

**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