

**MINUTES OF THE NORTHERN GILA COUNTY SANITARY DISTRICT BOARD OF DIRECTORS,
MEETING HELD ON THURSDAY JANUARY 12, 2012.**

INVOCATION

Robert Sanders gave the Invocation.

PLEDGE OF ALLEGIANCE

Bob O'Brien led those present in the Pledge of Allegiance.

MEETING TIME AND PLACE

Robert Sanders called the meeting to order at 12:16 P.M. in the District Conference Room.

MEMBERS PRESENT AT MEETING

The following members were present for the meeting: Bob O'Brien, Robert Sanders, Guy Pfister, and Patrick Underwood.

MEMBERS ABSENT

LaRon Garrett

OTHERS PRESENT AT MEETING

Don Davis of Chaparral Pines, Attorney Mike Harper, Garrett Goldman-Tetra Tech, Inc., Gary Iles, Joel Goode, and Deniese Morgan

CALL TO PUBLIC

Chairman Sanders asked if anyone present wanted to speak about anything not on the agenda. He explained the topic or issue would not be addressed by the Board today, but could be put on the Agenda for the next meeting. There was none.

PREVIOUS MINUTES

Guy Pfister moved to approve the Regular Meeting Minutes of December 8, 2011, Bob O'Brien seconded and the motion carried 4-0.

APPROVE CHECKS

Guy Pfister moved to approve the Check Register for invoices paid from December 8, 2011 through January 12, 2012. Patrick Underwood seconded and the motion carried 4-0 after explanation of the following items: Check 35196 to Xenco Labs for \$378 for stream samples, Joel stated this is required testing as part of our permit if Nitrogen or Phosphorus exceeds a set threshold. Rob asked why the excess, Joel said sometimes this happens during the winter. Guy asked where we collect the stream samples. Joel said there a total of six different locations on the American Gulch and East Verde. Check 35202 for \$41,760 to CityWide Contracting, Joel stated this is the first progress payment. Check 35210 for \$7,680.40 to Lowery's Window, Joel stated this for the two front doors. Check 35224 to Hennessy Equipment for \$191.28, Joel stated this is for lift station equipment. Check 35239 to Idexx Labs for \$1,431.98, Joel said these are supplies for required testing. Patrick asked how long these supplies last. Joel stated the lab buys in quantity to receive discounts. Check 35244 to Gary Abramson for \$168.64 and Check 35245 to Ruth Abramson for \$204.90. Joel explained this is a reoccurring monthly payment as part of insurance. He added the District previously paid full Insurance Premiums, and now we pay the Medicare supplement. Rob asked if there were any further questions on the check register, there were none.

PLANT UPGRADES / HEADWORKS PROJECT UPDATE

Gary explained the Contractor is on-site and is expected to pour concrete next week, he added the grease and grit interceptor has been installed. Rob asked if the interceptor is fiberglass, Gary stated it is made of concrete.

Joel added Terry will be here next week to meet with the Contractor and go over some of the Districts' concerns. He added there have been some complications with the contractor, and we would like to resolve some issues.

OPERATIONS REPORT

Gary Iles presented the December-2011 Operations Report. He reported the monthly flow as 43.055 MG and 198.76 tons of Biosolids were hauled to Waste Management for disposal. Gary said the total reuse for the month was 11.165 MG and 11.109MG was pumped to Chaparral Pines, he added we have been cleaning out the High School tank, and we were unable to pump there.

Gary stated the Lab performed 421 tests; the Line Crew performed 46 blue stakes, televised 1000 LF of line, hydro-cleaned 7300 LF of pipe, completed 3 service inspections and pumped 3 septic tanks. All inspections and tanks were in the Airline/Luke project. Gary stated the Maintenance Department completed 34 work orders with 5 pending. Rob Sanders asked if there were any questions on the Operations Report, there were none.

Joel explained there are a couple of reasons Green Valley Lake is down, and will be down for the next few days. He stated a few days before Christmas the plant had an electrical fire in the blower room which caused severe damage, and the plant was out of operation for approximately eight hours. It was caused when a blower was routinely started up. While the plant was down, there was no air going into the aeration basins, and it being wintertime, the bugs do not recover very quickly. Turbidity is a requirement for pumping to the lake; however, it is not a requirement to discharge down the gulch. Joel added turbidity cannot exceed 5 on a daily reading or 2 for an average; we were between 2 and 4. Therefore we shut water off to the lake, as to not violate our permit.

Joel added, as the plant was recovering from this incident, a commercial user in the industrial area, Pulse Combustion discharged excessive amounts of cleaning agents which caused foam and discoloration to the water. Joel stated we did speak with them about discharging; however in the mean time the bugs were affected. He added the turbidity has been ongoing for almost a week and a half. Joel stated, the plant is still recovering, so to help speed up the process we imported bugs from the Reservation, he added this is a common practice. Joel said these are the reasons why the lake is down, and within a week it should be back to normal.

Joel explained we have been cleaning the High School tank, and we took out quite a bit more than last time we cleaned it. He added we use it as storage for Chaparral Pines, and while the plant is down we are unable to pump to the tank. He stated we finished cleaning it out yesterday, and disposed of the solids at the drying beds.

Joel stated Gary has been working on a Capital Item approved within the budget, which is a second generator that will provide emergency power to the Biosolids, Lab and Admin Buildings. We have issued a Purchase Order to Empire, which is pending review and approval of shop drawings. Joel added we are required to have a building permit, and in order to obtain the permit we need engineered drawings, Civil for the pad, and Electrical for the hookup. We have given Terry Moore-Civil Engineer a contract; he will work with Chuck Avery-Electrical Engineer to provide the required drawings. Joel added we obtained Federal Government buying power, and saved almost \$34,000, this will allow us to complete the project well within budget.

ADMINISTRATION

Joel explained he wanted to bring the Board up to date concerning discussions with the Town of Payson, regarding discharge from Houston Mesa Water Production Facility. In December, at the Town's request we had a meeting with their water treatment plant engineers, Buzz, LaRon and employees of the Water Department. Joel stated they are at a point in their planning where they know the location and estimated flows, and what their estimated discharge requirements will be.

Joel stated the Town proposed the question, could the Sanitary District accept their discharge. He added they have given the District preliminary numbers based on estimates of solids and chemical makeup. Joel stated the first question is does the District have the capacity within the collection system to accept the discharge, as Houston Mesa is not a conventional gravity sewer system, it is a low pressure, small diameter system, designed only for the subdivision. Joel stated we would need to determine whether the line could handle the flow, then look at the gravity line going from Home Depot all the way to the plant, and finally look at the plant to determine what capacity requirement is needed here. Joel said we have asked Garrett to do some very basic preliminary work, to determine if we have the capacity. At that time, we can meet with the Town and further discuss options of yes we have the capacity or no we do not, and what improvements are needed. Joel added we will look at this in small steps, and any commitments would require Board approval, and engineering would be paid for by the Town. Chairman Sanders asked when their plant would operate. Garrett stated it would be operative for nine months out of the year, shutting down in November, and start up in February. Guy asked if Houston Mesa/Mesa Del is residential and commercially zoned, Joel stated it's within Gila County, however, Planning & Zoning has to approve any buildings, and the District has to approve for any hookups. Rob stated overtime this picture will become clearer, and if engineering expenses on the District's end become excessive, we need to look at recovery of those expenses. Joel stated the Town understands this. Chairman Sanders asked if there were any more questions, there were none.

ANNOUNCEMENTS

Chairman Sanders gave the floor to Board Member Bob O'Brien. Mr. O'Brien announced, with regret his resignation effective Thursday January 12, 2012. He added his family has relocated to Tucson. He thanked the Board and the District. Chairman Sanders thanked Bob for his service to the Board, and the District, and wished him and his family all the best. Joel stated on behalf of the District and the Employees we sincerely thank you for all you have done.

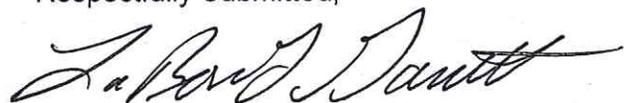
SCHEDULE ANY TOPIC OR ISSUE

Robert Sanders said our next regular meeting would be Thursday, February 9, 2012. If anyone is unable to attend, please let us know, or if anyone would like to add something specific to the agenda, please advise the office at their earliest convenience, but no later than noon the day prior to the scheduled meeting.

ADJOURNMENT

There being no further discussion, Patrick Underwood moved to adjourn at 12:55 P.M. Bob O'Brien seconded and the motion carried 4-0.

Respectfully Submitted,



Guy Pfister, Secretary

**MINUTES OF THE NORTHERN GILA COUNTY SANITARY DISTRICT BOARD OF DIRECTORS,
MEETING HELD ON THURSDAY MAY 10, 2012.**

INVOCATION

LaRon Garrett gave the Invocation.

PLEDGE OF ALLEGIANCE

Patrick Underwood led those present in the Pledge of Allegiance.

MEETING TIME AND PLACE

Robert Sanders called the meeting to order at 12:05 P.M. in the District Conference Room.

MEMBERS PRESENT AT MEETING

The following members were present for the meeting: Robert Sanders, LaRon Garrett, Guy Pfister and Patrick Underwood.

OTHERS PRESENT AT MEETING

Garrett Goldman -Tetra Tech, Bill Easton, Gary Iles, Joel Goode, and Deniese Morgan.

CALL TO PUBLIC

Chairman Sanders asked if anyone present wanted to speak about anything not on the agenda. He explained the topic or issue would not be addressed by the Board today, but could be put on a future Agenda. There was none.

PREVIOUS MINUTES

LaRon Garrett moved to approve the Regular Meeting Minutes and Executive Meeting Minutes of April 12, 2012, and the Special Meeting Minutes of April 20, 2012, Patrick Underwood seconded and the motion carried 4-0.

APPROVE CHECKS

LaRon Garrett moved to approve the Check Register for invoices paid from April 12, 2012 through May 10, 2012. Patrick Underwood seconded and the motion carried 4-0 after explanation of the following items: Check 35555 to American Express for \$1,106.28, Joel stated the AMEX card is used when we make a purchase from a vendor whom we do not have an account established. He added it is also the Costo Membership card for Deniese and himself. Check 35577 to Waste Management for \$14,403.10, Joel stated there is extra tonnage this month due to additional dewatering solids. Chairman Sanders stated page 4 and 5 shows checks for Dan White/Data conversion, and he asked how it went, Deniese stated it went well, new software is up and running, there were a few technical issues on the server, however, they are being addressed, Mr. White is finishing up on some custom report requirements. Check 35611 to Global Equipment for \$3,876.97, Joel stated this is a Capital Item approved in this years' budget, this is a gantry hoist for the basins. Check 35612 to Rhonda Purcell, Joel stated she is developing the NGCSD website, for information purposes, and for future online payment/account inquires. Check 35620 to Walker & Harper for \$4,105.60, Joel said this includes all the solar project contracts. Check 35650 to Roy Haught Excavation, for \$50,589.04, Joel said this was a required change to alleviate an issue in the headworks. Check 35671 to Waste Management for \$10,983.66, Joel stated this billing is for April and the previous was for March. Chairman Sanders asked if there were any more questions on the check register, there were none.

MOTION

Guy Pfister moved to adjourn to Executive Session at 12:19 P.M., LaRon Garrett seconded, and the motion carried 4-0.

RECONVENE

Chairman Sanders called the Regular Meeting back to order at 2:06 P.M.

PLANT UPGRADES/HEADWORKS

Gary stated there has not been much change since the last Board Meeting, as the contractor is waiting on equipment. He added equipment is scheduled to arrive on June 12. Gary stated in the next few weeks, they will be completing underground electric and concrete. He added the final completion date is estimated around August 17, 2012. Chairman Sanders asked if that date was within the contract terms, Gary stated no, this is an extension due to the time delay in equipment. Joel stated we will not grant an extension until the current term is due to expire, which is the end of May. He added, there is no cost change proposed in the extension, and according to the construction schedule they plan to have equipment on-site and installed prior to the end of our fiscal year. Joel added once everything is up and running they must dismantle the old headworks, and that takes them into August. Chairman Sanders asked if there were any questions, there were none.

OPERATIONS REPORT

Gary Iles presented the April-2012 Operations Report. He reported the total monthly plant flow as 31.3 MG and 162.22 tons of bio-solids were hauled to Waste Management for disposal. Gary said the total reuse for the month was 20.163 MG with 13.182 going to Chaparral Pines, with nothing going down the gulch this month. He added we are losing around 35%-40% somewhere. Chairman Sanders asked if we are recovering the water anywhere. Gary stated we have never had standing water in the gulch, now it is constantly wet. Joel added that makes perfect sense, because the gulch is the drainage way for the end Town and it all passes through Green Valley Lake. Rob asked if there is a schedule of maintenance for the Lakes, if they are going to clean them. LaRon stated the upper one is losing capacity due to sediment and silt, he added there is no set schedule to clean it. Gary stated the Lab performed 683 tests; the Line Crew performed 80 blue stakes, televised 1700 LF of pipe, hydro-cleaned 23,700 LF of pipe, and completed 3 service inspections. Gary stated the Maintenance Department completed 32 work orders with 6 pending. Chairman Sanders asked if there were any questions, there were none.

ADMINISTRATION

Joel stated there is a copy of Resolution No. 642, he added last month the Board approved to have the County hold our election, and this is the formal notification to Gila County of the Districts' intent. Chairman Sanders asked when packets would be available for pick up, Deniese said July 9, 2012 either from the County or at the District. She added the Board was given packets at the last meeting, and should not obtain signatures prior to July 9, 2012.

MOTION

Patrick Underwood moved to approve Resolution No. 642, A Resolution calling NGCSD Board Member Election November 6, 2012. Guy Pfister seconded and the motion carried 4-0.

Chairman Sanders entertained a motion of items discussed in Executive Session

MOTION

Guy Pfister moved to appoint Bill Easton, a Qualified Elector of the District, to fill the Office of Board Member of the District to the unexpired term through December 2014. LaRon Garrett seconded, the motion carried 4-0.

Chairman Sanders asked if Joel would notify both parties.

DEPARTURE

Garrett Goldman left at 2:20p.m

Sent 7/16/12 to Recorder

State of Arizona, County of Gila,

I, William Easton, do solemnly swear (or affirm) that I will support the Constitution of the United States and the Constitution and laws of the State of Arizona; that I will bear true faith and allegiance to the same, and defend them against all enemies, foreign and domestic, and that I will faithfully and impartially discharge the duties of the office of Northern Gila County Sanitary District Board Member according to the best of my ability, so help me God (or so I do affirm).

William Easton

Signature of Officer

STATE OF ARIZONA)
County of Gila) SS.

This instrument acknowledged to before me this 14th Day of June, 2012 by William Easton, known to me to be the person whose name is subscribed to the within instrument.

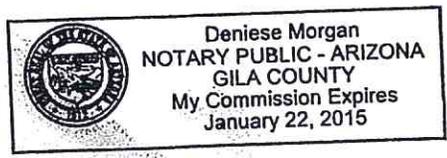
IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Denise Morgan

Notary Public

Jan 22, 2015

My Commission Expires



Send ORIGINAL Oath to:
Gila County Elections
1400 East Ash Street
Globe, AZ 85501

File COPY at Northern Gila County Sanitary District