenance of the lines from that point.

7. Wicks told the Board that the engineering firm, Painted Desert Engineering (formally Tetra Tech) that CWID and Livco have used for years has proposed creating a system map of the CWID plant. They did a similar one for another company for that cost the customer about \$1500. The Livco field personnel would also have to put in some time to help with the details. Wilder said this would be a very good project because it would help to create maintenance plans for the future. He asked if there were funds to pay for it and Wicks said yes. All agreed that Wicks should get an estimate for CWID and if the cost is below \$2500 including the field tech's time, then to go ahead. If it will be much higher, then it can be brought up before the board at the next meeting.

Howard motioned to vote on the project. Maddock seconded. All voted in favor of the system map project with a maximum cost of \$2500.

8. Wicks discussed with the board that there was a parcel within the district that had an old septic system that the owner was thinking of connecting to some park models he was going to put on the lot. Wicks checked with the county and was told the owner would get a permit to use the septic system as long as it was working. Then she was misinformed by someone at the county office that if the septic failed, they would still be given a permit to build a new one. Wicks checked with CWID's lawyer about this and he said there was a Section 208.c that CWID could apply for that would give CWID control over the sanitation regulations in Concho. He estimated the cost to be around \$2,000- - \$3,000 dollars and about 6 months of time to get it approved. Then Wicks contacted the County again and spoke to the Director who said that if the septic failed and the sewer was available, then they would not be given another septic permit. Wicks then felt that the Section 208.c was not needed.

Maddock suggested that the 208.c should be researched just in case it would be a good thing to have in the future. Howard said she would research it and report back at the next meeting.

Maddock motioned to vote to table the discussion.. Howard seconded. All voted in favor of tabling the discussion until the next meeting.

9. Wicks was instructed by the board to start announcing the next board meeting on the customer invoices. Currently, Wicks posts the meetings on the web site.
10. The next meeting will be January 27, 2018 at 9:00am at the CWID/Livco office.
11. Maddock motioned to adjourn. Wilder seconded. All voted in favor of adjourning at 10:30AM

Dated this 16th day of November 2017

CONCHO WASTEWATER IMPROVEMENT DISTRICT



Jenni Wicks, Clerk

**MINUTES OF WORKING MEETING OF THE
CONCHO WASTEWATER IMPROVEMENT DISTRICT
February 24, 2018**

Call to Order was at 9:17am. Meeting was held at the CWID/ Livco Water Co office at #1 CR 5100.

Attending was Tracy Howard, and Bill Wilder. Jenni Wicks attended as Clerk and Manager. Susan Maddock was unable to attend. No public attended.

1. Approval of minutes for November 11, 2017: Wilder motioned to approve. Howard seconded. All voted in favor to approve.
2. Board positions: Wicks advised the Board that Maddock had stated in the past that she wanted to remain the treasurer. Wilder and Howard discussed that there was no reason to change the current Board member positions with Howard as Chairperson, Wilder as Vice-Chairperson and Maddock as Treasurer. Howard motioned to vote on keeping the Board positions the same. Wilder seconded. All voted in favor of keeping the Board positions the same.
3. Wicks explained that past Board members had asked if the terms of the board members could be changed so that one year did not have two elections on the same year. Wicks explained that the board can change a current term to be shorter but not longer to accomplish this. Currently Maddock's term ends Dec 2019, and Howard and Wilder's terms end Dec 2020. Wilder asked if it could be changed so all terms ended on the same year. Wicks stated that the state regulations state the terms have to be staggered to avoid having an entire board change all at once. It is better to have some continuity when board members change. As there has never been anyone who actually ran during an election and so far board positions have been filled by appointment of the remaining board members, the term ending dates are not critical at this time. Howard and Wilder agreed that nothing should be done at this time but it can be revisited in the future.
4. Discussion of financials with manager. Wicks stated that income and expenses are about as projected. The \$900 estimated cost to pump out lift station #1 in Old Concho was actually only \$400 instead of \$900. The biannual review is complete and there were no surprises. The accountant said we were doing everything correctly and the financials looked fine.
Currently we have 30 active customers and 2 soon to be hooked up. The condos by the Villas may connect within 3 months and the park model to be moved to the north of the motel may hook up sometime in the next 6 months. Tax revenue is as projected but Wicks stated that in the summer she would like to do an analysis of the tax revenue paid by the county. It would probably take about 8 hours of time to go back and check each of the 680 customers to see who has paid vs how much has been distributed by the county. Howard asked if it's possible to get reports from the county and Wicks said she would look into it. Howard made a motion to table this discussion until a summer board meeting. Wilder seconded. All voted in favor.
5. Wicks discussed with the board about having double signatures on checks. As the banks only care about one signature and that signature must be on file, the second signature is just for internal purposes. She stated that when checks are signed, as long as one legal signature is on the check along plus another board member's signature, this will satisfy the requirement for two signatures on every check. The issue was brought up because both Maddock and Wilder were not available to sign some checks in February that were needed to pay bills. Wicks stated that unless the Board makes another ruling, the second signature can be any Board member plus Wicks' signature or two board members. Wilder asked why two signatures were required in the first place and Wicks said this was set up to protect both the Board and Wicks when checks were issued.
6. Wicks discussed the status of the current repairs. The motel pump is working on one pump. Everything with Carlson has been delayed due to the death of Barrett who was overseeing most of the work in Concho. The price will be higher than estimated but the system will be put in correctly with rails for easier maintenance in the future.

The Old Concho station was pumped out for regular maintenance. After the motel lift station is completed, the lift station next to Maddock's house will be next (already approved by the Board). During the next budget meeting, the expected plant repairs will be reviewed and built into the next year's budget.

7. Wicks let the board know she is still waiting for the written proposal from the engineering firm. Verbally she was given an estimate of \$1500. It may be higher because she will want to add zones for each lift station with notes on flow directions and types of lines. As this has been approved by the Board previously, she will move ahead with the project once she receives the written proposal. Wilder wanted a wall size copy which Wicks will get from the engineering firm along with the pdf files and the digital files.
8. Howard said she had not had a chance to look into creating a section 208 Designated Management Agency yet. She will have it before the next meeting. Wilder motioned to table this discussion. Howard seconded. All voted in favor.
9. As there are no expected projects coming up that have not already been approved by the Board, Wicks suggested that the next meeting should be the budget meeting along with the normal business in May. If something unexpected comes up in March or April, then an emergency meeting can be called. The Board should plan for a longer than normal meeting. Wicks will advise the Board by email as to the progress of the projects and monthly financials. If any Board member wants to discuss anything in detail, an emergency board meeting will be called.

The next meeting will be May 12, 2018 at 9:00am at the CWID/Livco office.

10. Wilder motioned to adjourn. Howard seconded. All voted in favor of adjourning at 10:13AM

Dated this 27th day of February 2018

CONCHO WASTEWATER IMPROVEMENT DISTRICT



Jenni Wicks, Clerk

**MINUTES OF WORKING MEETING OF THE
CONCHO WASTEWATER IMPROVEMENT DISTRICT
May 12, 2018**

Call to Order was at 9:00am. Meeting was held at the CWID/ Livco Water Co office at #1 CR 5100.

Attending was Tracy Howard, Bill Wilder and Susan Maddock. Jenni Wicks attended as Clerk and Manager. No public attended.

1. Approval of minutes for February 24, 2017: Howard motioned to approve. Wilder seconded. All voted in favor to approve with Maddock abstaining as she did not attend that meeting.

Wilder needed to leave at 9:05. He will return shortly.

2. Wicks advised the board that the new POC well is drilled but not cased. The wind has been too strong for the drillers to do any more work.
3. Wicks stated that she got the proposal from the engineering firm for the map of the CWID system. The cost will be \$2500 which is higher than expected because Wicks added some extra features that she wanted included on the map such as lift station zones. Maddock stated she is still for having the map completed as long as CWID does not have to get a loan to pay for it. Wicks said we can wait to start the project after the pump projects are done to make sure we have the funds to cover it.

Maddock motioned to approve the project as long as it creates no lone debt. Howard seconded. Wilder was not in attendance. All present voted in favor.

4. Discussion of financials with manager. Wicks stated that income and expenses are about as projected. Currently there are 31 active customers and 2 soon to be hooked up. Meixler, owner of the condos, is still planning to hook up but is waiting to find the labor to finish the project. Not sure when the condos will be connected. Wicks has not heard from Banta to know when he will be connecting his park model. One or both of the Domas connections should be happening within a month or so. Maddock asked if Domas has submitted the building permits yet and Wicks said no but she will get them before the hookups.

Wilder returned at 9:20.

5. Wicks discussed the status of the current repairs, projects and future projects. Wicks said the pumps and parts should be arriving any day. The motel pump is still currently working. Howard had asked Wicks if we could have spare pumps in stock. Wicks explained that there are too many types of pumps and they are so expensive that it is not financially viable to keep spares. This is the reason why there are two pumps in each station as very rarely would both pumps fail at the same time. Howard agreed. Howard had also asked about fencing and keeping kids out of open holes where lift stations are. Wicks explained that the stations are locked with heavy lids and there are no open holes at any of the lift stations. Howard thought an open cement pit that is on the old golf course was a lift station and Wicks explained that it is owned by the owner of the golf course property. Howard had asked about buildings over all of the lift stations and Wicks explained that it just wasn't practical for the work that needs to be done on them. Howard agreed there was no need for them.

After the lift station pumps and electrical projects are done, the next project is to epoxy coat the wells in the lift stations. To epoxy all of them would cost about \$80,000. The critical wells that need coating would cost about \$35,000. Wicks included \$35,000 for the epoxy project in next year's budget. If there is more money when it is done, then more wells could be included. There are no companies on the Mountain that can do the work so a company from Phoenix will be hired. Wicks has quotes from a company recommended by the City of Show Low.

This summer, CWID should do a smoke test of the system starting in Old Concho. This test will check for leaks and any illegal hookups. She will get the price of the smoke bombs and industrial fan system by the next meeting.

6. Wicks presented a rate increase from Livco Water Co for the management services. Livco has been managing CWID since 2014 and it has taken a few years to see how much time is actually spent on CWID business as opposed to how much CWID pays for the service to cover the costs. Livco has lost about \$2000 per year in labor costs in comparison to the amount of the management fees. To offset this cost, Livco will be raising the monthly management fee by \$150 per month and the hourly fee by \$10 per hour for work that is not included in the basic contract. Wilder asked if this includes the operator costs and Wicks said yes. This increase will only bring the cost vs income to a breakeven point. Livco is only looking at covering their costs.

Howard motioned to approve Livco's rate increase. Maddock seconded. All voted in favor of the increase.

7. Howard said she had not looked into creating a section 208 Designated Management Agency. It is very complicated and she will need more time. Wicks said that if she wants to come into the office with the paperwork, they could try to figure it out together.
8. Wicks presented options for discussion of the proposed budget for next year. In general, income and expenses were about on line for last year's budget. Maddock asked why the accounting cost was so much higher than budgeted and Wicks said that it was for the biannual review which had not been included in the budget. Last year, a loan was included in the budget but it was not needed.

Wicks presented options of reducing the commercial rates or monthly revenue rates but the board felt it was still too early until all of the major repairs were done to reduce rates yet. Wicks included the rate increase for Livco in the proposed budget and enough to cover the critical repairs needed this year. Wilder suggested keeping the tax rate at \$80 which should cover all of the projected costs including a loan which may be needed for the epoxy project.

There was also a discussion if Wicks should analyze the tax collected vs billed by the county since 2015 to find out why there is about a 25% loss in tax revenue. Other districts have been complaining about this and historically, all of the tax liens are usually purchased each year for properties within the district. Wilder said that the County Supervisor, Shamley, has hired someone to audit the county's tax records and he heard that she has already found about \$64,000 in undistributed taxes. He suggested that each board member contact Shamley and ask for his auditor to check CWID's distributions. All board members felt this was a good idea. Wicks will wait for a while before contacting Shamley to see what happens after the calls.

Howard motioned to accept the budget with the tax revenue cap per lot at \$80. Wilder seconded. All voted in favor.

The next meeting and Public Hearing on the 2018-2019 budget will be June 16, 2018 at 9:00am at the CWID/Livco office.

9. Maddock motioned to adjourn. Wilder seconded. All voted in favor of adjourning at 10:07AM

Dated this 16th day of February 2018

CONCHO WASTEWATER IMPROVEMENT DISTRICT



Jenni Wicks, Clerk

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

June 16, 2018 at the Livco/CWID office

- 1. Call to Order was at 9:33am**
- 2. Attending was Susan Maddock, Tracy Howard, and Bill Wilder. Jenni Wicks attended as Clerk and Manager. No public attended.**

HEARING OF NEW 2018/2019 BUDGET & RATE CHANGES

There was a motion by Maddock to not change the rates and fees from the previous year. Wilder seconded. All voted in favor of not changing the rates and fees.

Maddock motioned to vote on the budget proposed on May 12, 2018 using the ad valorem tax rate cap of \$80 per real property. Wilder seconded. All voted in favor of the proposed budget and tax cap. Howard signed the resolution for the tax rate.

Wilder motioned to adjourn the Public Hearing. Maddock seconded. All voted in favor to adjourn the Public Hearing and start the working meeting at 9:41am.

REGULAR AGENDA FOR WORKING MEETING

- 1. Approval of Minutes of May 12, 2018 meeting.**
Maddock motioned for approval. Howard seconded. All voted in favor of approval of minutes.
- 2. David Romero from the Apache County Treasurer office was not able to attend this meeting. He would like to be on the agenda for the next meeting. The board discussed various questions to ask Mr. Romero at the next meeting such as:**
 - a. Why are so many taxes not collectible?
 - b. What is the Treasurer's office doing to try to collect those past due taxes.
 - c. Has there been a problem in the operation of the Treasurer's department that is causing delayed collections and/or disbursements?
 - d. Why doesn't Apache County allow abatements if someone is purchasing properties with extreme back taxes?
- 3. Manager reported on current customer and financial status. Two rental units closed their accounts so down to 29 active customers but those two units should open soon. The two Domas accounts have not hooked up to sewer yet. All of the approved projects except the smoke test, are included in the financial projections. Barring any unforeseen issues, CWID revenue and tax income should be able to cover the costs.**

The owner of the house in the Concho West Shore subdivision on the lake is trying to finish all of the ADEQ/CWID and Livco requirements so the subdivision could be activated. Livco will be creating a Line Extension Agreement that will give this person 10% back of the monthly revenue for the entire subdivision each year for 10 years to help recoup the costs. CWID can decide if they want to do the same or do something else. Wicks explained that the finishing of this subdivision would be a benefit to CWID as it would create 46 potential hookups. Options CWID could offer would be to contribute some funds or labor to help finish the project, give a 15% back in revenue, or not give anything back at all. Maddock commented that she would be opposed to contributing any funds as CWID does not have anything to spare at the moment. She would also like to know what the actual costs will be to

finish the project. The board members will think about it and asked that the issue be included in the next agenda. Also, the owner of the existing house is invited to the meeting if he wants to present his case.

4. Manager reported on the status of the plant. The POC well and solar panel is installed. Just waiting for the pump to be installed. The system is an upgrade from the old well and will be easier for Matt to operate. The lift station behind the motel is done. It has many upgrades and is a much improved system. The next lift station is the one behind Maddock's house. It should cost between \$11,000 and \$13,000. After that will be the epoxy project. Once we make sure the funds are looking good, we will start the mapping and smoke test projects. As agreed in a previous meeting, these projects will only be done if funds on hand. The option of getting a loan for maintenance will only be used in case of an emergency.
5. The next meeting will be August 18, 2018 at 9:00am.
6. Maddock motioned for adjournment at 10:16am. Wilder seconded. All voted in favor to adjourn.

Dated this 20th day of June, 2018

CONCHO WASTEWATER IMPROVEMENT DISTRICT



Jenni Wicks, Clerk