

Joseph City Utilities
Po Box 147
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Phone: (928)288-3455
Fax: (844)257-0248
josephcityutilities@gmail.com



BOARD MEETING MINUTES

Meeting Date: January 24, 2017

Call to Order: 6:16 p.m.

Pledge: Andrew Bushman

Prayer: Andrew Bushman

In Attendance: Board members: Andrew Bushman, Pat Pogue, Bryan Fields, Tim Montoya, and Gary Rice. Employees: Tilynn Martineau, Kellen Roberson, & Jim Graham. Public: Tim Poudrier, Kovacsics Kinlicheenie, Daniel Hutchens, and Kim Shelley.

Call to Public: Daniel Hutchens appreciates the hard work that we are putting into getting his sewer line installed. Jim states that he is working hard to get this project finished but we have run into a lot of issues with gas lines, water lines, & phone lines. The soil is very hard up there making the excavation very slow. Jim states that we also had a water leak on the west end of town on Monday that called them away from the project but that he would like to have the project completed by the end of this week. Dan Hutchens states that he has taken grade on his property and will be ready to run his portion of the sewer line whenever Jim is ready for him to tie in.

Kovacsics Kinlicheenie had his basement flood with sewer because of sewer plug on the utilities side of the pipe. Jim states that the problem was extensive but they were able to resolve the issue though it did cause some damage to the Kinlicheenie's home. Kovacsics states that his wife has been in touch with their homeowner's insurance but wanted to speak with the Board in order to find out how they wanted to proceed with the repair of their home. Andrew would like to know if a check valve is installed on the line extending to the Kinlicheenie's home. Jim

states that yes there is a check valve and the valve failed as is has done many times in the past. Pat would like to know if we need to have an insurance adjuster come out and assess the damages before we can establish what we are responsible for. Tilynn states that when this happened with Marcy Trask that we asked her to bring in a bid from a contractor to repair and replace the damaged property and then paid what was bid. Andrew states that it doesn't have to be filed with the insurance company, the question we need to answer is who is responsible for the damages, do want Kovacsics to file a claim with his insurance or should we just pay for the damages. Bryan would like to discuss this at a time when it is an actionable agenda item. Tim Poudrier would like to know where the actual sewer plug occurred. Jim states that the plug was on 3rd North, a substantial distance from the customer's home. Tim states that if is the case then how can the homeowner be held responsible for any of the damages, it is Joseph City Utilities responsibility to maintain the line.

Acceptance of Last Meeting Minutes: Gary motions to approve the meeting minutes from December 20, 2016. Pat seconds the motion. All in favor; Pat, Gary, Andrew, Tim, & Bryan.

OLD BUSINESS

Field Operator Report: Jim reports that we had a sewer plug on 3rd north and a water break on the west end of town near Wayne Christensen's house. Mr. Hutchens septic system failed causing us to move up the start date of the line extension on 6th & Baird. Jim states that he and Albino are working hard to complete the line extension and with no further issues should be completed at the end of the week. H&H Management did their monthly inspections and we currently have no issues with ADEQ. Tim inquires about the water leak on the west end of town near Christensen's. Jim states that this is the 2nd leak in the same location in the last 3 months and would like to make replacing this line a top priority. The Board requests that the office staff start the permit process for a blanket permit and start the planning process for the connection of our existing lines.

Office Manager Report: Tilynn states that it has been a busy month but things are going well. Pat inquires about the amount of office supplies ordered this month. Tilynn states that as it is the beginning of the year our expenses are up because we are restocking the offices supplies for the year. Tim inquires why our payroll expenses were higher in the beginning of December than they usually are. Tilynn states that due to yearend bonuses and the installation of the new heater/ac unit being done by the staff our payroll was higher than normal. We have had a very busy month preparing all of our end of year documents and preparing for the year to come. The year to date reports are attached with the yearly budgets, also if there are any new reports that the Board would like to receive then please let us know. Tilynn states that in July of 2016 we restructured the chain of command, we felt it was going to be difficult to implement new

procedures in the middle of the year so we decided that the start of the New Year would be the best time to start fresh. Some of the new items we are adding are monthly planning meetings, weekly safety meetings, new daily logs, project planning procedures, operations procedure manual, as well as an inventory, valve mapping, line mapping, and hydrant mapping.

QuickBooks Training: Tilynn states that she received a pamphlet from QuickBooks offering QuickBooks Certification Training. Tilynn would like to have the company pay for her training which will allow her to be more efficient in her daily tasks as well as learn to run payroll, create new reports, and be less reliant on our accountant. Tim inquires if Tilynn feels like after she completes the training if she would then be able to train Kellen in QuickBooks. Tilynn states that Kellen only has to use QuickBooks if she is out of the office and there are pertinent items to attend to but would like to train her in QuickBooks operations as a backup. The QuickBooks training is an online webinar offered as a bundle, allowing Tilynn to work at her own pace and during her free time. Bryan makes a motion to approve the QuickBooks Certification Training Ultimate Bundle for the Tilynn Martineau with pay for her time pending she stay with Joseph City Utilities for one year after completion of the course, should Tilynn leave her position for any reason prior to one year she is required to repay the full cost of the course. Gary seconds the motion. All in favor; Bryan, Pat, Andrew, Tim, and Gary.

Water Distribution Operator Certification: Tilynn states that Kellen is interested in getting her operator certifications. Kellen and I feel that it would be a great asset to the company to have a certified operator in house. Jeff Hammond, our current certified operator, also feels that it is a great idea to have Kellen become a certified operator. Kellen states that the first certification that she would like to obtain is Water Distribution, classes to be held March 7-10, 2017, and Wastewater Collection, classes to be held May 2-6, 2017. Eventually she would like to be certified in water and wastewater treatment but feels that distribution and collection are the best to start her training with. Gary makes a motion to approve the Operator Certification training for Kellen Roberson with pay for her time and mileage for travel pending she stay with Joseph City Utilities for one year after the completion of each Operator Certification, should Kellen leave her position for any reason prior to one year she is required to repay the full cost of the courses completed. Pat seconds the motion. All in favor; Bryan, Pat, Andrew, Tim, and Gary.

Tilynn states that after speaking with Neal Whittle about an incident that took place causing him to lose his office manager, we as the office staff want to ensure that a similar incident does not happen here. Tilynn states that we have the utmost respect for our Board and the commitment that they make to this company and community and would hope that they feel the same towards us as employees. It is very important that we respect each other and the job that we all do in order to keep our work environment as nice as it is. There have been a few times

when comments were made that were probably meant to be light hearted but came across as degrading. We simply ask that as Board members and employees we do our best to respect each other and trust that we are all here for the common goal of making Joseph City Utilities a great place to work and a trusted water supplier for our community.

Just as a reminder to the Board we need to have our secretary take notes during any executive session that are then placed in a sealed envelope and locked in either the safe or a locking filing cabinet and kept at the office. Executive session minutes do not have to be precise but a general description of the topic and discussion held while in executive session. Tilynn states that we hope to never be placed in a situation to have to use our executive session minutes but we are required by law to have them onsite.

*****EMERGENCY AGENDA ITEM*****

Kovacsics Kinlicheenie Damage Reimbursement: The Board discusses possible options and Gary makes a motion to have the damages repaired and to reimburse Kovacsics Kinlicheenie for the full cost of the repairs. Bryan seconds the motion. All in favor; Tim, Gary, Bryan, and Pat. Andrew abstains due to conflict of interest.

NEW BUSINESS

Field Operator Status Update: Field Operator Jimmy Buchanan failed to show up to the meeting or provide a written update for the Board. This item will be placed on the agenda for the February 2017 meeting.

Jason Hendricks Meter Size Increase: Jason Hendricks would like to increase the size of the water line and meter feeding his property located at 8060 Rogers Ave from a 1" line to a 2" line. Jim states that this should not be an issue because our service line is 2" running near the cemetery. Gary makes a motion to approve the line increase with the stipulation that customer will pay for the cost of the upgrade. Andrew seconds the motion. All in favor; Bryan, Pat, Andrew, Tim, & Gary.

Nominations:

Chairman: Pat nominates Andrew as Board Chairman. Bryan seconds the motion. All in favor; Pat & Bryan. Against; Tim & Gary. Andrew abstains. Gary nominates Bryan as Board Chairman. Tim seconds the motion. All in favor; Gary, Tim, Andrew. Against; Pat. Bryan abstains.

Vice Chairman: Gary nominates Andrew as Vice Chairman. Pat seconds the motion. All in favor; Gary, Tim, Pat, & Bryan. Andrew abstains.

Clerk: Gary nominates Pat as Board Clerk. Andrew seconds the motion. All in favor; Bryan, Andrew, Tim, and Gary. Against; Pat.

2017 Open Meeting Schedule: Pat makes a motion to keep the joint Board meetings on the 4th Tuesday of every month. Andrew seconds the motion. All in favor; Bryan, Pat, Andrew, Tim, & Gary.

Insurance Policy Renewal: Tilynn states that she did reach out to other insurance agencies but none of them responded with bids to present. Insurance agent Monty Hancock explains our policies with the addition of environmental/pollution coverage. Pat makes a motion to accept Hancock Leavitt's bid for insurance coverage with the addition of the environmental/pollution coverage. Gary seconds the motion. All in favor; Bryan, Pat, Andrew, Tim, & Gary.

Budget Approval: Tilynn states that to create the 2017 Budgets she reviewed the year to date for each District and compared it to their 2016 Budgets. After comparison there were a few areas that needed to be adjusted for 2017 but overall we came in under budget in both Districts. Gary makes a motion to approve the proposed 2017 Budgets for the Water and Sanitary Districts. Bryan seconds the motion. All in favor; Bryan, Pat, Andrew, Tim, and Gary.

Rate Increase: The Board requests further information and research in order to ensure that we are raising the rates the appropriate amounts. By consensus the Board tables this item and will be placed on the February 2017 agenda for further discussion.

Wage Increase: By consensus the Board determines that no further action is required at this time.

Transfer Station: Tilynn states that the transfer station is now sustaining itself and recommends that we keep the transfer station open and review its status again in one year. Tilynn recommends that the Board sets a monthly spending budget specifically for the transfer station in order to complete the necessary upgrades. Andrew makes a motion to set a spending budget of \$200.00 for upgrades and review the status of the transfer station again in June. Gary seconds the motion. All in favor; Bryan, Pat, Andrew, Tim, and Gary.

Sick Leave Policy: By consensus the Board determines that no further action is required at this time but will be placed on the agenda in May.

Set a Date for the next Board Meeting: By consensus the next Board meeting will be held Tuesday February 28, 2017 at 6:00pm.

Meeting Adjourned: Andrew declares the meeting adjourned at 8:57pm.

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BOARD MEETING MINUTES

Meeting Date: February 28, 2017

Call to Order: 5:59 p.m.

Pledge: Andrew Bushman

Prayer: Andrew Bushman

In Attendance: Board members: Andrew Bushman, Pat Pogue, Bryan Fields, Tim Montoya, and Gary Rice. Employees: Tilynn Martineau, Kellen Roberson, Albino Quintana & Jim Graham. Public: Kim Shelley.

Call to Public: N/A

Acceptance of Last Meeting Minutes: Gary motions to approve the meeting minutes from January 24, 2017. Andrew seconds the motion. All in favor; Pat, Gary, Andrew, Tim, & Bryan.

OLD BUSINESS

Field Operator Report: Jim reports that all of our systems are running relatively smoothly. We have had a few minor sewer plugs but they did not result in any property damage, thanks to the assistance of the office staff. Bryan inquires about the pipes that are barricaded off near the new sewer extension. Jim states that he is waiting for the backfill dirt to settle before he completes the installation of the sewer clean outs. Jim has spoken with JD Smith and he will be blading and back dragging the roads where the excavation was performed at no cost to the company.

Office Manager Report: Tilynn states that the office has been running very smoothly though we have still been very busy. Tilynn has been very busy with the accountant finishing the 2016

yearend information and unfortunately has been unable to start her QuickBooks training. Tilynn was able to speak with the accountant regarding a joint capital improvement and he strongly recommends that after the extensive work that the company put into separating the Water and Sanitary Districts that they do not intermingle funds. Tilynn states that Navajo County is hosting a Special Districts Training April 21 & 28, 2017 that she and Kellen will be attending. This training is specifically designed for Special Districts and their operating needs, if any of the Board members would like to attend we can email you the dates and times the training will be held. March 1, 2017 the operating hours of the dump change to the summer operation hours which are Tuesday - Friday 1:00pm – 6:00pm and Saturday 9:00am – 6:00pm.

NEW BUSINESS

By consensus executive session will be held at the end of the meeting.

Main Supply Line Rehabilitation Project; Professional Project Management Services Proposal:

Tom Gilardoni presents his proposal for the management of the Main Supply Line Rehabilitation Project by Steele and Associates, regarding phase one which includes planning, project management, data discovery and creation, and preliminary engineering reports. Bryan makes a motion to approve the agreement presented by Steele & Associates for Phase 1 of the Main Line Rehabilitation Project. Gary seconds the motion. All in favor; Bryan, Pat, Andrew, Tim, & Gary.

Tom Neal Meter Installation: After discussion, Bryan makes a motion to approve the water tap installation and require a site plan for the installation of a new sewer tap for the vacant lot behind 8103 S Hansen Ave. Gary seconds the motion. All in favor; Pat, Tim, Gary, Andrew, & Bryan.

Rate Increase: After lengthy discussion Bryan makes a motion to raise the rates for water, sewer, trash, and out of town trash \$1.00 for each billing type. Tim seconds the motion. All in favor; Pat, Tim, Andrew, Gary, & Bryan.

Authorized Bank Signers: Tilynn expresses the need to remove Gary Rice as a bank signer and add Bryan Fields. Gary makes a motion to remove Gary Rice and add Bryan Fields as a signer to all bank accounts, making the authorized bank signers Andrew Bushman, Pat Pogue, Tilynn Martineau, and Bryan Fields. Bryan seconds the motion. All in favor; Pat, Andrew, Gary, Tim, & Bryan.

Office Substitute: The office staff feels that it is important to have a Board approved Office Substitute in the event that both Kellen and Tilynn need to be out of the office. Kerri Johnson has filled out a substitute contract and the office staff would like to have her approved as

substitute. Bryan makes a motion to approve Kerri Johnson as an office substitute. Gary seconds the motion. All in favor; Pat, Tim, Andrew, Bryan, & Gary.

Gary makes the motion to go into executive session at 7:46pm. Bryan seconds the motion. All in favor; Pat, Andrew, Gary, Tim, & Bryan.

*****EXECUTIVE SESSION*****

Reconvene into public session at 8:21pm.

Field Operator Status Update: Bryan makes a motion to approve the Field Operator Status Update as provided by Tilynn Martineau. Gary seconds the motion. All in favor; Pat, Andrew, Gary, Tim, & Bryan.

Employee Reviews: Bryan makes a motion to approve the Employee Reviews of Kellen Roberson, Jim Graham, Albino Quintana, and LeAnn Baldwin as provided by Tilynn Martineau. Gary seconds the motion. All in favor; Pat, Andrew, Tim, Gary, & Bryan.

Set a Date for the next Board Meeting: By consensus the next Board meeting will be held Tuesday March 28, 2017 at 6:00pm.

Meeting Adjourned: Bryan declares the meeting adjourned at 8:30pm.

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BOARD MEETING MINUTES

Meeting Date: March 28 2017

Call to Order: 6:00 p.m.

Pledge: Andrew Bushman

Prayer: Andrew Bushman

In Attendance: Board members: Andrew Bushman, Pat Pogue, Tim Montoya, and Gary Rice. Employees: Tilynn Martineau, Kellen Roberson, & Albino Quintana. Public: Eric Miller, Tom Gilardoni, Gary & Ruth Hansen.

Call to Public: Gary and Ruth Hansen are here concerning the installation of Tom Neal's new meter. Gary would like an update on when the new meter will be installed so that billing can be separated for his home and the duplex. Tilynn states that we are waiting on Jim to bid the installation so that we can give the Neal's a quote, then we will be able to place the installation on the schedule. Tilynn states that our schedule is currently very busy and we will be looking at the end of April possibly May before the new tap can be installed. Kellen states that once we do a walkthrough of the installation site we will be able better schedule the installation. Gary would like the meter installed as soon as possible. Kellen would like to know whose service will be receiving the new meter and which property is keeping the existing meter. Gary states that the water line runs to his house first therefor he would like to keep the existing meter, which is actually located on the Fraley's property. Tilynn confirms that we are going to place this on the schedule as soon as possible and we will let them know when the installation is complete. Ruth would like to know if there is anything that they need to do to establish service or for the installation. Tilynn states that when the new meter

is installed and the units are split onto separate accounts that Ruth and Gary will need to fill out the new customer contract and place a deposit on their new account but their service will not be interrupted.

Acceptance of Last Meeting Minutes: Pat motions to approve the meeting minutes from February 28, 2017. Tim seconds the motion. All in favor; Pat, Gary, Andrew, & Tim.

OLD BUSINESS

Field Operator Report: Kellen states that we have had a few water issues this month, one of which was a water leak that left customers without water service over night but all the leaks have been resolved and the systems are running smoothly. Tilynn delivered cases of bottled water to all the affected customers on behalf of JCU. Terry Oldham of H&H Management came and completed our monthly samples today. We did have a sample that was not turned in to ADEQ but that has since been rectified and we are now in good standing with ADEQ. Kellen states that she is hoping to be able to take over some of the sampling to help with expense of remote operation by H&H and ensure that our samples are turned in on time to the proper authority.

Office Manager Report: Tilynn states that the office has been running very smoothly and has finally slowed down, giving her a chance to start on her QuickBooks training. This month we made a few more improvements to the Transfer Station including and eyewash station, reflectors for the brick wall, as well as ordered traffic control signs to help direct traffic and keep the speed to a minimum. Tilynn states that our expenses were higher than normal this month due to smart meter restocking, the project management retainer, and accounting fees. Just a reminder that Navajo County is hosting Special District Training in April if anyone is interested in attending. There are 4 sessions available that will cover the same information in each session. Kellen states that she attended Water Distribution Training in Phoenix at the beginning of this month and passed the test, so she is now a Grade 1 Water Distribution Operator. Kellen states that she learned a lot about sampling and sampling procedures, as well as chlorination, dosing, and residual chlorine. Andrew states that he feels this is a great step and hopes that Kellen will be able to take over some of the sampling to reduce our expenses to H&H Management. Pat inquires when Kellen will be able to test for her Grade 2 WD. Kellen states that she is able to test for the next grade level in any certification one year after obtaining her Grade 1. Kellen states that she and Tilynn are very excited to continue their education and further training, we are hoping to present more training opportunities to you in April. Pat inquires whether or not we have to purchase office

supplies such as envelopes every month. Tilynn states that we usually only order office supplies monthly but Amazon separates the order by provider, we only order when we are running low on supplies for daily operation or billing. Pat inquires why our stamps were so expensive this month. Tilynn states that we purchased 2 months of billing stamps causing the expense to be higher than normal.

NEW BUSINESS

Eric Miller Reimbursement: Eric Miller is here to request a reimbursement for a plumber that he hired to clear a sewer plug that he believed to be on his service line. Kellen states that on February 28, 2017 she receive a call from Eric regarding a sewer plug, he had already contacted a plumber to have the line snaked figuring that the plug was on his side. After the plumber had attempted to snake the line with no luck, Jim took our equipment over and snaked the line himself. We ran over 400ft of hose before the line eventually cleared which means that the sewer plug was on our side of the system not the customers. Jim also realized that Eric is tapped into the old sewer line not the new line. Kellen states that because the issue was on our side of the system that JCU should cover the cost of the plumber. Pat inquires whether we are going to leave Eric's sewer tap on the old line or move it to the new line. Kellen states that we do have plans for the future to move the Miller's tap to the new line. Gary makes a motion to pay for the full cost of the plumber. Tim seconds the motion. All in favor; Gary, Tim, Andrew, & Pat

Main Supply Line Rehabilitation Project Update: Tom Gilardoni is in attendance to present the latest update regarding the Main Line Rehabilitation Project. Tom states that he did find as-built ADOT plans showing water utility sleeves, water lines, and utility easements. We brought in a line locating company that uses ground penetrating radar to read the earth and attempted to locate the utility sleeve and current water line under the interstate. We did find multiple disturbances and are now working to investigate the disturbances. Tom states that the lines at the well field that we were able to locate only lead from each well to the valve and then the signal dies. When the ground penetrating radar was place in the area that the as-built plans show the utility sleeve the radar had a very strong reaction. This leads us to believe that the shown utility sleeve was installed. Tom states that our next step was to us the back hoe and excavate the area where the existing water line is and the ADOT utility sleeve. Jim was able to locate the original water line as shown on the as-built plans but when we excavated near the location of the utility sleeve we located an 8" water line that veers to the east just as the plans show. Tom states that these plans are incredibly accurate and have been a blessing to the progression of this project. Tom states that we now know that the main water line is PVC, where it leaves the well field, where it enters the

Pogue's property, and that there is a secondary water line. Tom states that metering both sides of the right of way on the main line is a viable and reasonably inexpensive way to have a leak detection system in place. Tom states that the new line we discovered today is located in a swamp and could be vulnerable to cracks do to movement of the earth. Tom feels that the next step is to find out if the new line is connected to the system and if it is disconnect, pressure test, disinfect, and reconnect to the system if it is a viable bypass line. Tom states that his summary is that we are very lucky to have found the secondary line and that from here we can finish our investigation of this new line, correct the plumbing issues, and start our capital improvement plan for future replacement of the line. Tom would like to know how the Board would like to proceed as far as procuring funding. Andrew would like to know how much we have left in Tom's budget. Tom states that we have \$13,000.00 unspent from the original budget. Andrew suggests that now that we know what we have and what we need to plan for that we can lower this project on the priority list and focus on our meter project and other minor repair projects. Gary disagrees with Andrew, stating that he feels that we need to finish investigating this line and have firm information on what we have in the ground before we close this project. Pat inquires what Kellen thinks we should do with the main line project. Kellen suggests that we finish the investigation of the new 8" line that was discovered today, we need to know if it is connected to the system and if it is a viable line. Once we know what the status of the new line is then we can decide if immediate action is required or if we can place this on the back burner and focus on the installation of the smart meters and our other maintenance projects. Tom states that he agrees with Kellen and that we have room in the current budget to finish the exploratory portion of the project and have budget leftover to talk to WIFA and other lending agencies about recuperating some of the expenditures that we incurred during this investigation. By consensus the Board agrees that we should continue the investigation of the main lines as well as pursue possible grants for technical assistance.

Delroy McLaws Water Tap Repair/Installation: Kellen states that Delroy McLaws has requested a water tap installation. After the field crew investigated the property it was discovered that a service tap is currently installed on the property but is inoperable. The service line was never repaired after it broke many years ago, but the field crew feels that it will be less expensive and faster to install a new water tap on the southeast corner of the property than it will be to repair the current line because there is an irrigation pipe directly below the existing water line. We feel that since there is an existing water line installed on the property that the new meter should be installed at no cost to the customer. Gary makes a motion that Delroy McLaws have a new water tap installed at the location discussed at no cost to the customer. Tim seconds the motion. All in favor; Pat, Andrew, Tim, & Gary.

By consensus the Board tables all agenda items regarding employee wage increases until the entire Board is present. Employee wages will be placed on the April agenda.

Gary makes a motion to go into executive session at 7:08pm. Tim seconds the motion. All in favor; Andrew, Pat, Gary, & Tim.

*****EXECUTIVE SESSION*****

Reconvene to public session at 7:35pm.

Continued Employment of Jimmy Buchanan: As per executive session discussion the Board agrees to reclassify Jimmy Buchanan as a part time employee pending the required medical release be returned allowing him to work "light duty" by the next Board Meeting.

Permanent Employment of LeAnn Baldwin: Gary makes a motion to hire LeAnn Baldwin as the permanent Transfer Station Attendant. Pat seconds the motion. All in favor; Andrew, Tim, Gary, & Pat.

Set a Date for the next Board Meeting: By consensus the next Board meeting will be held Tuesday April 25, 2017 at 6:00pm.

Meeting Adjourned: Andrew declares the meeting adjourned at 7:50pm.

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BOARD MEETING MINUTES

Meeting Date: April 25, 2017

Call to Order: 6:01 p.m.

Pledge: Bryan Fields

Prayer: Gary Rice

In Attendance: Board members: Pat Pogue, Tim Montoya, Bryan Fields, Andrew Bushman, and Gary Rice. Employees: Tilynn Martineau, Kellen Roberson, & Jim Graham. Public: Tom Gilardoni.

Call to Public: N/A

Acceptance of Last Meeting Minutes: Gary makes a motion to approve the meeting minutes from March 28, 2017. Tim seconds the motion. All in favor; Pat, Gary, & Tim. Bryan abstains due to his absence from the previous meeting.

OLD BUSINESS

Field Operator Report: Jim states that our systems have been running very well over the past month. We have started pumping enzymes into the sewer ponds and have also started pumping reuse water again. The main pond is looking very good and is already coming down in depth from the first irrigation. Jim feels that we might have issues due to poor installation of the lower pond. This area could cause plugging and back up issues but they are working on a preventative maintenance schedule to minimize the issues. Kellen states that we have 83 smart meters installed total at this point and we will be starting the installation of Tom Neal's meters on Thursday, we are

waiting on a response to our Blue Stake request. Kellen states that we are installing 2 meters on the duplex in order to minimize future issues.

Office Manager Report: Tilynn states that the office has been running very well this month. The accountant sent over the draft financial statements for 2016, these have been approved and will be sent back for finalization. Once the accountant sends the final draft we can send out our annual financial audit to WIFA which is due April 30, 2017. After the WIFA audit is complete Tilynn states that she and the accountant will be working on our audit for Navajo County which is due in August. Tilynn states that our expenses were a bit higher than usual this month due to insurance renewal, restocking chlorine tablets, the Main Line project, and purchasing a new trash pump. Tilynn feels that our expenses will be lower in May and with water usage increasing we should be able to recoup those losses. Some of the upgrades to the transfer station this month include the purchase of a Ding Dong system to alert the attendant when a vehicle is approaching as well as posting new traffic signs to keep traffic flowing in the proper direction.

NEW BUSINESS

Purchase of infraMap GIS Mapping Software: Tilynn states that we have spent quite a bit of time over the past few years researching potential mapping software because we have so little documentation about our valves, mainlines, and other major system components. We feel that should something happen to our more knowledgeable team members, without a mapping system to fall back on we could be in serious trouble. The office staff was presented this software by one of our main suppliers, HD Supply. This software seems to fit our needs far better than any of the other systems that we have considered, as it is extremely user friendly and is a one-time purchase rather than a membership fee. This software can map all our systems, waterlines, sewer lines, valves, hydrants, and manholes. Jim states that our maps are very vague and with a system like this it can place you within 3 inches of a water line or valve. Kellen states that with GPS technology we will be able to exactly pin point anything within our system as well as track maintenance. Bryan requests a motion to open the topic for discussion. Tim makes a motion to open discussion regarding the purchase of a GIS mapping program. Gary seconds the motion. Bryan inquires what type of training it will require learning to operate this system. Tilynn states that iWater, the creators of this program, will come and do a 2-day training onsite and will be available to assist us as we begin to implement the system. Bryan inquires what the final cost of the system will be. Tilynn states that we were quoted \$25,000.00, which would include 2 access points, a laptop and a desktop computer. We feel that we would

be fine to start with one access point, being a laptop that we could take into the field and later add a second access point. We also found that there are possible ways for us to recoup some of the cost by mapping the irrigation system, tracking fire hydrant maintenance, and possibly partnering with other local utilities. Kellen states that one major benefit of this software is that it can calculate water flow when blowing out lines and fire hydrants, helping us to better track where our water losses are coming from. Tilynn states we can also easily track water breaks and water break history, helping for future reference of lines that need to be replaced, showing us which customers will be affected by a water break, and which valves will isolate the location. Bryan would like to know if a laptop is hosting the program, is there a cloud based option to back up the information or if it is only server based. Tilynn states that there is a web based version of the program but that for our system the hard drive based system will be more effective but all the information will be backed up on the cloud. Gary feels that he needs more information on the system before he can vote to purchase. Bryan states that he would like to see a demo of the software before he would feel comfortable voting. Tilynn states that she will reach out to iWater to schedule a demonstration of the software for the Board to view. Andrew arrives at 6:15 pm. Andrew states that he had a chance to view part of the demonstration and feels that it is a great program. Andrew states that looking toward the future and procuring grants some of the questions we are going to have to answer will be surrounding what we are doing to better maintain our system and system maps. Jim states that he feels as though this is a great system to put into effect, allowing us to better plan for preventative maintenance as well as regular maintenance of the assets in our system. Tom Gilardoni makes the comment that this is something we did discuss regarding the Main Line Rehabilitation Project. He states that he was unaware of this program at the time but would be much more cost effective than the alternate route of having an engineer create a living file. The one-time fee of this software, with the ability to make additions and adjustments in the office, would barely cover the initial cost of having plans engineered. Bryan feels that this is a good idea but would like to know what kind of technical training would be required for the office to become proficient with the system. Kellen states that this program is very different than most because it was designed by field operators working in the field. It's a simple touched based system that allows you to add assets, as well as easily enter maintenance information relevant to any asset in the system. Tilynn states that the infraMap program is much simpler than the smart meter software. Bryan inquires whether the smart meter software is compatible with the mapping software. Tilynn states that the systems are compatible and we can use the GPS software on the handheld to map the system. Tim inquires whether this would be like the living map that Tom and spoken to us about previously. Tom states that this would be more alive than what he had thought possible because the information can be updated daily and there was no wait time on the engineer. Andrew states that if we would have had a system like this in place prior to now, we would not have needed Tom

because most the information that we were searching for would have already been input into the mapping system. Gary makes a motion to table this issue until the office can provide more information. Tilynn inquires what other information Gary would like before making a final decision. Gary states that he would like a demonstration. Andrew inquires whether they have a demonstration video posted on YouTube. Kellen states that she is not sure but if they do she will find it and send the link to the Board members. Bryan states that Gary made a motion to table this item until they receive more information. Bryan seconds the motion. All in favor; Bryan, Andrew, Gary, Tim, and Pat.

Main Supply Line Rehabilitation Project Update: Tom states that within the last few weeks we were able to locate the sleeve, which is a 16" stainless steel sleeve. We are sure ADOT had the sleeve installed because the plans that we found through ADOT are nearly exact to what we found in the field. We also found an 8" service line within the sleeve which is Joseph City's current distribution line. Previously we had believed that the main distribution line came directly out of the well site, across I-40, and through the Pogue's property but that is not what we found. After the vacuum truck came out and excavated the site we found that what was originally thought to be the distribution line, has actually been abandoned. Tom states that he believes that our next course of action is to pressure test the abandoned line to verify if it could be used as a secondary distribution line. Bryan inquires whether or not this pressure test would certify the pipe for use. Tom states that because of the strict guidelines that must be followed in order to pressure test and sanitize the pipe would be certified for distribution use. These documents will be kept on file at Joseph City Utilities. Bryan inquires if Tom has a cost estimate for the pressure test. Tom replies that because he is still under contract there would be no extra cost on his part, and the pressure test would be performed by Tom, Jim, and Albino, for minimal parts cost and man hours. Bryan inquires about the age of the pipe and estimated life expectancy of the pipe. Jim states that he doesn't have an exact age but it would be at least 40 years old and that life expectancy depends on the soil quality but ranges from 20-50 years. Tom states that the purpose of this test would be to give us a temporary bypass should an issue arise with the main distribution line and we need to make repairs or even replace the line. Tom continues stating that we also found that we have some issues in the well field, including a leaking elbow and valves that are not in good working condition. Tom feels that if we are going to tie the abandoned line into the system, it would be a good time to replace the valves that are not functioning properly and replace the leaking fittings. Gary feels that if the abandoned line does hold pressure that we should start preparing the required parts to place the line in service, as well as start planning the replacement of the failing valves in the well field. Gary makes a motion to discuss repairing the failing valves and rehabilitate the abandoned main. Tim seconds the motion. Bryan states that he feels that we need to come up with a cost estimate in

order to properly plan for the valve replacement and line rehabilitation. Andrew feels that we need to go into executive session because Jim has some information for the Board that will directly affect the decisions that the Board is discussing. Bryan makes a motion to move this item to the end of the meeting and revisit after executive session. Gary seconds the motion. All in favor; Gary, Andrew, Bryan, Tim, & Pat.

Employee Handbook Amendment, Continued Education Compensation: Tilynn states that as she understands it this is something that the Board had agreed upon many years ago but was never placed in the Employee Handbook. Gary inquires how many levels are in Tilynn & Kellen's training. Tilynn states her QuickBooks training consists of 4 levels and that Kellen's Operator training has 16 levels, should she chose to achieve her Grade 4 in all four categories. Gary makes a motion to open Continued Education Compensation for discussion. Andrew seconds the motion. Kellen states that Utility Management Certification is a course that AWWA conducts and it provides training and valuable knowledge for utility managers. Andrew states that he feels that it is important to put a program in place to encourage our employees to continue their education in the industry. Kellen states that all of the proposed certifications do not have to adopt right now, they are simply the certifications that the employees are looking into achieving and want to present them to the Board. We feel it is important for the field operators to get formal heavy equipment training in order to further cover the company from potential liabilities. The office would like to at least put something in place for the certifications that they are currently striving to achieve, which are Water & Wastewater Operations and QuickBooks. Andrew states that as far as the Water & Wastewater Operations Certifications, the more certifications that Kellen receives the less we need H&H Management and can help make up for the increase in the wage expense. Gary would like to focus on Water & Wastewater, QuickBooks, & Heavy Equipment training and discuss the other certifications as the employees reach them. Andrew states that he feels it would make sense that since we only have a few employees that we take the certification compensation on a case by case basis as QuickBooks is specific to Tilynn and Water and Wastewater only pertain to Kellen. Andrew feels that the company could use these certifications as an incentive program to help retain long term employees. Andrew would like there to be some sort of written policy but that each certification be brought to the Board on a case by case scenario. Gary makes a motion to have all certifications presented to the Board before registration. Bryan states that he feels that if the Board approves the certifications that they would be bound to compensate them at the rate agreed upon. Gary states that in the past this has not been the case and he would like to see a procedure for this in writing for the employees' sake. Tilynn states that for all current and future employees she would like to add a section to the handbook or by-laws detailing the procedure regarding continued education and compensation. Gary makes a motion to approve the Water & Wastewater Certifications @ \$0.50/certification, QuickBooks Certification @

\$0.50/level, and Heavy Equipment Operator Certification@ \$1.00/certification upon Board approval. Andrew seconds the motion. All in favor: Bryan, Pat, Andrew, Gary, & Tim. By consensus the Board tables the remaining issues until the next meeting and asks that the office staff rewrite the proposal to be discussed on a case by case basis and voted on by the Board.

Gary makes a motion to go into executive session at 7:08pm. Tim seconds the motion. All in favor; Bryan, Andrew, Pat, Gary, & Tim.

*****EXECUTIVE SESSION*****

Reconvene to public session at 7:35pm.

Continued Employment of Jimmy Buchanan: Bryan calls for a motion regarding the continued employment of Jimmy Buchanan. Pat makes a motion to permanently terminate Jimmy Buchanan for failure to follow Board directive. Gary seconds the motion. All in favor; Gary, Andrew, Bryan, Tim, and Pat. Tilynn states that she will draft a termination letter for the Board to review and sign.

Wage Increases for Tilynn Martineau, Kellen Roberson, Jim Graham, and Albino Quintana: Tim makes a motion to open wage increases for discussion. Gary seconds the motion. Bryan states that this is an item that was continued over from last month which includes everyone receiving a cost of living increase of \$1.95. Tim states that the office has changed the proposal from \$1.00 to \$1.95. Tilynn states that she had thought that the minimum wage had only increase \$1.00 but realized her mistake and adjusted the cost of living increase to match the minimum wage increase. Gary inquires why we budgeted for \$54,000.00 and even with the \$1.95 it stayed at \$47,000.00. Andrew states that the \$54,000.00 is the amount set aside for wages and with the increases we will not exceed the budgeted amount. Tim would like to know how we come up with the budgeted amount, and states that that is a huge difference and that we are just taking all these budgeted amounts from out of thin air. Tim inquires whether the budget is based on the actual numbers or if we are just making educated guesses. Tilynn states that in 2016 that Joseph City Utilities set a budget of \$54,000.00 for payroll and we came in much lower on our actual cost. Because we stayed under budget in 2016 we used the same budget amount which gave plenty of room for wage increases, overtime, and field substitutes. Tilynn states that the \$47,000.00 gives the company the cushion required for unexpected cost. Kellen and Tilynn do not work 40 hours per week so therefor we took our average weekly hours and multiplied it for the year with the increases to give you a projected cost. Bryan inquires about LeAnn's wages and when the next wage increase is for minimum wage. Tilynn states that she is at minimum wage and the next increase is not scheduled until

January 1, 2018. Kellen states that the office felt that because LeAnn was only hired as a permanent employee one month prior and that she is technically still in her probationary period, that her wages could be discussed during 2018 employee reviews. Jim states that prior to the minimum wage increase LeAnn was making \$0.95 above minimum wage and Albino was making \$1.95 above minimum wage. Gary would like to go back to his original question because he does not feel that our projected cost could stay at \$47,000.00 with the suggested wage increase. Kellen states that Jim, Albino, Tilynn, and herself are employees of both the Sanitary and Water District therefor their wages are divided equally between both Districts. Gary feels that the office staff did not thoroughly research their numbers and feels that there is no way that we will be able to stay within the budget that we are presenting. Kellen states that as of December 31, 2016 our payroll expenses were just under \$42,000.00 for the Water District and the Sanitary District, our proposal shows that with the wage increase our expenses will be \$47,000.00 and we budgeted to spend \$54,000.00 therefor with the wage increase we will still be under budget. Tim would like to know about the \$12,000.00 wiggle room that we budgeted for last year and why we feel like we can cut that down to \$6000.00. Tilynn states that last year we had John and Jimmy out for part of the year so our expenses for substitutes was higher and our payroll expenses were quite a bit lower than the previous year. With LeAnn and Albino being hired as full-time employees our substitute expenses have been cut down. Bryan states that basically we just need a small cushion for substitutes and other potential expenses. Tilynn states that that is correct and there is a good chance that we are going to have to reevaluate the budget next year because we are going to have a full year with LeAnn and Albino as full-time employees. Tim states that we keep bringing up the raising of minimum wage but that is just to get the people that are making decent money up to a respectable wage that they can live with. Jim asks Tim if the price of his chips and fuel has increased. Tim states that his cost has increase and he understands that everything will continue to increase. Gary states that minimum wage went up \$2.00 and that help that group but has put everyone else in a bind to keep fair wages. Gary feels that all the employees deserve a raise to compensate for the increased cost of living but doesn't feel that it needs to be \$2.00. Jim states that he doesn't know or care what his raise would be but he would be willing to forfeit his raise to ensure that everyone else receives a raise. Bryan would like to know if we considered doing a percentage raise instead of a set amount per employee. Tilynn states that we based our proposal on the increased minimum wage and increased cost of living and did not consider a percentage based raise. Albino was above minimum wage but with the increase he is now at minimum wage. Pat states that she feels that the office staff has but a lot of work and research into this proposal and that we should go with what they proposed. Tim states that we raised rate for each District and now we are giving all the employees raises, are we going to have to raise rates again. Andrew states that if you remember the rate proposal it was suggest that we make a large raise and the Board

cut that back to \$1.00 but the office had taken all of these factors into consideration when they made the original proposal. Andrew states that as far as Albino is concerned he would happily poach him for \$12.00, and to have an employee that has achieved 1 certification and is working towards more we are going to have to stay competitive with our wages in order to keep employees. Tim personally feels that the flat rate raise increase is a slap in the face to our long-term employees because they are getting the same raise as an employee who has only been here for a year or two. Tim states that he had the numbers broken down and for instance if Tilynn received a \$1.00 raise that was 6.7% and no one is giving raises like that. Tilynn states that she is not even with in the salary range that the Board set for her position. Tim inquires if she has any accounting experience and we have been talking about certification compensation. Tilynn wonders why she is working to get these certifications if she is not going to be compensated. Tim states that we said come to the Board and they will decide on an appropriate increase for the certifications. Tim knows for example that NPC voted for a 2% raise and little old Joseph City Utilities is talking about upwards of 5%. Tilynn states that the raise would not be that high had minimum wage not been raised that high. We are not suggesting or expecting a raise like this every year but the law was passed to raise minimum wage \$1.95 and that raised the cost of living significantly, the decision is up to the Board if you don't feel that it is right then don't vote for it. Gary states that the Board agreed to compensate for the certifications and he feels that is fair but isn't sure about the cost of living raise. Kellen states that in December I was worth \$4.00 over minimum wage and now because they raised minimum wage my worth to the company went down? Andrew states that his concern is keeping the employees happy and retaining the great employees that we have because there is always someone out there looking for good hard-working employees for reasonable cost. Andrew feels that Albino could easily go to work for the Holbrook Water Department with a good reference and make more than we are paying him. Jim inquires how this is going to affect the rates for contract laborers. The current rate is between \$8.00 to \$11.00 and it was up to Jim to decide what the employee would be paid. Bryan states that while that is a valid point the only wages that we are discussing today are for the four full time employees stated in the proposal. Andrew makes a motion to accept the raises as suggested by the office staff. Pat seconds the motion. All in favor; Gary, Andrew, Bryan, and Pat. Against; Tim.

Purchase of infraMap GIS Mapping Software: After executive session Andrew makes a motion to move forward with the purchase of the mapping system pending a demonstration. Pat seconds the motion. Gary would like the motion explained further. Andrew states that he would like to approve the purchase pending the viewing of a demonstration video. Gary states that approving the purchase and then getting more information doesn't make any sense. Bryan states that the office staff has done the research and has the information it is just a matter of getting it thoroughly explained to

the Board. Bryan inquires whether or not we are required to have 3 bids before we can approve the purchase. Tilynn states that she is unsure whether we are required to have 3 bids because we did not put the Main Line Project out to bid before we hired Tom Gilardoni. Andrew feels that because this purchase is an addition to an existing program that we have already voted on and put in place that we should not require 3 bids. Tim feels that office staff knows better than the Board what system is going to work for them and if they present something to the Board then it is most likely the best fit for the company. Bryan would like for the office staff to provide more information about the functionality and the backing up of the system to the Board members that are interested. Tilynn states that she will make copies of that packet that we were provided and try and set up a demo in the next week. Bryan calls for a vote on Andrew's earlier motion. All in favor; Andrew, Bryan, Tim, and Pat. Against; Gary.

Main Supply Line Rehabilitation Project Update: After executive session Gary makes a motion to pressure test the abandoned water line and a project plan to eventually replace the deteriorating valves in the well field. Andrew seconds the motion. Tom states that he had a meeting with WIFA and discussed our three main projects which are meter replacement, the well field repairs, and water loss. Tom inquires whether the Board would be interested in putting in a loan application for the meter replacement project and leak detection. WIFA would require that we have our application turned in as soon as possible if we are interested in assistance. Tom continues stating that he did not discuss the technical assistance grant because the time wasn't right but the CFO of WIFA did state that there is a possibility of receiving a relief on part of the loan amount. Tom states that if we are interested that he will work with Kellen over the next couple of weeks and get the application turned in for a loan. Gary feels that if we can get a grant of some sort that he would be interested and it would be worth the time spent. Andrew feels that if we can get a 40/60 grant then we need to make the effort to secure those funds. By consensus the Board agrees to allow Tom to move forward talking with WIFA in order to procure a grant on our behalf. Bryan calls for a vote on Gary's earlier motion. All in favor; Gary, Andrew, Bryan, Tim, and Pat.

Set a Date for the next Board Meeting: By consensus the next Board meeting will be held Tuesday May 23, 2017 at 6:00pm.

Meeting Adjourned: Andrew declares the meeting adjourned at 7:41pm.

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BOARD MEETING MINUTES

Meeting Date: June 28, 2017

Call to Order: 6:01 p.m.

Pledge: Andrew Bushman

Prayer: Andrew Bushman

In Attendance: Board members: Pat Pogue, Tim Montoya, Bryan Fields, & Andrew Bushman. Employees: Tilynn Martineau & Kellen Roberson. Public: Paul Dobell, Sandra Dobell, Earl Roberson, & Brian Martineau.

Call to Public:

Acceptance of Last Meeting Minutes: Andrew makes a motion to approve the meeting minutes from April 25, 2017. Pat seconds the motion. All in favor; Andrew, Pat, & Bryan.

OLD BUSINESS

Field Operator Report: Kellen reports that our systems have been running fairly well though we have had a few issues. We had a main 8" line rupture at the well field that we believe was caused by the excavation and potholing done in the well field, because the fittings on the line were incased in concrete and we disrupted the soil around them allowing for settling. It took 12 hours to repair the broken portion of the line leaving 5 customers without water for the day. All of our customers were very grateful that JCU worked late into the night in order to restore water service. Kellen states that we also had a minor water leak over the weekend at a customers' meter, which we were able to repair Sunday morning. Kellen continues that we have had a difficult time over the last

month with Jim unable to work at all, this left Albino alone in the field. Tilynn states that we tried to wait for the meeting to discuss this but felt that it was unsafe to have Albino working the entire system alone. We have brought in Troy Poudrier as a full time substitute. Troy has been great a fit to the company for a summer position as he is going to college in August and not looking for permanent employment. Troy and Albino have been working well together and have installed 10 smart meters in the past 2 ½ weeks. Kellen states that she met with Jeff Hammond of H&H management last week and notified me that the systems are both looking great and that we do not have any issues with ADEQ at this time. Jeff was also very kind and offering his advice and expertise to me in order to keep the systems running as smoothly as possible while Jim is recovering. Bryan inquires when Troy Poudrier was brought on as a substitute. Tilynn states that he started with us on June 14, 2017. Bryan states that he does not recall Tilynn mentioning this to him but he is available to come in for a meeting next time something like this comes up. Tilynn states that we attempted to wait for the Board meeting to bring in a substitute but the situation did not allow us to wait any longer to make a decision. Bryan inquires whether we have the meters in stock to replace all of the school Districts meters. Kellen states that she will have to look into what size meters the school is using and get the appropriate meters ordered. Kellen continues stating that we have been working to get all of the ¾" residential meters replaced first then move on to the larger meters unless the meter fails. Bryans states that he believes that most of the lines at the High School are 2". Andrew inquires what size the meter was that we replaced at the baseball field last year. Kellen states that was a 6" meter that has seen minimal usage, though the auditorium has very high usage throughout the summer. Kellen states that it is her belief that the lines used to water the fields were moved from the field meter to the auditorium meter because the usage at the auditorium was over 700. Pat inquires whether the school may have a leak. Tilynn states that this is considered normal usage for that meter during the summer months. Tim Montoya enters the meeting at 6:10pm. Bryan states that the school is working on mapping their water lines so hopefully they can get this resolved soon. Pat inquires whether we were able to get the Neal/Hansen project completed below the hill. Kellen states that yes that project is complete. Gary Hansen is now on his own meter and the Neal's duplex has two meters installed.

Office Manager Report: Tilynn states that like Kellen said this month has been very stressful without Jim being able to be at work. Tilynn states that infraMap has finished the design portion of the project and was able to have the software installed on the desktop via remote access. In order to have the software installed on the laptop we are

going to have to have an IT expert come out to work on our network. Pat inquires whether or not we still used Jason Gardner as our IT tech. Tilynn states that she attempted to reach out to Jason but never heard back from him so we have contacted Hensley's at Computer Technologies in Taylor, AZ. Bryan inquires who is accessing our systems remotely. Tilynn states that infraMap used remote access to install the mapping software but that they have limited access to the hard drive and that all actions had to be approved onsite. Bryan states that he was worried about the amount of access they had but if the actions had to be approved by one of our employees that he feels like our files were safe. Tilynn states that we turning in our annual financial report to Navajo County and are waiting for the official copies from the accountant, which you will receive in next months' Board packet. Pat inquires about Keith Holt as an expense on the expense report. Tilynn states that Keith is field and transfer station substitute that works with Gary, and was approved by the Board in 2016. Tilynn states that he worked with Jim and Albino on the mainline break and subs at the Transfer Station once in a while. Pat also inquires about an expense for the dump attendant cargo shorts. Tilynn states that Jim purchased LeAnn a few pairs of cargo shorts as uniform for the Transfer Station. Andrew inquires whether Jim approved the purchase with the office before he bought them. Tilynn states that this was never brought to her for approval prior to purchase and all that we know is that he bought 2 pairs of cargo shorts from Walmart for LeAnn. Bryan inquires whether we have our substitutes reapproved every year. Tilynn replies that this is not in our current procedure manual or bylaws but that we can make an amendment to have field and office substitutes reapproved annually. Bryan states that he received a complaint from a customer stating that she never received her water bill and would like to know our billing procedure. Tilynn states that we always bill on the 11th of the month unless that falls on a weekend then we bill the next business day. All of the paper bills are delivered to the Post Office the day of billing and payment is due the 5th of the following month. Bryan inquires whether or not there is a way to confirm that all the bills were mailed. Tilynn states that there was a time a few months ago that we were receiving a lot of complaints about our bills not being delivered so for 4 months we printed a check list and went through every bill to ensure that all the bills we being printed on our end. This took nearly 2 hours and we never had a missing bill, therefor we didn't feel it was necessary to continue checking every month. Tilynn states that because the bills have to travel to Phoenix and then be returned and delivered to Joseph City they get lost. Bryan states that it sounds like our office is diligent about getting the bills out and maybe this customer just doesn't want to or can't afford to pay the late fee. Andrew states that we do have the late fee policy in place that if you have not received a late fee in the past

12 months we will waive the late fee. Andrew feels that policy covers for the occasional lost bill but if you are consistently not paying your bill then there really isn't anything that we can do. Kellen states that the customer that recently came in with the complaint of not receiving her bill had not had a late fee in over 12 months so she did waive one of the late fees and told her that if she would have come in when she received the first late fee that we would have easily been able to resolve the issue. The problem is that customers wait until the shut off notice is taped to the door before they come into the office and try and address the issue and at that point they are 3 months past due. Bryan inquires who is approved for field and office substitutes. Tilynn states that at this time the only approved substitutes are Keith Holt and Kerri Johnson.

NEW BUSINESS

Sandra Dobell Water Usage Refund Request: Paul Dobell feels that there was an error in the read when the new smart meter was installed. Paul states if you research Sandra Dobell's account you will find that her usage has never been near 20 and feels that this high usage was due to a problem with the meter or during the installation of the meter because the month prior was a usage of 4 and the following month was 9. JCU's response to the complaint was that there was a potential leak. Paul states that the water department came out and checked the meter and showed no signs of a leak. Also the Dobell's receive irrigation at their property and if there was a leak of 11 units he feels that they would have noticed, and that there would be a damaged line somewhere. Paul states with the history of the account they would like consideration of a reimbursement for the unaccounted for usage. Kellen states that with the new smart meter software that she is actually able to go into the field and take a history reading for the past 90 days on any smart meter. Kellen continues stating that because of this she was able to isolate the usage to 4/20/2017-4/21/2017. Kellen presents the graphs showing the usage for the dates specified and the water was flowing at a rate of 500 gallons/hour which is typically a hose left on or something similar. Tilynn states that also there was a full month of service prior to the usage spiking. The meter was installed on March 14, 2017, we then billed on April 11, 2017 and the usage for that month was only 3, it wasn't until the May billing cycle that the usage increased. Sandra states that surely when you leave a hose on to that extent you notice and there was no signs of damage and feels that the problem was caused by the installation of the new meter. Andrew inquires how many units of water we are talking about. Kellen states that the extra usage was 11 units or 11,000 gallons of water. Bryan inquires whether this can be narrowed down to an exact time. Kellen states that the usage spiked at 12:59pm on the 20th of April and returned to normal at 12:00pm on the 21st of April. Sandra states that it isn't the fact of the \$11.00 but feels that there was no sign of

issues and doesn't feel that she should have to pay for water that she did not use. Bryan inquires when the field operators went to the home to inspect for leaks. Kellen states that it was the 25th of May that Albino checked the meter for leaks, which was a few days after she came into the office due to waiting for the irrigation water to dry up. Sandra states that when Albino was at her house he could see a small movement on the meter but after I turned the washing machine off the meter showed no movement. Paul inquires whether the meter being submerged in irrigation water could have some effect on the accuracy of the meter. Andrew states that the meters are built to withstand being submerged in water and should have no effect on the readings of the water passing through the meter. Bryan thanks the Dobell's and the office for the presentation on this issue and requests a motion from the Board. Tim makes a motion to open this topic for Board discussion. Bryan seconds the motion. Tim states that we have been installing these meters for 2 years now and have nearly 100 in the system and inquires whether we have faced a situation like this before. Tilynn states that we have never had a smart meter throw a false reading the only issue we have come across is that one of the registers was not reading and had to be replaced. Sandra states that she can see both sides as valid points but feels that if there was that kind of usage that she would have noticed. Andrew inquires if it's possible that a toilet valve might not have sealed or that the washing machine didn't shut off. Sandra states that she doesn't recall anything like that happening. Andrew feels that one of the main reasons that we are switching to this system is better serve our customers when there are water issues and be able to show the exact usage, on the other hand it is hard argue that with the data that has been provided. Paul states that you still have a pattern of the homes' regular usage. Andrew states that one of the policies that the city of Winslow has in place is that if a customer has a complaint about usage, they remove the existing meter and have it sent off to be tested for proper function and accuracy. If the meter is faulty the city pays for it but if the meter is in good working condition then the customer pays for the testing. Sandra states that she will live with the bill this time but doesn't feel that it's right that the problem happened when the new meter was installed. Sandra feels that because she did not have a leak that the read is inaccurate. Bryan states that until we have more evidence proving that the meter is at fault that he does not feel comfortable voting to refund the \$11.00. Bryan makes a motion to deny the request for a refund for Sandra Dobell. Tim seconds the motion. All in favor; Andrew, Pat, Tim, & Bryan.

Main Supply Line Rehabilitation Project Update: Kellen states that Tom emailed her stating that he was planning on sending over a final report and future recommendations along with a final bill but that she never received the report. Bryan would like the office staff to email Tom requesting the final report and either forward it to the Board or place it in the Board packets. Bryan inquires if Kellen has any information regarding the status of the project. Kellen states that she knows that there

was an attempt to pressurize the abandoned line but that it would not hold any pressure. Kellen states that because of that it is no longer considered a viable line for distribution but could be considered as a sleeve for a smaller secondary line. Andrew states that though we found both ends of the pipe we still cannot be sure of the status of the center of the pipe and would need to run a camera through to ensure that it could be used as a sleeve. Bryan inquires whether we have paid the final bill and if so we should have asked for the final report prior to paying the bill. Tilynn states that she did pay the final bill because the email stated that he would be sending the report, but feels the Board is right and we should have waited to send payment. Bryan states that from what he remembers that the Board felt comfortable with moving on from this project because the current distribution line is cased and that we had the abandoned line as a potential back up but that it is not ready to use at this time. Kellen states that no the line is not ready to be used as casing at this time and would need to have the camera run through it to inspect for collapses. Andrew states that the problem with the camera is that it is difficult to tell if there are drops or rises in the pipe that could prevent us from feeding another pipe through it. Bryan states that if it is urgent would we be able to run the smaller line through and cap it off so that should we need it all that needs to be done is attach it to the system. Kellen states that she can look into it and believes that could be done in house for minimal cost after we receive Tom's final report and recommendations. Andrew states that we also have other above ground options to supplement the town and because the mainline is cased that theoretically the water should force itself out both ends of the pipe before it damages the highway. Andrew states that one precaution we could take is to install a meter on the north and south side of I-40 on the main distribution line thus letting us track the water going under the highway. Should the meter show more water going into the pipe than is coming out we know that we have a problem. Bryan feels that would be a great precaution to take and would like the office to work up a few proposals and cost analysis for the potential ideas discussed.

Employee Handbook Amendment, Continued Education Compensation: Tilynn states that this the amendment that was discussed in the April meeting that notifies employees that should they want to receive compensation for continued education that it can be brought to the Board to be approved on a case by case basis. Bryan states that Gary mentioned that he would like it to state that if you are to attend training that you receive some kind of certification. Kellen states that the idea behind the amendment is that the option is available at the Boards discretion to offer compensation for additional training and education that is field specific. If an employee wants to take time off and go to training and pay for the cost, it doesn't need to be brought to the Board. Only if an employee is seeking compensation do they need to bring their proposal in front of the Board. Bryan makes a motion to approve the

employee handbook amendment. Andrew seconds the motion. All in favor; Andrew, Tim, Pat, & Bryan.

Sick Leave Policy: Tilynn states that the Sick Leave Policy that was passed by the state takes effect July 1, 2017. This is the same policy that we presented in April based on what we felt was the best option for JCU. There were two methods for earning sick leave, a minimum of 24 hours could be automatically awarded to each full time employee or you earned 1 hour of sick leave for every 30 hours worked. We felt it was better suited for JCU to designate an amount rather than the accrual method. Andrew makes a motion to open Sick Leave for discussion. Bryan seconds the motion. Bryan states that the only thing that we are risking by awarding the sick leave up front is to use all the leave and then quit. Kellen states that the risk is less if we designate an amount that if we use the accrual method, full time employees like Jim and Albino would be able to earn up to 70 hours of sick leave in a single year. Andrew states that we do not have to give sick leave to employees hired after July 1, 2017 until they complete their 90 day probationary period. Bryan was under the impression that we would be required to provide our substitutes with sick leave also at a rate of 1 hour to every 30 hours worked. Andrew states that all employees on payroll are to be provided with sick leave, the only employees that are exempt are employees who receive a 1099 or a subcontractor. Tilynn states that all of our field and office substitutes have been 1099 employees because they do not typically earn more than \$600.00/year. Bryan states that am I understanding that the way that the policy is written only employees that are on payroll will receive 24 hours of sick leave. Tilynn states that yes that is what we intended. Andrew states that with his company if you have worked for more than 12 months you receive the 24 hours, if you have been with his company 6 months or less you are on the accrual method until your one year anniversary. Bryan inquires whether or not we pay out sick leave at the end of the year. Tilynn states that it is an option but that most employees roll over their remaining hours. Tim does not feel that rolling over hours should be an option. Bryan inquired what our policy was for paying out sick leave and time off. Tilynn states that in our handbook it states that we pay dollar for dollar for the hours bought back. Bryan feels that we need to carefully read the law and make sure that we are following the guidelines provided, we could find ourselves in trouble if a part time employee feels that we are paying differently in order to avoid giving them sick leave or paid time off. Kellen states that we could separate the full time employees and substitutes where all full time employees receive the stated 24 hours of sick leave and substitutes receive sick leave on an accrual basis. Bryan feels that we need to put a policy in place regarding substitute employees that work more than 30 hours per year and asks that the office staff present the policy at the next Board meeting. Andrew suggests that we have our employees sign up for a temp service provider to avoid having unnecessary employees on the payroll and avoid the issues with sick leave. Pat makes a motion to approve the presented sick leave policy

for the 5 permanent employees. Andrew seconds the motion. All in favor; Andrew, Bryan, Tim, & Pat.

Approval of Field & Office Substitutes/Hiring of a Temporary Field Operator:

Tilynn states that she is concerned that we are going to be put in a difficult situation if we do not start to prepare for Jim's potential extended absence. Tilynn states that while we have Troy to help with the field right now he is leaving in August and we do not have a return date for Jim or know what he will be capable of doing if and when he does return. Tim inquires whether we can hire a seasonal employee and bring them on full time if needed. Andrew inquires whether the applicants provided are being suggested for full hire or to be approved as substitutes. Kellen states that we are asking to approve them as Field Substitutes to be used as needed in Jim's absence. Tilynn states that we have one candidate that we feel would be the most qualified temporary field operator because he has heavy equipment experience as well as pipe line experience. We would like to bring him on in part time to train with Albino and Troy, then when Troy leaves for college he is ready to work full time helping Albino run the system. Tilynn states that the other applicants stated that they would like to be approved as a substitute if they did not receive the temporary field operator position. Bryan inquires what the pay rate for substitute and temporary field operator would be. Kellen states that all temporary and substitutes would start at \$10.00. Pat inquires if all the candidates listed have filled out an application. Kellen states that yes they did and that we conducted interviews last week. Bryan inquires if we ranked that candidates and if we had a copy of the interview questions. Tilynn states that while interviewing the candidates we did notify them that there would be no guaranteed hours, it could be full time to a few hours here and there as needed. Bryan inquires whether we use a background search on any of the current applicants. Tilynn states that while we used public access to do some research on each candidate, a true background check would have to be approved by the Board or placed in the bylaws because there is a cost associated with it. Andrew states that because this job does not require employees to be around children and elderly we are not required by law to run a background check, but that does not mean that as a company we shouldn't do it. Tim inquires whether we have ever had a lawyer look over our interview questions or had our questions reviewed at all. Tilynn states that because we have no policy or procedure in place there are no official interview questions for any job position. Kellen and I used our resources to create what we felt was an appropriate interview for the positions available. Tim states that his company had an issue with interview questions and were forced to attend interview training for asking inappropriate questions. Bryan requests that the office staff create an official list of interview questions that can be approved by the Board at the next meeting. Bryan continues saying that he truly appreciates the hard work that the office has put into finding candidates and conducting interviews, but feels that we could be opening ourselves up to trouble if a candidate does not get hired based on the

answer to a risky question. Tilynn states that this is a difficult place to find quality applicants and therefore we felt it important to emphasize that there would be female management to avoid issues in the future. Bryan inquires how and where we advertised for the job openings. Tilynn states that it is posted at the Post Office, on our website, in the monthly newsletter that was sent out, as well as social media. We were hoping that we would draw have some applicants that were just graduated looking to get a foot in the door but unfortunately we did not receive any applications like that aside from Troy. Bryan feels that we need to table this issue and post the job openings in the newspaper to try and attract more applicants. Tilynn would like the Board to approve McKenna as an office sub. Pat feels that we do not need an office sub and that we need to work our schedules so that one of us is always in the office. Tilynn states that the only time that McKenna would sub is when one of us is in the office, we have a few weeks a month that are extremely busy and it is difficult to get all of our paperwork done, take payments, and deal with customers. Pat states that for 32 years Elaine worked this office alone and feels that we should be able to handle the work load between the two of us. Tilynn states that it is not that we cannot handle the work load but there are situations where two staff members are needed, such as disgruntled customers and issues in the field when one of us needs to leave the office. Bryan would like the office to keep track of the substitutes that are used during the month and add that report to the Board packet. Pat states that she does not feel that we need all the help that we are trying to hire and feels as though we are getting in over our heads. Pat continues stating that she would rather the office be closed than JCU continue to spend money on substitutes. Bryan feels that if we are going to give our employees sick leave and personal leave that we have a responsibility to our customers to have a substitute available to cover for our staff. Andrew feels that it doesn't hurt anything to approve the substitutes but the use of the substitute needs to be approved by the Board president. Andrew makes a motion to approve Troy Poudrier as a full time Field Substitute. Tim seconds the motion. All in favor; Andrew, Tim, Bryan, & Pat. Tim makes a motion to table hiring Darrell Baldwin until next month. Andrew seconds the motion. Motion fails 0-4. Andrew makes a motion to approve Darrell Baldwin, Albert Neff, Raymond Baloo, and McKenna Westover as substitutes. Bryan seconds the motion. All in favor; Andrew & Bryan. Against; Tim & Pat. Motion fails. By consensus the approval of field & office substitutes is tabled for the next meeting.

Attendance of the RWAA Leadership Conference by Kellen Roberson & Tilynn

Martineau: Tilynn states that the Rural Water Association is hosting their annual leadership conference in August and we feel it would be very beneficial to attend. There will be training opportunities as well as vendors and great networking with other small utility companies. Andrew makes a motion to approve the attendance of the RWAA Leadership Conference by Kellen and Tilynn. Bryan seconds the motion. Bryan would like to look over the conference brochure. Andrew feels that having the office

staff attend these types of conferences can be very beneficial to the entire company as it gives them opportunity to speak with other utility workers about their company's policies and procedures that we are unsure about. Bryan inquires what a PDH is. Kellen states that PDH is a personal development hour and it is required by ADEQ that I have 30 PDH's in 3 years in order to keep my operator certifications. Bryan inquires if the \$225.00 includes hotel fees. Tilynn states that no that is only for attending the 3 day conference, our proposal is that the company pays for conference fees and mileage and that Kellen and I will pay for our hotel and meals. Bryan feels that we have done a great job networking and appreciates the hard work that we have put into our research. Tim inquires what the plan would be for the office, as the conference is Tuesday – Thursday. Tilynn states that Kerri Johnson would be able to cover the office for the week of the conference. Andrew feels that since the staff is willing to pay for their own hotel room he would like for them to go and keep encouraging our staff to continue educating themselves in the utility industry. Bryan calls for a vote on Andrew's motion. All in favor; Andrew, Tim, Bryan. & Pat.

Laundry/Uniform Service: Tilynn states that we have looked into many options for uniform services for our field employees, we are currently spend \$2000.00/year to outfit one employee with used uniforms. The office staff feels that a better option is to order the employees work shirts and pants and instead of paying for a laundry service they launder their own clothing. Currently Albino is has not been provided uniforms and we do not have anything in place for our field substitutes. Bryan inquires if we have required our other employees to wear a uniform. Tilynn states that Jim is the only employee that wears a uniform, Jimmy refused to wear the uniforms that we being provided and John only wore a t-shirt that the company provided for him. Tilynn feels that it is very important that all of field employees wear a uniform and we have done extensive research attempting to find the best possible option for JCU. We feel that giving each employee a clothing allowance is the best option. All ordering would be done through the office staff and the employees would not have direct access to their clothing allowance. With this option we would be able to provide t-shirts for the substitutes and outfit our 3 field employees with uniforms for less than we are currently paying for a single employee through Prudential. Bryan inquires what we would offer for the employees that don't feel comfortable washing their clothing in their own washing machine. Tilynn states that we would like to possibly offer some sort of laundry stipend to compensate for taking their clothing to a dry cleaner or laundry mat. Andrew states that some of the concerns have been employees washing their uniforms at home and bringing contaminates into their home. Kellen states that if an employee isn't required to change their clothing before they leave the jobsite then haven't they already contaminated their vehicle and their home. Bryan would like to know if there is a reason that we need to make a decision about this immediately. Tilynn states that we have received a complaint from Gary about Albino not having uniforms, as well as with

Jim not working Albino is the lead operator and needs to be easily identified as a JCU employee when in the field. Andrew states that the only thing that is required by OSHA is that JCU provide the proper personal protection equipment, such as a Tyvek suit, disposable gloves, and eye protection. Tilynn states that we did leave room in the proposed budget to adjust up or down. Bryan feels that before we make a decision on what uniforms are required that we need to put a policy in place describing in detail what is provided, required, and what the consequences will be for failure to comply. Tim agrees with Bryan that before we pay for uniforms there needs to be a policy in place requiring them to wear the uniforms that are provided. Bryan inquires what we would be providing for the budgeted amount. Kellen states that they would be provided with jeans and a button up long sleeve and short sleeve shirts with the JCU logo and their name. Bryan inquires if we will require each employee to purchase a minimum amount of shirts and jeans. Kellen feels that it would be best to require each employee to purchase a minimum of 5 of each. Bryan would like to know how we will handle an employee that inquires about laundry services. Andrew states that if they are using their PPE in the proper manner that they will not contaminate their clothing. Andrew makes a motion to purchase each employee 12 button up shirts with JCU logo, field employees would be required to wear full length pants and boots that they will provide for themselves. Pat seconds the motion. Kellen states that if she adjusted the budget, removing boot reimbursement and laundry stipends we would be able to outfit 3 employees with shirts and jeans for less than \$2000.00. Tilynn suggest that instead of creating an allowance for each employee we set a uniform budget and the office staff would be in charge of ensuring that all field employees and substitutes be provided uniforms each year. Andrew amends his motion to approve the office to provide all field employees and substitutes with uniforms and a budget not to exceed \$2000.00. Pat seconds the motion. All in favor; Andrew, Bryan, Tim, and Pat.

Discussion or Consideration of the Health & Status of Jim Graham: Pat makes a motion to go into executive session. All in favor; Pat & Tim. Against; Andrew & Bryan. This item is tabled because the Board feels that the employee was not properly notified about the item on the agenda.

Discussion regarding Board Member Conduct & Treatment of Employees:

Tilynn states that this issue can be discussed in public. Bryan makes a motion to open this item for discussion in public session. Pat seconds the motion. Tilynn explains that the only reason that she feels that this needs to be addressed by the Board is because this situation has reached a point where it cannot be handled by the office alone due to overreaction. Tilynn states that Gary has been causing problems for her since she began this job 3 years ago. She continues stating that she is not attempting to go behind anyone's back and that she was expecting Gary to be here. According to our bylaws the Board Chairman serves as the Board's central point of official communication

with the Manager. Develops a positive, collaborative relationship with the Manager, including acting as a sounding board for the Manager on emerging issues and alternative courses of action. Stays up to date about the District and determines when an issue needs to be brought to the attention of the full Board. Gary has not been following the procedures established by the Board. He comes into the office and causes a lot of issues. For example the only reason that the Uniform proposal was on the agenda was because Gary came into the office two weeks ago and turned this place upside down in a matter of minutes. He comes into the office making demands and disrupting the workplace, he is disrespectful to the office staff, undermines her and Kellen to our employees. Bryan inquires if by "turns the place upside down" are we speaking literally or figuratively. Tilynn explains that we are speaking figuratively, he came into the office yelling about Albino not having uniforms, that she was not following Board directive because the Board told me to add Albino to the Prudential service. He did not give her an opportunity to research the meeting minutes and see if she over looked something, he constantly comes in accusing us of misconduct instead of asking questions. When he speaks to the office staff he is very hostile and verbally aggressive. Tilynn continues stating that this has been going on since she was hired but that over the past year things have progressively gotten worse and more frequent and it has reached the point where she and Kellen do not feel comfortable with him in the office. Tilynn states that we want Board members to be involved, ask questions, and contact us between meetings but Gary's approach is unprofessional and aggressive. Bryan appreciates Tilynn's report and feels that this needs to be addressed in the next meeting when all members are present. Bryan would like Board evaluations place on the July agenda. Tilynn states that she doesn't want to cause issues just have the behavior brought to his attention and addressed. Bryan states that this past weekend when he reached out to you Gary said that he had been trying to get a hold of you and Kellen but he couldn't and that is why he reached out to Andrew. Tilynn states that there have been 3 instances in the past few weeks where Gary called me and I was unable to get to my phone. He did not leave a message or attempt to reach Kellen, he called Andrew and was immediately angry that she did not answer his phone call. Tilynn feels that instead of reacting in anger he could have followed the chain of command and tried to reach Kellen or left a voicemail. Bryan states that he knows Gary has been on the Board a long time and has been an upstanding member of the community, helping with leaks and other issues. Tilynn says that she does not want to see Gary kicked off the Board but wants a respectful relationship. Pat inquires whether Tilynn feels comfortable postponing this issue until the next meeting or do we feel that we need the Boards support prior to the next meeting. Kellen states that her fear with everything that is going on with Jim that it puts all the pressure of running the systems and the company on herself, Tilynn, and Albino. The issue is that when Jim receives a phone call about the system Jim calls Gary instead of Kellen or Tilynn, putting Gary in the middle and she can see that if we do have anything come up this could escalate.

Bryan states that we are limited to the action that we can take due to the fact that he is a volunteer and was elected by the community to the Board. Bryan suggests that Andrew speak with Gary about the situation and advise him to act accordingly until this can be resolved in the next meeting. Andrew states that he does not feel that this would be a good idea as he and Gary do not see eye to eye on this subject. Bryan states that he will speak with Gary about following the chain of command and inquires how many incidents there have been. Tilynn states that there are enough that she keeps a file at home documenting all the issues over the past 2.5 years that she has worked for JCU. Tim states that he agrees with Bryan and since he is a volunteer that there isn't much that can be done. Pat feels that even though he is a volunteer he can be reprimanded for unprofessional conduct. Andrew states that if we simply follow the procedure then this would not be an issue. We as a Board vote a president in to handle these kind of issues, to be the liaison between the Board and the office. With that said is he stepping outside of his boundaries as a Board member by coming straight to the office or should he be going through the Board Chairman. Brian Martineau states that he knows his opinion is just that an opinion but from a personal stand point he can say that this really upsets his wife and Kellen to the point where it is closing the office and all productivity is lost because of the anger and tension. Brian apologizes for being late but would like to say that he knows that because of the friendship between Gary and Jim that unprofessional things are being said about Kellen and Tilynn behind their backs and it is not only offensive but undermines them to their employees. There is a lot of stress that is placed on these ladies because of this situation and it comes into the home and effects our home lives, as well as has them questioning if this is a career that they want to follow if this is how they are going to be treated. Brian continues stating that there is nothing saying you have to keep Tilynn and Kellen but you will chase your employees away if you continue to allow a Board member to be demanding and disrespectful. Brian understands that Gary is a volunteer but this is still a professional setting and the women that he is addressing should be treated with respect. Brian understands that Tilynn and Kellen are in a customer service position and have to deal with aggravated customers but they should not have to deal with being treated that way by a Board member. Brian states that he just wanted the Board to hear his side as a customer and husband and doesn't feel that Gary's actions should be ignored. Brian states that he is a volunteer but Tilynn and Kellen are employees and they have a professional office to run and a professional standard that they are expected to perform at, and the Board should be expected to behave in the same manner. Kellen states that while she understands that Board members are volunteers and not employees but at the end of the day the 5 members sitting on the Board are still the supervisors over the company's employees. Kellen continues stating with that said should there not be some level of professional conduct and respect between Board members and employee, and if the line is crossed should the guilty party not be reprimanded. Bryan agrees with Kellen's statement and continues stating that we will start with Board evaluations. Pat

inquires if Bryan would speak with Gary and ask him to call the Board Chairman should any issues arise and to not have contact with the office until this issue can be addressed the next Board meeting. Bryan agrees with Pat and states that he will speak with Gary. Andrew states that in regards to some of the emergency issues, Jim has the emergency call out phone number and I feel that needs to be changes since he is unable to work at this time. Bryan feels that Kellen should be the emergency call out contact until Jim is able to return to work. Bryan would like to discuss Jim and his official position in the next Board meeting.

Set a Date for the next Board Meeting: By consensus the next Board meeting will be held Tuesday August 25, 2017 at 6:00pm.

Meeting Adjourned: Bryan declares the meeting adjourned at 8:41pm.

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BOARD MEETING MINUTES

Meeting Date: July 25, 2017

Call to Order: 6:03 p.m.

Pledge: Bryan Fields

Prayer: Andrew Bushman

In Attendance: Board members: Pat Pogue, Tim Montoya, Bryan Fields, and Andrew Bushman. Employees: Kellen Roberson. Public: None.

Call to Public: N/A

Acceptance of Last Meeting Minutes: Pat makes a motion to approve the minutes as written for June 28, 2017. Andrew seconds the motion. All in favor; Andrew, Tim, Bryan, & Pat.

OLD BUSINESS

Field Operator Report: Kellen states that things have been a little hectic this month, while overall systems are running smoothly we have had a few leaks. The leak on 2nd & Roberson has been repaired. This leak was caused by a broken elbow on an abandoned service line. We shut the line off at the saddle connection to the main and stop the leaking. The excavation site has been filled back in and I will be contacting Navajo County to see if the site will require an asphalt patch. The other leak that we experienced this month was at Cholla Trailer Park but easily repaired the issue in one day. Troy notified me that his last day would be August 4, 2017 but if we did not have a replacement he would be able to work through August 11, 2017. Kellen states that she has been attempting to get in touch with the Holbrook Tribune without success to

post the job openings. Kellen will reach out again to the Tribune this week and attempt to have the job openings posted. Kellen states that she has will be working with Jeff Hammond and Terry Oldham with H&H Management to learn about our sampling procedures and regulations. Andrew inquires if we are injecting enzymes into the sewer system. Kellen states that we are injecting enzymes. Bryan states that he had noticed that a bad smell before one of the storms that we had recently. Andrew states that typically once a year the pond turns over giving off the foul smell but it only lasts for a few days. Kellen states that the enzymes pump into the system right here and the office and she checks regularly to ensure that we are continuously pumping. Andrew states that he was made aware of a few issues on being a potential hole in a sewer main at Ross Rogers rental behind The Stop. Bryan inquires if the hole is exposed. Andrew states that he can find out more information, Gary Rice notified him of the situation but he has been unable to investigate the issue himself. Kellen states that she knows that there have been issues with this line in the past and that she will have the field crew investigate the situation tomorrow. Andrew states that he was also notified about salvaging at the transfer station. Kellen states that LeAnn notified her that she had items that she was saving on Friday and when she returned to the Transfer Station on Saturday that her items were missing. Kellen states that she feels that the only option we have in this situation is to change the locks at the Transfer Station. Andrew states that we are not held responsible for missing items that were salvaged because the policy clearly states NO SALVAGING of any kind. Kellen states that she will post in the next newsletter about Transfer Station policies. Bryan states that he did receive the update from Tom Gilardoni. Kellen states that we did receive the final report and recommendations, Tom asked her to send his apologies for the delay he became seriously ill and was bedridden for 2 weeks, which caused the delay in receiving his final report. Bryan inquires if there have been any further issues with Sandra Dobell's meter. Kellen states that the usage on the meter returned to normal and until the usage spikes or the meter malfunctions the issue is resolved. Bryan states that he spoke to Tilynn regarding a customer complaint about late fees from Lucy Taha. Kellen states that the customer had received two late fees back to back and that because of her upstanding account history she was able to waive one of the late fees, and that she is now current on her account. Tim inquires if there is anything that the company can do to prevent the water breaks that we have been dealing with. Kellen states that the issues we have been facing with the water leaks have been PVC fittings cracking and that there is not any preventative maintenance that can be done to prevent the failure of a fitting. Bryan inquires about how the infraMap installation is going and where we are in the process. Kellen states that Computer Technologies came to the office and repair the

issues with the laptop as well as finish downloading the software. InfraMap is coming to Joseph City August 1st and 2nd to complete the onsite training and we will be starting to input information into our new mapping software. Andrew feels that we might need to speak with some of our commercial customers about mapping their service lines as well as the Fire Department about maintaining the fire hydrants. Bryan feels that this is a great idea due to our vested interest in preserving the water quality and ensuring all necessary backflow preventions are in place. Kellen states that it is also time for our annual lead and copper samples, she will be picking up the sample bottles and distributing them in the next month.

Office Manager Report: Kellen states that the office has been very busy, our expenses were higher this month due to the infraMap purchase and meter restock. While the service tech from Computer Technologies was here we asked them about cloud based storage, they have a few options that we will be considering and we hope to have a package chosen and our files backed up to a secure server by the next Board meeting. Our annual CCR report came in and have been posted to the website and the newspaper, and will be posted on the August bill to follow ADEQ regulations. Tilynn is currently working with WIFA as they are conducting our annual loan review to ensure that we are staying within the terms of the loan agreement, such as depositing funds in the Tank R & R account. Bryan would like to know if it would be possible to add late payments to the monthly P & L report. Kellen states that she will speak with Tilynn but that should not be a problem. Pat inquires about the bulk supply purchase on the expense report. Kellen states that we purchase toilet paper and other supplies in bulk at Sam's Club to save the company money. Tim inquires about the Tank R & R transfer and when the transfer is made. Kellen states that the transfer is made monthly into a separate account to ensure that the funds are available to keep the asset functioning to industry standards. Bryan states that he watched a program about a chemical called 123DDT posing potential health threats in water and inquires whether we test for this specifically. Kellen states that she is unsure if that specific chemical is tested for but will investigate the matter.

NEW BUSINESS

Mandy Begay Damage Reimbursement: Kellen states that due to a long-term water leak at Cholla Trailer Park, the customer's home settled and had to be leveled. Albino informed Kellen that he brought the leak to Jim's attention last summer but he felt like it was on the customer's side of the line. We investigated the issue and found that the customer's meter showed no signs of a water leak, therefore we excavated the

site and found the issue to be on our side of the line. The office feels that because the issue was caused by our neglect that we should reimburse the full \$300.00. Tim would like to know if the homeowner was notified last year when the leak was believed to be on their side. Kellen states that she is not sure how the situation played out because Jim did not communicate with us that there was an issue. Bryan makes a motion to fully reimburse Mandy Begay for the damages caused by our water leak. Andrew seconds the motion. All in favor; Andrew, Tim, Bryan, & Andrew.

Laundry/Uniform Service: Last month the Board approved to cancel the Prudential Laundry Service and provide our employees in house with uniforms. As we were preparing for this transition Prudential informed us that we have 6 years left on our contract with them and would be required to buy out the contract. The Board would like to see copies of this contract because legally we are not allowed to bind future Board's into a contract. By consensus the Board tables this item and it is to be placed on the August agenda.

Employee Leave & Status, Jim Graham: Kellen states that she has not spoken with Jim and has no information regarding his status and health. Andrew states that Jim has been receiving calls and helping customers out as much as he can but feels that it is inappropriate for him to be handling this while in the condition that he is. Bryan states that he thought the office was handling the emergency calls. Kellen states that she has the office phone but that Jim has always been the emergency contact so there are a lot of customers that have his number because it is a company phone, and call him directly instead of calling the office. Pat inquires if we could get a hold of Jim and let him know that we need the company phone because we are not receiving the emergency calls like we should. Andrew states that he would like to move Jim to a consulting status so that he is being paid and available to answer questions but not have the main contact number. Kellen states that through Verizon we can switch Albino and Jim's phone numbers without switching devices, thus giving Albino the phone number that the town has for pipeline emergencies. Bryan states that our options are to leave Jim with the phone and pay him a consulting fee or switch the phone numbers. Andrew feels that we should do both that way Albino is receiving the emergency calls but Jim is still available to consult on issues as needed. Kellen states that because Jim is out of PTO he is not drawing a paycheck right now and LeAnn is supposed to be in contact with him regarding the use of his sick leave. Bryan states that he will reach out to Jim about the use of his sick leave, if he would be interested in being used as a consultant and paid for his services, and transferring his phone number to Albino's phone. Bryan states that the transferring of the phones numbers needs to happen regardless but please add Jim Graham as Field Consultant to the August agenda. By consensus the Board agrees to transfer Jim's phone number to Albino. Bryan states that for the record, in case we ever have anyone challenge this, notice of executive session must be

delivered to the employee in writing at least 24 hours in advance. We are required to be able to verify that the notice was received either by personal delivery or certified mail.

Discussion regarding Board Evaluations: Bryan makes a motion to go into executive session at 6:50pm. Andrew seconds the motion. All in favor; Bryan, Andrew, Pat, & Tim.

*****EXECUTIVE SESSION*****

Reconvene to public session at 7:24pm.

Meeting Review & Upcoming Agenda Items: Tim inquires what the company is going to do with Troy's last day being August 11th at the latest. Kellen states that is up to the Board, we have posted the job opening in the newspaper and hope that we have a few qualified candidates to present to the Board at the next meeting. Bryan states that if we feel a special meeting is needed prior to the next regular session please contact the Board and we will try to accommodate that request. The Board would like the office to tentatively schedule interviews for August 29th starting at 6:00pm, then move into our regular meeting when interviews are complete. Bryan states that Tilynn and Kellen need to be placed on the August agenda for possible executive session for employee evaluations. In regards to our sick leave policy Bryan states that FMLA does not apply to our substitute employees but any employee on payroll is required to accrue 1 hour of sick leave for every 30 hours worked. Kellen states that it has never been our policy to place substitute employees on payroll, they have always been sent a 1099 and required to file their own taxes as a subcontracted employee. Because of the complicated nature of the sick leave law Bryan feels that Board action may be required to amend our substitute employee policy. Andrew suggests that Albino start coming to the meetings to help with the field report. Kellen states that she will ask Albino to attend the meetings for the Field Report portion.

Set a Date for the next Board Meeting: By consensus the next Board meeting will be held Tuesday August 29, 2017 at 6:00pm.

Meeting Adjourned: Bryan declares the meeting adjourned at 7:35pm.

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EMERGENCY BOARD MEETING MINUTES

Meeting Date: August 10, 2017

Call to Order: 6:00 p.m.

Pledge: Bryan Fields

Prayer: Andrew Bushman

In Attendance: Board members: Pat Pogue, Tim Montoya, Bryan Fields, and Andrew Bushman. Employees: Tilynn Martineau & Kellen Roberson. Public: Rhonda Roberson

Call to Public: N/A

Acceptance of Last Meeting Minutes: N/A

OLD BUSINESS

Field Operator Report: N/A

Office Manager Report: Tilynn states that while this is an emergency meeting and we do not typically give a report, there are a few things that have been brought to our attention today that we feel the Board needs to be informed of before proceeding. Tilynn feels that our water and sewer systems have not been maintained properly like we have been told. We have been informed that there is a sink hole in a customer's front yard that is the result of a damaged sewer line. We thought that this sink hole was a new development and so we investigated the issue, finding that there is a large sink hole about 6 feet in front of the porch and that we have a sewer main that runs directly underneath that home. After speaking with the homeowner, we found that the sink hole has been there for years and Jim has been notified multiple times about the issue, as recently as this past year. Jim looked into the issue and nothing was done,

and the office was not made aware of the issue. With the other recent find of the meter leaking for the past year and nothing being done, even though Jim was aware of the issue and having to pay to have the home releveled, we felt it was important to notify the Board. This all goes back to the past issues of communication that we had with Jim. Tilynn states that she has no intention of trying to push Jim out or get him in trouble, she just wants the Board to be aware of all the issues and that our water and wastewater systems are not operating as smoothly as we have all been informed. We have 6 issues that have come to our attention in the past 2 months, only because Kellen and Tilynn have been out in the field learning the system to help Albino get by in Jim's absence. Tilynn states that repairing the sewer line is a top priority but our backhoe is down and will have to be repaired. Bryan inquires what we are waiting on in order to repair the backhoe. Kellen states that she has reached out to Larry Bushman and Gale Hansen to repair the issue but both were too busy to look at it. Diamond S also looked at the backhoe but was unsure of the issue. Kellen reached out to Empire Cat of Show Low and a field mechanic will be onsite tomorrow to troubleshoot the issue. Tilynn states that we have had multiple quotes ranging from a few hundred dollars to a few thousand dollars for the repair, in the meantime we have been having JD Smith pack the bins at the transfer station and help when needed. Tilynn states that over the weekend our #1 well has not been running properly, the breaker tripped bringing the well offline. Tilynn noticed at midnight Sunday night that the signal light at the tanks was on, when the tanks were checked they were empty. We called Albino out Sunday night and he did get the well back online. The well tripped again on Monday and though the town did not run out of water it was a very close call. Tilynn then asked her husband to check the electrical systems at the well and found that the pump is running at a higher amperage than the manufacturer's recommendation, indicating that it is close to failure. Our solution to this issue was to have the #2 Well ready to come online should the pump fail, giving us time to make the needed repairs. The #2 well has not been properly flushed, and has not even been started in the past year and a half. With the help of Brian Martineau and Shane Jones, we were able to start the #2 well and begin to flush it while Brian checked the electrical system. We found that the power pole for the #2 well is falling over and that the starter for the motor is going bad. If we lose the pump on the #1 well, the #2 well is not a reliable back up source. While these items are on the agenda we felt that it was important to explain the severity of the situation and our recent findings with the overall health of our systems. Tilynn states that the office would like clarification on the issue of transferring the company cell phone numbers. After reviewing the meeting minutes the Board agreed by consensus that the numbers should be transferred, but after Bryan Fields spoke with

Jim and due to the inconvenience of changing the numbers, the office felt that they were being given a different directive. Bryan states that after speaking with Jim it was an inconvenience for him but this wasn't an action item and is more of an internal housekeeping item that the office can take care of. Bryan states that he does not mind getting involved but would like to know what the benefit of changing the numbers would be. Tilynn states that Jim has not been in contact with the office at all since he stopped working. Bryan inquires if Tilynn has made an effort to contact Jim. Tilynn states that we had a water leak last month and called Jim to show us where the water lines are and where we needed to mark for Blue Stake. LeAnn brought Jim to the site to meet with Kellen and I and when he got out of the truck he looked directly at Tilynn and said "What the fuck is the problem?" Bryan states that that was very inappropriate and inquires when this took place. Kellen states that it was the middle of July when we repaired the leak on 2nd and Roberson. Bryan doesn't feel that there is an advantage to switching Jim and Ablino's contact numbers. Andrew states that he has been called by a plumber wanting to know why Jim isn't answering the phone, by Jim Edwards with a sewer plug and Jim told him to call a plumber, and by Waste Management because our field operator is not answering the phone. Tilynn states that one of the biggest issues is that because of Jim's health he cannot do much to help and tires easily. Bryan states that he can communicate and Jim says that he has been in contact with Albino when he receives calls. Tilynn states that while Jim called Albino about the issue at Jim Edwards home he cannot give him addresses or create the work orders for call outs. Tilynn confirmed that the only contact that Albino has had with Jim was in regard to the sewer plug at the Edwards home. The office feels that it works better and lessens the confusion if the contact is directly between Albino and the office staff. Bryan states that if we know that Jim hasn't been answering the phone then this is not good for the company and that we should change the numbers and that the office staff can handle that but he will get as involved as needed. Jim told Bryan that he was answering his phone for free, that he was communicating and staying involved, as well as it gave him something to do. If he is not answering his phone then this is a problem for the company and we need to get the issue resolved. Pat states that if Jim is in the hospital and receives an emergency call he wouldn't be able to answer the call. Andrew states that it could be the only time he doesn't answer is when he is in the hospital. Pat continues stating that what good is the emergency phone number if the person that has it cannot answer. Tilynn states that when Jim is able to return to work fulltime and answer the calls then we would like for him to be the emergency contact but until then we have to be able to receive and respond to the emergency calls. Bryan states that all of this makes perfect sense and that while he realizes that it will be an inconvenience

for Jim, we have a company to run and need to do what is best for the company. Bryan states that Jim is planning on coming into the office on Monday if we wanted to wait on a status update until then. Tilynn states that she is worried about Jim and is unsure of what he can and cannot do. Bryan states that his understanding is that Jim would like to come back part time as he feels he can. Tilynn states that we did have a medical release and a letter requesting an update delivered to Jim through LeAnn today. Tilynn states that if we do not have a medical release stating what he can and cannot do we are opening ourselves to huge liabilities. Tilynn states that she just wants to ensure that the company is covering its bases based on the way the situation with a former employee was handled with returning company property and staying in contact we have to be careful how we proceed in a similar situation. Bryan inquires what we need to avoid in regard to this because he is unaware of what she is referring to. Tilynn states that when Jimmy notified the Board that he had a medical issue that needed attention he was placed on medical leave the next day, required to return all company property within 3 days, attending the monthly Board meeting to update them on the status of his health, and have a medical release filled out and signed by his doctor before he could return to work. We are concerned that he could have a potential lawsuit due to the difference in treatment between employees. Bryan states that this is all fine but feels that Tilynn should take the lead on this issue. Bryan states that she should draft a letter, submit it to the Board to have it approved. Tilynn states that she cannot make the decision to place an employee on medical leave that is for the Board to decide. Bryan states that he has already taken medical leave and notified the Board that he had cancer. Tilynn states that she is asking the Board to make a decision on Jim's status with the company, we have been talking about this for 3 months. We have an employee that medically cannot work but is walking around with our company phone, a company credit card, and our company keys that is not communicating with us. Tilynn states that she has multiple text messages asking Jim if he is coming to work day after day with no response and when he did respond he said that he was in the hospital getting a feeding tube put in. Bryan states that this is all fine and now you are telling us this but number one I don't know if this is an emergency and so we could be in violation of open meeting laws but if you would have told us this and give us an item to take action on we could have done something. Andrew states that he knows that this has been brought to the Board and we have discussed it because he has been the one to bring it up. Bryan inquires what Andrew has brought up. Andrew states that we are not treating the employees the same. Andrew states that he had to go with the girls to deliver the letter stating that Jimmy was on medical leave, to return all company property, and if you do not keep the Board updated you will lose your job. Now we

have another employee on medical leave and nothing has happened, but he has to at least have a medical release before he can come back to work. Tim feels that he should not be able to return to work without a medical release. Pat addresses what Bryan said about Jim being inconvenienced by not having our company phone. That is a company phone that we pay for and he uses for personal use but we are willing to keep him with a phone only change the number, but those are not the opportunities that we gave Jimmy. Pat continues stating that Jim is her friend and she does not want anything to Jim but can see where we are opening ourselves up to problems because we have to treat every employee the same. Tim states that Jim never asked for medical leave, he said that he would be around, Jimmy asked to be placed on medical leave. Bryan states that Jimmy asked to be terminated. Tilynn states that no he did not ask to be terminated, he told the Board that he was having health issues and that he needed some time off and the Board decided to place him on medical leave. Bryan states that any inconsistency did not come from the Board, the office gives us the actions that need to be taken. Tilynn states that if you want us to be consistent then we would like to see consistency from the Board. We present you with items but there is always something that we did not do correctly on the agenda. We are trying to bring things to your attention but we cannot decide how the Board handles it. Bryan inquires what Tilynn would like the Board to do with Jim, what action would you like us to take. Tilynn states that she wants the Board to require some accountability of Jim. If Jim has the company card then he needs to turn that in to the office. Bryan states please Tilynn tell us what is required to make this consistent with the past situations because a lot of this is news to him. Bryan continues stating that he never heard about any of these things before, communication is a two-way street and the office needs to talk to him about whatever is going on. Tilynn agrees that communication needs to go both ways. She continues stating that when Jim found out that he had cancer we addressed the situation immediately, warning the Board that we need to be ready for the day when Jim can't work. Gary and Jim insisted that we wait and see how it goes, so we did and the very beginning of June Jim quit coming to work therefor we hired Troy because it was a safety hazard to have only one employee in the field. Bryan inquires so what is the problem, he does not see the inconsistencies in the situations, you are simply stating facts, what is he missing. Andrew states that we are treating employees in similar situations differently. Bryan asks Andrew what we need to do differently to be consistent. Andrew feels that at this point the only thing we can do is require a medical release in order for him to return to work, what's done is done, but if he does not have a medical release we cannot allow him on company property. Bryan states that is standard practice, it would be irresponsible to send him back to work without a medical

release and we should not take him without a release, we are not debating that fact. Tilynn states that we are just trying to make sure that the Board is requiring him to do that before he can return to work because it has not been said. Bryan states that we could have handled this on the phone or face to face and he could of told the office that it is a legal requirement. Pat tells Bryan, no offense, but there are four members to this Board and it should be a Board decision. Bryan tells Pat this is a legal requirement and he is not trying to take over. Pat states that Bryan says he can handle all of this and take care of it, but that he isn't aware of the issues, so how can give an honest opinion of you do not know what is going on. Bryan states that is an issue not an opinion, it's a legal matter that does not require an opinion. Bryan states the he senses something else is going on here and hands in his resignation. Tilynn asks Bryan what he senses is going on here. Bryan states that he is out, here is his resignation good luck and leave the meeting at 6:26pm. Andrew takes over as acting president and calls for a recess.

Meeting reconvenes at 6:40pm.

NEW BUSINESS

Leave and Status of Jim Graham: Kellen states moving forward with Jim's situation. Once Jim brings the medical release to the office we will present it to the Board and make a decision then if there is work available for him based on the perimeters that the doctor has set for him. Pat states that if Jim comes to the office Monday that he needs to return the company phone, keys, and credit card. Tim inquires what happens if the doctor does not release him to work, what do we do then, are we going to place him on full medical leave until he can be released to work again. Pat feels that is the only thing that we as Board members can do. Andrews states that we will wait for his status update and medical release and make a decision when those are received.

Well #1 & 2 Maintenance and Repair: Andrew states that we have the office reports on the status of the well and that immediate action is required. Tilynn states that we do not have an exact cost for the repairs but it is estimated to cost \$3000.00 to replace the starter on the #2 well based on the quick research that we did today. Andrew makes a motion to move forward with the repair of wells #1 & 2 at whatever the cost. Pat seconds the motion. All in favor; Pat, Tim, & Andrew.

At will substitute employee, Shane Jones: Tilynn states that Shane Jones is an electrician for APS that came to assist Brian Martineau while we were checking the status of the wells today. Shane learned about the situation that the company is in

with Jim and the wells and would like to help. Shane filled out an application today and would like to work for Joseph City Utilities on the days that he is off from APS, which is about 14 days of the month. Shane is qualified to replace the starter on well #2 and wire the pump for well #1, as he assists in the maintenance and repair of the wells that APS operates. The office feels that he could be a huge asset to the company and help save money in the long run. Andrew states that if we put Shane Jones on our payroll that eliminates having to outsource an electrician and a mechanic. Tilynn states that not only is he a mechanic and electrician, he has experience laying pipe and running heavy equipment. He is not only willing to help with the large items but replace meters and work on water breaks. Pat inquires if he is expecting more than minimum wage. Tilynn states that while he is not expecting more she feels that he should be paid more because of the value of his skills and experience. Tim inquires how long we would keep him on staff. Kellen states that he would be like an approved substitute but because we are short staffed now he would be working regularly. Pat makes a motion to hire Shane Jones as an at will employee @ \$15.00/hour with the option to negotiate per capital project. Andrew seconds the motion. All in favor; Pat, Tim, & Andrew.

Board Member Candidate Rhonda Roberson: Andrew states that Rhonda was presented as a possible Board member to fill the vacancy of Gary Rice's seat on the Board. Tilynn states that the county sent over the required paper work and notified the office that the Board votes on the potential candidates, we have state and sign the oath of office and return the required paperwork. Tim inquires if it will be an issue for Rhonda to be on the school Board and this Board. Tilynn states that she does not believe that it will be an issue but we will investigate this further. Pat makes the motion to accept Rhonda Roberson to fill the vacant seat on the Board, for the remainder of the term ending in November 2020. Tim seconds the motion. All in favor; Pat, Tim, and Andrew. Rhonda states the Oath of Office and is sworn in by Pat Pogue, Clerk of the Joseph City Domestic Water Improvement District & Sanitary District.

Meeting Review: Items for the August 29th meeting include voting for Board positions and interviews/hiring of a temporary field operator.

Set a Date for the next Board Meeting: By consensus the Board will be holding a company workshop Tuesday August 15, 2017 at 6:00pm.

Meeting Adjourned: Andrew declares the meeting adjourned at 7:41pm.

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BOARD MEETING MINUTES

Meeting Date: August 29, 2017

Call to Order: 6:01 p.m.

Pledge: Andrew Bushman

Prayer: Andrew Bushman

In Attendance: Board members: Pat Pogue, Tim Montoya, Rhonda Roberson, and Andrew Bushman.

Employees: Kellen Roberson, Tilynn Martineau, Albino Quintana, and Shane Jones.

Public: Bob Winner, Eric Winner, Colton Bushman, Rebecca Bushman, Joe Zabadal, Ed Sorgen, Julie Davis, Brian Martineau, Johnny Johnson, and Carolyn Rice.

Call to Public: Robert Winner states that he spoke with an old friend of his, Senator Allen who has sat on many boards, and asked her about the appointment of Mrs. Roberson during the emergency Board meeting and she stated that that never happened. Mr. Winner states that his question is regarding 7 C, why would Mrs. Roberson be listed under old business because her appointment never happened, and if there are two vacancies on the Board she should be listed under 8 A Discussion of Candidates. Mr. Winner states that 8 C 3 involves 2 of the candidates for Board Member, therefor the discussion of being on multiple Boards should take place prior to the discussion of any candidates for Board Member, because if they are not allowed to sit on multiple

Boards then we only have one candidate. Also under 8 C should be added uniform provisions, continued education compensation, and sick leave policy because they were addressed in the July meeting minutes. Mr. Winner states that he looked up every reference that he could and did not find any posting of a 5:00pm Board meeting today but that his son received a call that the 5:00pm meeting had been canceled. Eric Winner clarifies that he was asked to come at 5:00pm for an interview not a Board Meeting but that the interview was canceled. Mr. Winner inquires that since Mrs. Roberson is sitting with the Board if she is an official member. Pat would like to address this issue but Andrew would like to wait for the agenda item before we discuss this topic. Andrew reminds the public that this is their time to speak and they will not be allowed to interrupt the meeting after the call to public is closed.

Acceptance of Last Meeting Minutes: Pat makes a motion to approve the regular session meeting minutes as written for July 25, 2017. Andrew seconds the motion. All in favor; Andrew, Tim, & Pat. Rhonda abstains because she did not attend the meeting.

Rhonda makes a motion to move into executive session to discuss the emergency Board meeting. Andrew seconds the motion. All in favor; Pat, Tim, Rhonda, & Andrew.

The Board goes into executive session at 6:09pm.

*****EXECUTIVE SESSION*****

The Board reconvenes to open meeting at 6:58pm.

Andrew states that everything that was discussed in executive session is confidential and cannot be discussed with the public.

Andrew makes a motion to approve the Emergency Meeting Minutes as written for August 10, 2017. Pat seconds the motion. All in favor; Andrew, Pat, Tim, & Rhonda.

Field Operator Report: Kellen states that it has been a very busy month. On August 1st, Terry came and took water samples and found that we had no chlorine residual. Albino dismantled the chlorination feed system and clear the clogged line that caused the zero read. We are now sampling on a weekly basis to ensure that we do not have this issue again. Kellen states that she received a letter from ADEQ stating that we missed a sampling cycle, he will be

looking into it and told me that additional sampling may be required to resolve the issue.

Empire Cat of Show Low has repaired the backhoe and will be scheduling a full service of the backhoe to ensure that we are aware of any potential issues with the machine.

We are still in the process of resolving the issues with the wells. The parts have been ordered for the #2 well. Kellen states that she is working on getting bids on the #1 well and should have estimates this week and be ready to move forward.

Brian Martineau states that the power poll is leaning to a pretty extreme degree, he spoke with APS about the issue and we are within our own right to stand the poll back up. This is not recommended until the poll is partial excavated to ensure that the base has not rotted out. APS recommends that the poll should be replaced but they are not forcing us to do that at this time because it is not a hot issue. APS says that our poll is too far from the transformer and that the poll is starting to rot, there for a full poll replacement is recommended but that will require a full service upgrade as well. Andrew states that we have also been notified by ADEQ that our well house is not up to code and needs to be upgraded as well. Andrew would like have the office start planning this project and hopefully have it completed next year.

We had 3 water leaks on Rusty Ave. All three have been repaired and were caused by over tightening the PVC fittings. Initially we had to shut off service to the whole town but Shane and Albino were able to locate the isolation valve for that line and clean it out so that it is accessible.

Aside from the leaks Shane and Albino also fixed the jetter, replaced the battery on the white truck, repaired the broken review mirror on the green truck, and will be changing the oil on the white truck on Friday. With all of the issues we have been facing this month we only installed 2 smart meters but have 101 total installed. Once the well issues are resolved smart meters will be our main priority. With only one full time field operator it is difficult to complete the meter reads and do the regular maintenance on the systems.

We have also added flushing well #2 and dosing the POC well to our monthly maintenance. Kellen states that she is working on a procedure manual to layout all of the daily, weekly, monthly, and annual maintenance items.

Pat inquires about how our infraMAP training is going and using the program. Kellen states that we were able to get the program installed on both the desktop and the laptop. InfraMap came out and trained us on the fundamental features of the program, and it is very simple to use. Kellen states

that she has been able to add a lot of what we have mapped into the program but with everything that has come up this month, she has not been able to focus her full attention to implementing the mapping program.

Office Manager Report: Tilynn states that our expenses were very low this month but we had some major expenses come up after the 15th which will probably cause us to suffer a loss next month. For this month we made a large profit mostly due to July/August being our highest usage months. Tilynn states that last month the Board had requested a new report breaking down the sources of income, while she does have the numbers available she did not have time to create a new report that she felt was readable. Tilynn states that she will have a new report for the Board next month showing the income breakdown.

Tilynn states that she did meet with Jim earlier this month and had the cell phone numbers switched making Albino the primary after hours contact, as per the Board's request.

Tilynn states that we really enjoyed the RWAA Leadership Conference that we attended last week. We learned a lot and were able to speak with multiple vendors and ask questions. We found that our chlorine gas disinfection system is out of date, the chlorine building is not up to code, and that there are new options available that eliminate chlorine gas completely. Tilynn states that we spoke to a few companies about our tank inspections and learned that we might fall under different regulations because our tanks are used for fire protection. We were also able to network with other distribution operators who have experienced similar situations and exchange information to call with any new issues that we come across.

OLD BUSINESS

Resignation of Board Member Gary Rice: By consensus the Board accepts the resignation of Gary Rice.

Resignation of Board Member Bryan Fields: By consensus the Board accepts the resignation of Bryan Fields.

Appointment of Board Member Rhonda Roberson: Pat makes a motion to accept the appointment of Rhonda Roberson to fill the term ending in December 2020, as it was done in good faith. Andrew seconds the motion. All in favor; Pat, Tim, & Andrew. Rhonda abstains.

NEW BUSINESS

Board Member Candidates Joe Zabadal & Ed Sorgen: Andrew states with the resignation of Bryan Fields we still have one unfilled seat on the Board. Joe Zabadal and Ed Sorgen we presented as candidates.

Joe Zabadal states that he has only lived in Joseph City for 4 years but ran a septic and excavating business for 25 years. He was subcontracted by water and wastewater districts to make pipeline repairs and installation. Joe states that he has family in the solid waste disposal industry that could be of assistance to the operation of the transfer station.

Ed Sorgen states that he has lived in Joseph City most of his life and has 25 years of experience serving on various Boards in this community. He has experience working for contractors and running his own business for 40 years. Ed states that he makes decisions based on facts and that he is here to help if he can.

Pat makes a motion to appoint Joe Zabadal to fill the term ending in December 2018. Rhonda seconds the motion. All in favor; Pat, Rhonda, & Andrew. Tim does not feel that he can decide on Joe Zabadal at this time.

Joe Zabadal and Rhonda Roberson take the Oath of Office and are sworn in to the Joseph City Domestic Water Improvement District Board and Joseph City Sanitary District Board by Board Clerk, Pat Pogue.

Board Member Nominations: Andrew states that with the resignation of our Board Chairman we must nominate a new Chairman, Vice Chairman, & Clerk.

Pat makes a motion to nominate Andrew Bushman as Board Chairman.

Rhonda seconds the motion. All in favor; Pat, Rhonda, & Joe. Against; Tim. Andrew abstains.

Andrew makes a motion to nominate Tim Montoya as Vice Chairman. Rhonda seconds the motion. All in favor; Pat, Andrew, Rhonda, & Joe. Tim abstains.

Rhonda makes a motion to nominate Pat Pogue as Clerk. Andrew seconds the motion. All in favor; Tim, Andrew, Rhonda, & Joe. Pat abstains.

Legal Counsel regarding Bylaw Amendments: Rhonda makes a motion to seek legal counsel regarding the item 8C 1-4 listed on the agenda and inquire about the cost of him attending future board meetings. Joe seconds the motion. All in favor; Pat, Tim, Andrew, Rhonda, & Joe.

Records request from Gary Rice regarding Board meeting held on July 25, 2017:

Andrew states that the office received a records request from Gary Rice for 1) a copy of the tape (recording) of the entire meeting, 2) a copy of the typed minutes 3) a list of harassment charges along with a copy of all of the

documentation for the charges that were brought before the Board. Andrew states that he did not feel he had the authority as acting Board Chairman to have to office accommodate the records request submitted by Gary Rice. The office staff did send the typed minutes but because we have never had a request for the recording, Andrew felt that this needed to be discussed with the entire Board. Tilynn states that according to the attorney the audio recording of the meeting is for clerical use only and once the minutes are approved the recording is then void. Tilynn feels that we might need to make an amendment to the bylaws regarding the audio recordings.

1) Andrew makes a motion to provide Gary Rice with a copy of the meeting recordings, which to the best of our knowledge have been altered or changed from the original. All in favor; Pat, Tim, Andrew, Rhonda, & Joe.

2) The office emailed the meeting minutes on August 14, 2017.

3) By consensus the Board agrees that there were no charges filed against Gary Rice therefor there is no documentation to provide.

Andrew requests that the office staff draft a letter notifying Gary Rice that there are no charges therefor there is no documentation to provide.

Hiring of Field Operator/Approval of Field Substitutes: By consensus the Board tables this issue as they were unable to conduct interviews.

Employee Leave & Status, Jim Graham: Pat states that she spoke with Jim and he requested that she speak with the Board on his behalf. Jim states that he is unable to attend meetings and stay for the duration at this time. He is working hard to rebuild his strength but at this time is not released to work. Currently the doctor is looking at releasing him September 11, 2017 to very light duty with a maximum of 4 hours per day. Jim would like the Board to know that he has a CAT Scan scheduled for October 31, 2017 after which he will receive his final reports. Jim would also like the Board to know that he hopes that we can work something out because he cares about his job and wants to come back to work.

Reprimand and/or Disciplinary Action regarding Tilynn Martineau: Andrew makes a motion to move into executive session to discuss the reprimand of Tilynn Martineau. Joe seconds the motion. All in favor; Pat, Tim, Andrew, Rhonda, & Joe. The Board moves into executive session at 7:50pm.

*****EXECUTIVE SESSION*****

Reconvene to public session at 8:25pm.

By consensus the Board agrees that there is no need for reprimand or disciplinary action at this time for Tilynn Martineau.

Meeting Review & Upcoming Agenda Items: Andrew would like to establish a hiring committee to assist the office staff in interviewing applicants. Pat & Rhonda volunteer to be on the hiring committee along with Kellen, Tilynn, and Albino. Once interviews are completed we will set a date for a special meeting to discuss the hiring and approval of field operators and substitutes.

Set a Date for the next Board Meeting: By consensus the next Board meeting will be held Tuesday September 26, 2017 at 6:00pm.

Meeting Adjourned: Andrew declares the meeting adjourned at 8:36pm.

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SPECIAL BOARD MEETING MINUTES

Meeting Date: September 11, 2017

Call to Order: 6:00 p.m.

Pledge: Pat Pogue

Prayer: Andrew Bushman

In Attendance: Board members: Pat Pogue, Tim Montoya, Joe Zabadal, Rhonda Roberson, and Andrew Bushman.

Employees: Tilynn Martineau, Kellen Roberson, Albino Quintana, & Jim Graham.

Public: Colton Bushman

Call to Public: N/A

Acceptance of Last Meeting Minutes: N/A

NEW BUSINESS

Hiring of Temporary Field Operator/Approval of Substitutes: Rhonda makes a motion to hire Hershel Slivers as a temporary field operator and approve Bridger Owens & Albert Neff as substitutes, as needed. Pat seconds the motion. All in favor; Pat, Andrew, Tim, Rhonda, & Joe.

Health and Leave Status, Jim Graham: Andrew states that Jim did receive a medical release but it is for extremely light duty. The medical release is approved from 9/11/17 to 10/31/17 and states that he can work 4 hours per day & cannot stand for more than 3-4 hours. Jim states that this was filled out 3

weeks ago and his strength is getting better every day. The release also states that he can only lift 5-10lbs, he cannot operate foot controls for the backhoe, he cannot climb ladders, and his vision is not suitable for driving due to medication. The doctor also states that he will need occasional days off in relation to the medications he is taking. Jim states that despite what the release says he is feeling much better. Rhonda would like to know what Jim feels he can do based on the limitations that the medical release has set. Jim feels that he would be able to do some supervising and help the office with the mapping project. Rhonda states that to her understanding Jim's position is not supervisory. Jim says well I guess I am just a laborer and Kellen can supervise Albino getting in a ditch. Rhonda states that she is just asking for clarification. Jim states that he does not know what is going on because he has been gone for 3 months. Rhonda inquires if before Jim left he was a supervisor. Jim states that he was Albino's supervisor. Andrew states that the issue that he sees is that we currently do not have a position for Jim based on the limitations that the doctor placed on the medical release therefore the Board needs to decide if they are going to create a position to suit his needs. Andrew feels that the liability on the company is too great to send Jim out in the field. Jim states that he can get Albino tools and materials. Rhonda inquires what Jim will do if something happens to Albino while he is in a ditch. Jim states that he would call 911 because that is the proper protocol. Rhonda feels that Jim's instinct would be to jump in the trench and help Albino before he called 911. Joe inquires if we have a ditch boss. Andrew states that no we do not and it is an issue that needs to be addressed. Jim states that he has attended multiple confined spaces seminars and learned that jumping in the ditch is the wrong choice. Rhonda states that with the limitations she would not feel comfortable placing Jim back in the field. Rhonda inquires if since Jim is feeling much better if he is going to try and see the doctor again before his October 31st appointment. Jim states that he is going to try and see the doctor again before that to have another medical release filled out with less limitations but does not know if he will be able to get an appointment. He continues stating that he CAT Scan is to check on the status of his cancer and because he has blood clots in his lungs they want to make sure that they are dissolving. Jim states that the doctor does not want him doing strenuous work because if he starts coughing the blood clots could break loose and kill him. Joe inquires if Jim can drive. Jim states that he has been driving. Andrew reads the medical release which specifically states that Jim's vision is not suitable for driving. Jim reminds the Board that this medical release was filled out 3 weeks ago. Andrew states that the medical release Jim turned in is what we have to base decisions on and the liability is too high to put him behind the steering wheel based on what the release states.

Jim states that he doesn't understand why he can't drive because the only medications he is taking are for nausea and a blood thinner that only affects him at night. Pat inquires if it would be feasible if the Board waited to make a decision until Jim receives his final report on October 31st. Jim states that he would be fine with that. Andrew would like to see Jim start helping with the mapping but that is something that has to be coordinated with the office staff and their availability, if it is even feasible. Jim inquires how else the mapping would get done if he is not here to do it. Jim states that Kellen doesn't know anything about the line locations but that he does, he doesn't know how to run the computer but Kellen does. Andrew states that the office has spent the last 3 months learning the system with little to no guidance, so they may not know as much as you but they have been the ones keeping the system going. Jim states that he is not trying to put anyone down but that it will take 2 people to get the mapping done. Rhonda states that this is not about personalities but about work load, we have reduced the office hours to save money, we just hired a temporary field operator to help Albino and now we are talking about paying Jim to help the office, can we afford to have 3 field operators. Tilynn states that she will have to run the numbers in order to give the Board an accurate depiction of the payroll expenses vs the budget. Rhonda feels that before we make a decision we need to check the budget and plan how we are going to execute getting the information from Jim into the computer. Tilynn states that it has been very busy the past 2 months and is not sure when the office would be able to work with Jim on the mapping without neglecting the daily workload. We would have to schedule time for mapping on Mondays when the office is not open so that we focus solely on mapping without interruptions. Jim inquires if we are still keeping Shane on staff if we just hired a new temporary field operator. Rhonda states that because of Shane's APS job he is unable to work full time and therefore is here to consult and assist on large projects at will. Rhonda feels like it would be best if we revisit Jim's return after Jim has his final CAT Scan. Kellen suggests that we place this item for discussion on the next regularly scheduled Board meeting and the office can work with the budget and the expenses to see if we have the funds for Jim to come back part time to assist with the mapping. Pat states that she does not want Jim to feel like we are pushing him out or that we don't want him to come back to work but we must do what is best for the company. Jim feels that that is exactly what is happening and that we are trying to push him out. Jim states that he showed up to work today and did not have keys to the office or anything else. Rhonda states that you are not cleared to work so there for you shouldn't be on company property until you are cleared. Jim inquires how Rhonda would feel if she showed up to her job and all the locks had been changed. Andrew states

that we have had 2 Board members quit without notice and did not return their keys, we did not know who else had a key to the systems so we changed all the locks. Pat states that we are not picking on you Jim, we are trying to do what is best your both you and the company. Rhonda states that it is not only about what is best for Jim but also for his safety. Pat states that because there are so many restrictions placed on Jim that we are worried that out of reflex that Jim could do something to injure himself. Andrew states that Jim's position has not been filled but until Jim can come back on fully released we have to keep the company functioning and decide if we have room in the budget to create a temporary position for him while we wait for a full work release. Rhonda states that we could decide to keep the additional field operator, if the budget allows, in order to give Jim time in the office to work on the maps. Andrew agrees with Rhonda and states that we cannot be put in a situation where one person has all the information and no one else can access it. By consensus the Board agrees to table this issue and readdress Jim's health and leave status at the Board meeting to be held on September 26, 2017.

Meeting Review: Andrew states that he spoke with our attorney and he is willing to come sit in on our next Board meeting should we feel that is necessary. Joe inquires why we would have the attorney attend the meeting, are we simply doing this to pacify upset citizens or do we truly need legal counsel. Joe feels that if its not necessary to better the Joseph City Water and Sanitary Districts then he does not believe we need to spend the money to have him attend. Tim inquires whether we received a response to the questions that were approved to be asked in the last Board meeting. Tilynn states that we did not ask the attorney because the Board was discussing having him attend the meeting. Tim feels that if we can communicate through email that we should not have him attend the meeting until necessary. Rhonda states that Kellen has received some emails that are questionable to respond to. Joe states that if we need to speak with the attorney he is all for that but doesn't feel that the entire Board needs to sit down with him at this time. Kellen states that for now we will continue to communicate with the attorney via email and should something come up over the next month where we feel we need him to attend the meeting we will address it then.

Set a Date for the next Board Meeting: By consensus the next Board meeting will be held Tuesday September 26, 2017 at 6:00pm.

Meeting Adjourned: Andrew declares the meeting adjourned at 6:38pm.

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BOARD MEETING MINUTES

Meeting Date: September 26, 2017

Call to Order: 6:00 p.m.

Pledge: Pat Pogue

Prayer: Andrew Bushman

In Attendance: Board members: Pat Pogue, Joe Zabadal, Rhonda Roberson, and Andrew Bushman.

Employees: Kellen Roberson, Tilynn Martineau, Albino Quintana, and Herschel Slivers.

Public: Raymond Baloo and Carolyn Rice.

Call to Public: N/A

Acceptance of Last Meeting Minutes: Pat makes a motion to approve the meeting minutes from August 29, 2017 and September 11, 2017. Joe seconds the motion. All in favor; Pat, Joe, Rhonda, and Andrew.

Field Operator Report: Kellen states that we have had a good month. There were a few sewer issues this month including a plug on our mainline on Bushman near the Roger's residence. While attempting to clear the plug on Bushman our field employees were being harassed by an angry customer. Earl and I were able to get the customer calmed down without incident. Shane and Albino were able to get the blockage cleared after a couple hours of jetting the lines in the area. Due to the recent issues we have had with our sewer system, we are implementing a new manhole maintenance schedule. Starting this Friday, we

are going to be jetting all the manholes in town. Once all of the manholes have been jetted, we will schedule quarterly checks of all manholes and monthly checks for the manholes that have been prone to clogging in the past.

The damaged sewer line at 8147 Bushman that was causing the sinkhole has been repaired. We found that the mainline is 6" Orangeburg pipe with a Y to a 4" Orangeburg line directly in front of the home. The Orangeburg pipe was broken just west of the 4" Y connection. We replaced the 6" Orangeburg with 6" SDR35 as far west as possible and installed a new PVC y connection. We placed a clean out in the customer's yard on the 4" line to help prevent future blockages. I spoke with the homeowner today and he is extremely happy with the work that we did and the cleanup after the repairs were completed. Andrew would like us to investigate the utility easements in the area because we have sewer and water mains running through private property in multiple areas.

Kellen states that we also had a water leak at Well #1 on the chlorination system but Albino and Herschel we able to repair the issue.

The new starter has been installed at Well #2. Brian Martineau dialed in the settings on the starter and the Well #2 is up and running smoothly. I have Willis Drilling scheduled to come out on October 3, 2017 to pull Well #1 and do a full inspection including a HD video well scan to inspect the entire depth of the well. Once the inspection is complete Willis Drilling will be able to advise us on the next step to fully repairing the well. Because we do not know the last time that our well was properly inspected we do not know the static water level, drawdown, or pumping level. If the pump is not set at the proper depth, it could be causing our motor to burn up quicker than it should.

Office Manager Report: Tilynn states that she was able to order uniforms for Albino and t-shirts for our substitutes. We also received a final bill for the mainline rehabilitation project; we confirmed in the contract that we are required to pay the final balance to fulfill the signed contract amount. Tilynn states that we have been working with infraMAP trying to get the GPS to communicate with the computer so we can start GPS locating all of our assets. Pat inquires what the issue is with the GPS. Tilynn states that the new model of the Ranger handheld will not properly communicate with the computer. Kellen states that while we are waiting for these GPS issues to be worked out there are multiple inexpensive options that can get us going that are more compact, making it easier to use while mapping.

Tilynn states that she spoke with Monty Hancock, our insurance agent, regarding NFPA tank inspection standards and he spoke with the underwriters and there is no exclusion clause in our policy that would disqualify a claim. Tilynn states that she also forwarded all of our questions and bylaws to the attorney for review, he should be getting back with us soon. The Board had also requested a cost analysis for the attorney to attend our meetings verse the cost of phone calls and emails. Tilynn states that it cost \$1500 for the attorney to attend the meeting and \$10/hour for phone calls.

ADEQ is holding a free training in Flagstaff on October 17 & 18 for operators, owners, and managers. We feel that it would be beneficial to attend these courses to continue our education. Rhonda feels that we can afford to pay a substitute for the two days because continuing education for the office and operators is very important. The Board agrees that Kellen and Tilynn should attend the ADEQ training in Flagstaff.

Tilynn states that she does not like the way our current budgets are designed and is working on breaking the budget down further so they are more specific. While we budget for operations, operations is a very broad spectrum and with our current budget you can't see exactly what we are spending on sampling, pipe, auto maintenance, rentals, and other expenses. Rhonda states that she has a few questions regarding our revenue. Do we have separate rates for commercial service and residential service? Tilynn states that we only have different rates for commercial sewer usage and RV parks are charged different rates depending on how many trailers they have parked. Rhonda inquires why we are not charging a different rate for commercial water usage. Previous Board members felt that because it cost the same to produce the water that the rates should not change because of how much you use. Andrew states that one of the issues that they had in the past with changing the rates was determining who was deemed commercial and who was residential. Tilynn states that instead of picking and choosing who is commercial we could change the meter charge based on the size of the meter that is installed. Andrew agrees that should change our rates based on meter size if only for the fact that the larger the meter is the more expensive it is to replace. Rhonda states that her next question is whether we are charging enough for a new service tap to cover the cost of the installation. Andrew states that we are nowhere close to where we should be for new installations. Rhonda states that

we need to assess these issues and raise our rates. Rhonda also suggests that we discuss requiring a check valve be installed on all new sewer lines as Joe had mentioned in our last meeting. Andrew requests that the office place check valve installation on the next agenda.

OLD BUSINESS

Board Member Candidates: Tilynn states that all the paperwork for Joe and Rhonda has filed with the county. The county had not properly recorded the previous Board members and so they are sending us the list that they have on file so we can update the information.

All other old business items were handled accordingly.

NEW BUSINESS

Approval of Substitute Raymond Baloo: Tilynn states that one of our previously approved substitutes has moved out of town and therefor the office would like to approve Raymond Baloo as a second Field Substitute. By consensus, the Board approves Raymond Baloo as a Field Substitute.

Reimbursement Bylaw: Tilynn states that with the recent sewer issues the office feels that it is important to update our damage reimbursement policy and claim reporting procedure. After reviewing the reimbursement bylaw, the office will present the amended Reimbursement Bylaw in the next meeting. By consensus, this item is tabled.

At Will Substitute Employee Handbook Amendment: Andrew states that we need to define the perimeters of an at will substitute. Currently we do not have and conditions or regulations regarding at will employees. We would like it clearly stated in the employee handbook the definition of an at will substitute and the pay range. By consensus, the Board tables this item and requests that the office present an amendment regarding at will employees at the next Board meeting.

Records Request Policy: Tilynn states that the office feels that it is important to create an amendment to our bylaws regarding records requests. We feel that we can easily accommodate the majority of these requests by posting our monthly reports on the website. The reports that we would like to post are the expense report, monthly profit and loss report, monthly review, annual budget,

and the year to date report. Any information that cannot be found within these reports and the meeting minutes would then be brought in front of the Board for special request. Joe makes a motion to approve the Records Request Bylaw. Rhonda seconds the motion. All in favor; Pat, Andrew, Rhonda, and Joe.

8162 DeSpain Ave Reimbursement Request: Andrew states that our sewer main backed up in June causing 16 inches of sewer to backup into the home owners basement. Based on the reimbursement request that the customer submitted Pat makes a motion to turn this request over to our insurance provider. Rhonda seconds the motion. All in favor; Pat, Rhonda, Joe, and Andrew.

Public Records Request: Andrew states that we received a public records request from Carolyn Rice. The majority of these questions will be answered within the new reports that will be posted to the website, but we do not breakdown our payroll for the office, field, and transfer station. Rhonda inquires why this information is being requested and if we are being audited. Carolyn states that she wants the information to better understand the cost associated with running the company. Rhonda inquires if Carolyn feels that there is something wrong that the Board needs to be made aware of. Carolyn states that she doesn't know if there is a problem but feels that these are questions that the Board should be asking each month. Rhonda inquires why Carolyn feels like she needs to be asking these questions at this time. Carolyn states that when she came to the previous Board meeting these questions were not asked, and with her background in accounting she feels that the Board should have been asking these questions. Carolyn continues stating that she is trying to help the Board and the office staff understand what things they should be looking at to make decisions and run this company properly. Pat feels that with the staff that they have hired that the Board can trust that they are doing what they are supposed to be doing. Carolyn replies that she is not implying that the office is not doing what they are supposed to do but that there is additional knowledge that the Board could have by asking these questions. Andrew states that he has spoken with Carolyn and that she feels that the Board could be better informed if they were asking these kinds of questions, as well as have a better knowledge of the health of the company. Andrew states that the Board doesn't know how many hours each employee is working. Tilynn states that the office staff tried turning in time cards and payroll reports in the past but the Board did not want to see it, they trusted. Rhonda states that the bottom line is when you hire someone to do a job, yes you need to make sure they are doing the job correctly, but you can't micromanage because if the Board has to micromanage then our employees are not doing their jobs. Andrew states that

it is our duty as a Board to ensure that our employees are doing their jobs and accounting for every penny on behalf of the community. Pat feels that with the reports that the office staff provides they are proving that they are accounting for every penny and she does not have a problem with the way the office is doing their jobs. Carolyn states that she hasn't seen what the office staff is doing therefor she doesn't know if there is a problem. She continues stating that she came to the meeting and none of this information was provided. Carolyn states that she has never been provided with any of this information therefor she doesn't know if the budgets are perfect or need her help. Pat states that whether you think the finances are perfect or not does not matter, the Board makes the decisions on behalf of the town. Carolyn states that she is not saying that there is anything wrong or bad but these are good questions that the office needs to ask. Carolyn states if I were to be asked this question could I answer it and be comfortable with my response based on the information in the financial reports. Rhonda states that she appreciates Carolyn offering her assistance. Carolyn proposes that the Board take her request with the intent that she did it with which was to help and she will look at the website and not be nitpicky but feels that it is important that the Board ask these kind of questions and that the office ask themselves these questions when creating their reports. Tilynn inquires how Carolyn knows what we are thinking or asking ourselves when we are creating our Board reports. Carolyn states that she does not know because she has never been provided the information. Carolyn states that she will refer to the website and if she has other questions that she feels would be pertinent to ask she will post those questions. Kellen states that the issue is not providing the information to Carolyn but rather is the Board going to direct the office to breakdown the reports the way that Carolyn requested. Andrew states that since Carolyn has agreed to look at the website and use the reports provided there is no need to break them down further at this time. Rhonda states that we need to remember that the office staff has been trying to put in minimal hours each week and should we add to their workload their time in the office would increase to complete the additional work. Andrew states that part of the reason that the office wanted to add these reports to the website was to streamline records request and keep the public informed. By consensus, the Board agrees that the records request has been fulfilled.

Jim Graham, Field Operator/At will Substitute Employee for Special Projects:

Andrew states that at the last meeting it was discussed that we bring Jim on as an at will substitute employee for special projects until he can return to full duty pending the status of our budget. After reviewing the payroll budget we do have the funds in our payroll to allow him to be an at will substitute for special

projects. Rhonda agrees with Andrew that we have the funds available to bring him in for special projects such as mapping, but it needs to be at the availability of the office staff so that they are still able to keep up on their normal workload. Pat states that she spoke with Jim today and that he was unable to attend the meeting and that he still has not been able to get an updated work release from his doctor. Andrew feels that we have two positions that we could place Jim in, one being the Field Operator to which he is not cleared for, or two an at will employee for special projects. Andrew states that we can create a new position for Jim to assist with the mapping of the system, when the office is available. Rhonda states that it is her understanding that we cannot have Jim do anything until we receive a release from his doctor. Andrew feels that with the release we have we could bring him in for a few hours a week to map the valves and manholes that are not on the paper maps. Kellen states that for this to work she would have to designate specific times on specific days to dedicate strictly to mapping so that she is not sacrificing her other obligations. Rhonda states that if mapping is scheduled 3 times and Jim is unable to attend because of his health, then we need to revisit the issue and possibly wait until he is in better health. Joe inquires how comfortable Albino is with locating lines and valves in town. Albino states that he is learning the system but isn't fully comfortable with it yet. Joe states that if Albino is going to be the one doing the excavations and installations then he should be the one to help with the map. Joe inquires whether JCU owns a beacon and tracer for the jetter. Andrew states that we do not have a beacon or tracer. Joe feels that purchasing a beacon and tracer would be a wise investment for this company since most of the system is not properly mapped. Rhonda makes a motion to approve Jim Graham as an at will substitute employee for special projects. Andrew seconds the motion. All in favor; Pat, Andrew, Rhonda, & Joe.

Meeting Review & Upcoming Agenda Items:

- Backflow prevention amendment
- Beacon and tracer purchase
- At will substitute handbook amendment
- Reimbursement Amendment
- Property line definition
- Meter cost analysis
- Incomplete sewer and water installations
- Randy Baird easement

Set a Date for the next Board Meeting: By consensus, the next Board meeting will be held Tuesday October 24, 2017 at 6:00pm.

Meeting Adjourned: Andrew declares the meeting adjourned at 7:40pm.

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BOARD MEETING MINUTES

Meeting Date: October 24, 2017

Call to Order: 6:00 p.m.

Pledge: Andrew Bushman

Prayer: Andrew Bushman

In Attendance: Board members: Pat Pogue, Joe Zabadal, Rhonda Roberson, and Andrew Bushman.

Employees: Kellen Roberson, Tilynn Martineau, & Albino Quintana.

Public: Colton Bushman and Kim Shelley.

Call to Public: N/A

Acceptance of Last Meeting Minutes: Rhonda makes a motion to approve the meeting minutes from September 26, 2017. Pat seconds the motion. All in favor; Pat, Joe, Rhonda, and Andrew.

Field Operator Report: Kellen states that Willis Drilling came out at the beginning of the month and pulled the #1 well. We found that the well was set 100ft shallower than we had expected. The well scan crew came out the following week to perform the video scan of the well, during the scan the camera ran into a lot of debris, including boreline hose and pump trash. At a depth of 140 feet, the camera hit a blockage in the well and could not go any deeper. Kellen states that she has been in contact with Willis Drilling to schedule a bail out on the well and rescan the well to the full casing depth of 290 feet. Well #2 has been running smoothly, we did have a small issue with the chlorination booster

pump but were able to pull the pump from the #1 well and use it. Kellen states that when we do get the #1 well reset, we are looking at setting it with hard pipe instead of boreline hose. The hard pipe has a longer life and prevents damage to your pump caused by the movement in the boreline hose. The field operators were able to get 10 smart meters installed this month. Kellen states that she did receive a price sheet for the RF meters today but was unable to complete the cost analysis, but this will be included in the November meeting. We will be suggesting an installation rate increase because we are not currently covering the cost of materials. Kellen states that because the #2 well is not set up with our telemetry system she has had the field operators checking the tanks every day, including weekends to ensure that we do not overflow the tanks or run them dry. Andrew states that he received a call from a concerned citizen regarding too much chlorine in the system. Andrew called Kellen and she informed him that our operator had just been here to take samples and that we are sampling regularly in house to ensure we keep our chlorine residual within the requirements. Andrew requested that we take samples from the complainant's location and test the chlorine residual. The field operators took four samples and all four came back under the ADEQ required levels.

Office Manager Report: Tilynn states that this month has been very hectic so we were unable to attend the ADEQ training in Flagstaff but they did send all the reference materials associated with the classes that were available. Tilynn ordered new uniforms for the field employees; we are waiting on them to arrive to be distributed. Tilynn states that she has not heard from the attorney in regards to the bylaw review but has emailed him and is waiting for a response. Tilynn did file the damage claim with our insurance company. Insurance has not made a decision in regards to paying the claim. They are requiring extensive information regarding the circumstances that caused the damage. Tilynn states that the insurance company was under the impression that the damages occurred in September but because they actually occurred in June, the claimant must file a written notice of claim per the Arizona Revised Statutes. Andrew recommends forwarding the email from our insurance company to the claimant notifying them of the requirements to proceed with the damage claim.

OLD BUSINESS

No items listed in old business need discussed.

NEW BUSINESS

4582 2nd North Sewer Installation: Kellen states that this customer is requesting a new sewer tap to tie on 4 mobile homes to the sewer system. There is a 6" Orangeburg sewer main that runs on the south side of 2nd North which means there will be a road cut involved. Kellen states that we have a few options including contracting the road cut, excavation, and repair; do the road cut and excavation in house and contract the road repair. Pat inquires if we have the work force and equipment to do the road cut and excavation in house. Kellen states that we have the capability to do the excavation but with all of the issues we have been facing do not have the time in the schedule to accommodate this request. The Board would like Kellen to investigate other connection options to avoid making a road cut. Joe states that because we are only providing a single 6" stub that we would only charge a single tap charge. Rhonda suggests that we have the customer pay for the road patch. Andrew states that another option is to require the customer to hire the contractor to do the excavation and once the pipe is exposed, we will complete the tap and the hired contractor will complete the road repairs. Joe makes a motion to approve the request for a new sewer tap at 4582 2nd North Ave and requests Kellen to find the most reasonable route to expedite this request. Rhonda seconds the motion. All in favor; Rhonda, Joe, Pat, and Andrew.

Damage Claim Amendment: Rhonda makes a motion to approve the Damage Claim amendment as written. Andrew seconds the motion. All in favor; Joe, Rhonda, Andrew, & Pat.

Purchasing Underground Line Locating Equipment: Kellen states at the last meeting Joe had mentioned line locating equipment. Kellen researched the equipment, which consists of a transmitter that attaches to the jetter hose, locating wand and charging brick. The total estimated cost for this equipment is \$300.00. Rhonda makes a motion to approve the purchase of underground line locating equipment with a budget of \$3000.00. Joe seconds the motion. All in favor; Pat, Andrew, Rhonda, & Joe.

At will Substitute Amendment: Andrew makes a motion to accept the At will Substitute Employee amendment as written. Joe seconds the motion. All in favor; Pat, Andrew, Joe, & Rhonda.

Joseph City Utilities Master Plan Proposal: Rhonda makes a motion to accept the Master Plan Proposal and directs the office to schedule a District Workshop

as needed to review the first draft. Andrew seconds the motion. All in favor; Joe, Rhonda, Andrew, & Pat.

Approval of 2018 Board Member Elections: Rhonda makes a motion to approve Navajo County to hold 2018 elections for Board members of the Joseph City Water Improvement District and Joseph City Sanitary District. Joe seconds the motion. All in favor; Pat, Rhonda, Joe, & Andrew.

Cell Phone Stipend: Rhonda makes a motion to accept the Cell Phone Stipend amendment as written. Joe seconds the motion. All in favor; Andrew, Joe, Pat, & Rhonda.

Grant Writing Certification: Rhonda inquires if Tilynn has made a decision to whether she would be interested in taking the grant-writing course. Tilynn states that at this time she does not feel that it would be something she could accommodate. Rhonda inquires if Kellen feels that she would be able to accommodate the grant-writing course with her operator training. Kellen states that because the grant-writing course is online she feels comfortable continuing her operator training as well as taking the grant-writing course. Andrew makes a motion to approve Kellen Roberson to register for the Grant & Proposal Writing course as presented and the Districts will pay for the course fees. Pat seconds the motion. All in favor; Pat, Andrew, & Joe. Rhonda abstains due to conflict of interest.

Meeting Review & Upcoming Agenda Items:

- Backflow prevention amendment
- Christmas Bonus
- Rate Increase
- Meter Cost Analysis
- Property line definition
- Randy Baird Easement

Set a Date for the next Board Meeting: By consensus, the next Board meeting will be Tuesday November 28, 2017 at 6:00pm.

Meeting Adjourned: Andrew declares the meeting adjourned at 7:16pm.

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BOARD MEETING MINUTES

Meeting Date: November 28, 2017

Call to Order: 6:00 p.m.

Pledge: Andrew Bushman

Prayer: Rhonda Roberson

In Attendance: Board members: Pat Pogue, Rhonda Roberson, and Andrew Bushman. Joe Zabadal arrives at 6:15pm.

Employees: Kellen Roberson, Tilynn Martineau, & Herschel Slivers.

Public: Colton Bushman and Yvette De Jesus.

Call to Public: Yvette De Jesus states that she has had continuous sewer issues at her home. JCU has come and snaked the lines and it would help but only for a short time. Yvette states that JCU told her that they believe that the issue is on her side of the service line since snaking our lines doesn't seem to resolve the issue. Yvette states that she finally called out a plumber with a camera and locator and found that the issue is on the outside of her fence. The plumber marked the problem area, which showed roots in the sewer line. Kellen states that the field operators have been investigating this issue but because it is outside of her fence line between her home and the MARC community building we are unsure of whose responsibility it is to repair the line. Rhonda inquires what Yvette would like to see happen, besides having the line repaired. Yvette states that if the problem is on JCU's line that she would like to be reimbursed for the cost of the plumber. Andrew states that if the issue is not within the easement

that JCU is not allowed to work on the line. Yvette states that she just wants to see the line repaired properly so that she no longer has sewage backing up into her home and yard. Rhonda states that the only item that needs to be addressed by the Board is the reimbursement for the plumber and the staff can take care of the rest of the situation. Andrew replies yes, but he does not feel comfortable tearing down someone's fence and then having to repair that also even though the problem technically was not ours to fix. Yvette states that she has no problem with JCU removing the fence she just wants the problem resolved. Kellen states that she will continue to investigate the problem, location, and property lines to resolve the problem. If it is determined that the issue falls under JCU's jurisdiction then we will repair the line as soon as possible, if we determine that this is the homeowner's responsibility we will notify her immediately. Yvette de Jesus' reimbursement will be placed on the agenda for the December meeting.

Acceptance of Last Meeting Minutes: Kellen states that there was an error in the minutes, that Rhonda had abstained from a vote and the correction has been made on the final draft. Pat makes a motion to accept the meeting minutes from October 24, 2017 as amended. All in favor; Joe, Pat, Andrew, & Rhonda.

Field Operator Report: Kellen states that it has been a hectic but productive month. The field operators were able to complete meter reads in only 3 days which allowed them to get 6 smart meters installed before things got bad. We have had 3 water leaks on 2" watermains. The first leak was on the Frontage Rd near Milford Rogers house, second at Cholla Trailer Park, and the third was in front of Brent Young's shop on Porter Ave. All the leaks were simple fixes and have been properly repaired. Andrew believes that we are not compacting our ditches properly and therefore overtime as the ground settles the pressure is cracking those small fittings. He continues stating that this is the same issue we faced over on Rusty Ave. Joe inquires if there is a backfill order that the field operators follow. Andrew states that in the past they have just used the dirt that was removed along with having wash sand hauled in if needed but no compaction procedure. Kellen feels that we need to create a backfill procedure for the operators to be able to reference. Rhonda agrees that a written procedure needs to be created as verbal directive has not been followed in the past. Joe feels that it is impossible to write a procedure for every circumstance that you might encounter but a general oversight of the procedures to follow would be a good reference. Kellen states that the rest of her report was addressed in the call to public. Pat inquires why there are so

many open work orders for meter replacement. Kellen states that she created 20 work orders for the operators so when they had time to replace a meter they do not have to call me to get a work order for the next meter.

Office Manager Report: Tilynn states that she has been very busy completing the end of year reports and new budget for 2018. Tilynn is also working on creating a new company file in QuickBooks in order to cleanup the information and organize the chart of accounts to match the new budget. Tilynn states that she is looking into creating more savings accounts for specific items but wants to make sure that both Districts can deposit into one account. Our accountant will be assisting in the renovation of QuickBooks and the budget. The office received a call from our insurance company today regarding the Despain Ave claim, it was approved, and the insurance company will contact the claimant directly for reimbursement. Tilynn states that she canceled one operator phone line, Jim took over the second line, and we started the phone stipend.

OLD BUSINESS

Pat inquires about the purchase of the line locating equipment. Kellen states that there have been some new developments with the well and therefor felt it was better to wait on the locating equipment until after she spoke with the Board. After discussion it was determined that currently the line locating equipment will only be used for sewer therefor it is safe to move forward with the purchase, paying for it solely out of the Sanitary District.

NEW BUSINESS

Repair of Well #1/Willis Drilling: Kellen spoke with Willis Drilling today and they are ready to move forward with bailing out the well and cleaning up all the debris that we saw in the well scan. Because of the material that we believe is lodged in the well casing, the safest way to clean out the well is using a drill rig. Kellen states that because of the elasticity of the boreline hose, and the possibility that there is a pump and motor connected to it, it could be very dangerous to pull the debris with an open well head. The issue with setting the drill rig is that she will have to demolish the current well house. Kellen states that the new well house would be a portable building that anchors to the concrete pad, but can be unbolted and removed easily the next time you need full access to the well head. The estimate for the bail out is between \$5,000 and \$15,000. Pat inquires if we have the funds to move forward immediately. Tilynn states that yes we do have the funds available but that we will have to make some serious changes to recoup the expense. Kellen would like the Boards approval to move forward

with the bail out of the well and demolition of the current well house. Pat makes a motion to approve moving forward with Willis Drilling and the demolition of the well house. Andrew seconds the motion. All in favor; Pat, Andrew, Joe, and Rhonda.

Installation Price Increase: Andrew states that Kellen sat down and ran a price comparison on the installation cost of different meter sizes and sewer lines and found that we are drastically underpriced. Pat inquires what our current installation prices are. Kellen states that we are currently charging a flat rate for any meter installation of \$400. Andrew states that we are currently losing \$143.00 on a ¾" installation. Rhonda inquires how we ensure that we do not lose the cost of a road cut or other added expenses. Andrew states that these would be the base rate installation fees, installations requiring a road cut, shoring, or other expenses would be estimated and charged to the customer. Andrew makes a motion to approve the suggested installation prices. Rhonda seconds the motion. All in favor; Pat, Rhonda, Joe, & Andrew.

Uniform Policy Amendment: Rhonda make a motion to approve the Uniform Policy with the amendment that substitute uniforms be returned to the office laundered. Pat seconds the motion. All in favor; Pat, Joe, Andrew, & Rhonda.

Holiday Bonus: Pat feels that with the expenses we are facing we should not raise the holiday bonus, she also feels that it should be up to the Board to suggest the bonus amount not the employees suggesting to the Board the bonus amount. Andrew states that as the District Manager, it is Tilynn's job to suggest the holiday bonus based on what we can afford and what the employees deserve. Andrew continues stating that he has an issue with a blanket bonus amount and feels that this should be a percentage based incentive. Pat makes a motion to stay at \$200, and prorate months worked. Motion fails. Joe suggests we raise the holiday bonus to \$250.00. All Board members are happy with the current employees performance but Andrew feels that it is unfair that the dump attendant it going to receive the same bonus as the employees that are working 40 hours per week, putting there neck on the line, and making all the difficult decisions. Andrew continues stating that when it comes to taking responsibility and dealing with angry customers the dump attendant doesn't have to deal with it 99% of the time. Andrew feels that the managers should receive more because they have more on the line and probably don't sleep as well at night. Pat states that this company has put Kellen through the mill this year between working with Jim and then having Jim leave for the past 6 months, she has taken on a huge load, but doesn't feel

comfortable spending the extra money at \$450/employee. Joe makes a motion to raise the holiday bonus to \$250.00, prorated for the employees that did not work a full 12 months. Andrew seconds the motion. All in favor; Pat, Joe, & Andrew. Rhonda abstains.

Jetter Hose Purchase: Andrew states that our jetter hose is coming apart and is hazardous to use. Kellen needs to purchase a new high pressure jetter hose that will cost \$1200.00. Andrew makes a motion to approve the purchase of a new jetter hose. Pat seconds the motion. All in favor; Pat, Joe, Rhonda, & Andrew.

Rhonda makes a motion to move into executive session at 7:05pm. Pat seconds the motion. All in favor; Pat, Joe, Andrew, & Rhonda

*****EXECUTIVE SESSION*****

Reconvene to open meeting at 7:08pm.

Herschel Slivers: Rhonda makes a motion to approve Herschel Slivers as a permanent employee and raise his hourly rate to \$12.00/hour effective December 13, 2017. Joe seconds the motion. All in favor; Pat, Andrew, Rhonda, & Joe.

Meeting Review & Upcoming Agenda Items:

- Replacement Board Members
- Sewer Reimbursement
- Master Plan Draft
- Well Update

Set a Date for the next Board Meeting: By consensus, the next Board meeting will be Tuesday December 19, 2017 at 6:00pm.

Meeting Adjourned: Andrew declares the meeting adjourned at 7:57pm.

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BOARD MEETING MINUTES

Meeting Date: December 19, 2017

Call to Order: 6:02 p.m.

Pledge: Andrew Bushman

Prayer: Andrew Bushman

In Attendance: Board members: Joe Zabadal, Pat Pogue, Rhonda Roberson, and Andrew Bushman.

Employees: Kellen Roberson, Jim Graham, & LeAnn Baldwin.

Public: Rusty Despain and Tom Peterson.

Call to Public: LeAnn would like to thank the Board for the Holiday Bonus. It was greatly appreciated, and she wanted the Board to know how grateful she was.

Acceptance of Last Meeting Minutes: Pat makes a motion to approve the meeting minutes from November 28, 2017. Joe seconds the motion. All in favor; Joe, Pat, Andrew, & Rhonda.

Field Operator Report: Kellen states that we have had a large amount of complaints on 1st Ave, between Allen and Randall, about a potent smell of raw sewage. Kellen sent the field operators out to investigate the issue and found that all of the manholes on 1st backed up with paper towels and other debris that we believe is coming from Love's Truck Stop. The field operators spent 3 days cleaning the lines to ensure that the blockage was cleared and going to flow to the lagoon. Kellen states that she feels that this is an example of why we should be charging higher rates for commercial/high usage customers. Kellen

states that we started the sewer line installation at 4582 2nd North, and found that there is already a 4" line ran to the property. The only issue that we found is that the existing tap was not installed correctly, therefore we are replacing the tap and installing cleanouts at the property line and that project will be complete. Kellen states that we have been keeping an eye on the issues at 8134 S Richards, and have also investigated the lines. The lines are not very deep and have continued flow without issue. Though it is a grey area of whose responsibility the line falls under, Kellen feels that it will be best if we replace the damaged area of the line. We will be done with the 2nd North installation tomorrow and start the Richards repair right after Christmas. Kellen states that we had another sewer plug at Rachel McCormick's, the field operators were able to get the line cleared without incident, but we have had constant issues on that line and will investigate what it will take to get proper flow to that area. Andrew states that there has been a history of issues on that line and it could be the same issue that we had at Marcy Trask's home. Jim feels that it would be a good idea to excavate and repair or reroute the service line for McCormick's. Jim states that we have a line running down 1st Ave and the original Orangeburg line that runs between 1st and Main St. Jim continues stating that we have had issues with that line for the past 15 years. Andrew inquires if we have a utility easement through that area since we have a water main and a sewer main running through private property. Rhonda inquires how we can be responsible and work on our lines if they are running through private property without an easement. Joe states that we are going to have to approach the home owners to either obtain an easement from the property owners or divert them to the 1st Ave line. Kellen states that she will contact Navajo County and see if they can provide us with a map of the utility easements in Joseph City. Rhonda would like to know what the next step is to resolve the issues associated with the Orangeburg line. Kellen feels that we need to schedule a time to investigate the entire line, have a workshop to discuss what we found and brainstorm solutions, then place this on the next meeting agenda to take action on. Kellen states that even with all the sewer issues the field operators were able to install 5 smart meters and complete the meter reads in 3 days with no rereads. Kellen states that she continued working on the development of the Master Plan and Willis Drilling came and finished the installation of the new pump and motor for Well #1. We are considering options for the well house and should have the well back online in January. Pat inquires if Willis was able to get the well cleaned out. Kellen states that we did get the well cleared and were able to take the camera to the bottom of the casing, which is at 240 feet. Static water level is 18 feet and a sounding pipe was installed to enable us to check drawdown. Andrew states that the Master Plan Kellen is working on is a great

addition to this company and is a lot of work. Andrew continues, stating that what Kellen did with the Master Plan is outline the expectations of the company, the standards we are looking to meet, as well as general outline of the repairs and expansions that need to be done. Kellen states that the Master Plan will be living document that is updated annually, as we check on project off the list we add the new ones that we have discovered over the past year. Kellen hopes that this will be a good way to track our progress as well as keep the company moving forward. Kellen states that the Master Plan is in no way complete, but she felt it was important for the Board to see the progress that she is making, as well as give their input for any changes or additions that they would like to make.

Office Manager Report: Tilynn is out of the office this week so Kellen will be giving the office report. Kellen states that this month has been going very well. Tilynn has been busy working with the accountant on the new company file for QuickBooks as well as the new budget format 2018. Our accountant will be coming to the office in January to review the new company file and budget structure to ensure that we have the best format possible for the company. Kellen states that Tilynn has been working on a new chart of accounts for QuickBooks that will provide for more detailed reports and help us to easily navigate our accounts and budgets. Tilynn has reached out to the attorney multiple times without response, as soon as she has a response to the questions that were presented she will notify the Board. Tilynn's report also states that all of the employees would like to thank the Board for the Holiday Bonus. Rhonda stats that she would like Tilynn to call the attorney's office and see what is causing the delayed response.

OLD BUSINESS

No discussion of old business is necessary at this time.

NEW BUSINESS

Board Member Resignation: By consensus the Board accepts the resignation of Tim Montoya as Board Member of the Joseph City Domestic Water Improvement District and Sanitary District.

Board Member Candidate, Tom Peterson: Andrew states that Tom Peterson is interested in filling the open position on the Board. Pat makes a motion to appoint Tom Peterson to Board member of the Joseph City Domestic Water Improvement District and Sanitary District for the term ending in 2020. Rhonda

seconds the motion. All in favor; Pat, Rhonda, Andrew, & Joe. Tom Peterson recites the Oath of Office for the position of District Board Member.

8080 S Ladd, Water Leak: Rusty Despain states that he is here tonight to ask for a forgiveness of part of the water usage consumed due to a major leak on his service line. Rusty states that on December 7, Kellen called his wife stating that she suspected they had a water leak because their usage was abnormally high. After investigating the property, they located and repaired the leak. Rusty states that his water meter is located near the home of Tracy Young, which has their service line running across the Young's pasture, under an irrigation ditch, then up the hill to their homes. Rusty states that the water leak was on the Young's pasture, which usually stands covered in water most of the year, therefor did not raise awareness when it was flooded over the month of November. Rusty states that a full acre was covered in 6 inches of standing water. Kellen states that the Despain's meter registered 494,000 gallons of water. Rusty states that when Doug Pogue looked to have installed the water line to the current property, the field operator at the time refused to dig a water line down Ladd, forcing Doug to have the meter installed at the current location and running a very long service line. Rusty states that the repair was very difficult because of how saturated the ground was, he feels that this has been leaking for at least 2 months. Rusty would like the Board to forgive part of the water usage because the meter location and long service line was caused by Joseph City Utilities former employee. Tom inquires if the service line was installed by Joseph City Utilities. Pat states that no the meter was installed by JCU but the service line was installed by the homeowner. Joe inquires if there is a line that runs closer to the property, enabling JCU to move the meter and Rusty to shorten his service line. Jim states that there is a 2-inch water line that runs along the Frontage Rd. Rhonda feels that we are facing the same situation here as we are with the sewer, we need to investigate this issue further and make the necessary repairs or expansions to have these meters moved to the proper location. Rusty states that his meter is a 1 1/2-inch meter that feeds 3 homes and is charged 3 base charges. Rhonda states that the Board is in agreement that this issue needs to be further investigated and resolved but today Rusty is asking for forgiveness of part of his water usage. Andrew states that his problem with forgiving water usage when the leak was on the customers side, is the precedence that it will set for future customers. Tom inquires how there was standing water and his water bill did not change. Rhonda states that as soon as Kellen noticed the abnormal read she notified the customer. Kellen states that there was standing water on the property from a water leak on the company's lines near Milford Rogers. A 2-inch water line broke causing the

flooding on the Young's property on November 10, 2017. Pat states that then because of the water leak on our line and the saturation of the pasture that could have cause the break on the Despain's line. Joe states that because the JCU employee refused to install the meter in the proper location that left the Despain's no choice but to run a long service line. Andrew feels that we should forgive half of the water usage. Rhonda agrees and states that we should allow 3-6 months to pay off the balance with no penalty, if the office agrees. Kellen states that she has no problem giving them an extended time to pay the balance but does have a problem forgiving part of the water usage. Kellen continues asking how long are we going to pay for the sins of the past, she didn't work here, nor did Jim, and there was an entirely different Board, no ne in this room is at fault for the location of the Despain's meter. Rhonda feels that it is a little suspicious that we had a water break causing that field to flood and then immediately after that the Despain's water line, that has been in service for almost 20 years, suddenly broke. Kellen states that Rusty said himself that the Young's pasture is covered in standing water for the majority of the year how is it that since we had a leak that watered that pasture the break is JCU's fault. Kellen inquires what the Rusty found broken when he repaired the line. Rusty states that the issue was a broken tee. Initially he though the line continued but found that 2 feet past the tee the line was capped. Andrew feels that JCU is partially responsible for this issue because of the improper meter installation, therefor suggests we forgive 50% of the water usage. Rhonda makes a motion to forgive 50% of the water usage and 6 months to pay the balance without penalty. Andrew seconds the motion. Rhonda, Andrew, Joe, and Tom. Pat abstains due to conflict of interest.

8134 S Richards, Plumber Reimbursement: Andrew states that this is the request of Yvette De Jesus for reimbursement of her cost of a plumber due to the roots in her service line. Andrew states the customer feels that we are responsible for any issues that arise with her service line because in the past JCU thought it was simpler to go help the community and try and save our customers money, when the problem was not our responsibility to fix. Jim states that we still have not determined responsibility in our bylaws, is JCU responsible from the home to the mainline? Andrew states that JCU does not have the right to repair anything that is not in a utility easement, we do not have the license to work on private property. Pat inquires if we are going to pay the plumber or just repair the issue. Andrew feels that if JCU repairs the area on the service line, then the customer should pay for the plumber out of pocket. Rhonda inquires why Andrew feels that we need to compromise with the homeowner. Kellen states that the location of the issue is a grey area, as our bylaws do not specifically define what

is or isn't the customers responsibility. Pat states that if the issue is on her property then there is no reason that we should be repairing the issue. Andrew states that the problem is that JCU has been jetting this area for the customer for more than 15 years, so there for a precedence has been set. Andrew states that we can tell the customer that repairing the issue does not fall under the responsibility of JCU, but we just forgave 50% of water usage on an issue that also did not fall under the responsibility of JCU. Jim states that we have this problem all over town with sewer and water mains running through private property. Andrew requests that we place line definitions on the next meeting agenda. Pat makes a motion to have JCU repair the damaged line but we will not pay the cost of the plumber. Rhonda seconds the motion. All in favor; Pat, Joe, Rhonda, Andrew, and Tom.

Food Service Tax: Andrew states that he spoke with Kellen about this issue and we would like to assess a fee to the customers with commercial kitchens that are taxing the sewer lines more than the average household. Andrew feels that a food service or restaurant tax is a fair way for the commercial user to be charged for the excess maintenance caused by their business. Rhonda states that she thought we were going to establish a new fee based on meter size to help establish sewer charges for customers with higher usage. Andrew states that we are still going to address the large meter fee but feels that we need to address the issue of the excess grease building up in the system due to the industrial kitchens. Joe inquires if we require Love's to report how often they are having their grease trap pumped. Kellen states that she is unaware of any reporting regulations placed on the businesses in town. Jim states that that isn't even a proper grease trap at Love's, its just a mess. Joe states that standards need to be set for the truck stop to regularly pump their grease trap to avoid over flow and backups caused by their excess kitchen grease. Jim states that they have a grease trap but it was not properly plumbed. Pat inquires if we can require them to make the proper upgrades and if the requirements are not met, then we assess a penalty. Joe states that when he ran his septic business if the receipts were not turned in on time show that a restaurant had their grease traps pumped, the town shut the water off until the tank was pumped, or the invoice was provided. By consensus this issue is tabled for further investigation.

Fire Department Utility Bill: Andrew states that this is another avenue that needs to be investigated before we raise the rates of the entire town because the fire department does not currently pay a utility bill to JCU. Jim inquires if we are going to charge the park and the cemetery a utility bill also. Andrew feels that because the park and cemetery are open to the community at all times they

do not fall under the same rules and regulations as the fire department. Kellen states that she has made multiple phone calls researching this and has not found a fire department that does not pay a water bill of some kind. Andrew just wants to ensure that we are doing our due diligence to secure our revenues before we raise the rates for the rest of the community. Rusty inquires if we are planning on billing the fire department for water usage for emergency response. Kellen states that we do not plan to charge for usage, only a base bill for the department building. Rhonda inquires if the fire department charges for use of their facilities. Rusty states that we do charge for use of the facility to those patrons that have obtained the proper insurance for use of the facility but do not charge IBEW to hold union meetings. Rusty continues stating that most public entities such as JCU, 4H, and APS use the facility free of charge. Rusty states that the majority of the water usage would be during public events, and continues stating that he is unaware of a time when the fire department was charged for water or sewer. Andrew states that there was an agreement in the past that the fire department would pay JCU to maintain and exercise the fire hydrants that has since been dissolved. Rusty states that JCU gave up maintenance contract by choice because they could not keep up with the demands of the fire department. Rhonda states that the fire department is in place for the benefit of the community and inquires if the churches in town pay utility bills. Kellen states that yes, the LDS Church, Seminary building, and New Life Center all pay full service utility bills. Rhonda states that these buildings are used free of charge for the community also. Pat makes a motion to leave the fire department as is, not charging them a utility bill. Joe seconds the motion. All in favor; Andrew, Tom, Joe, Rhonda, and Pat.

Rate Increase: Kellen states that after reviewing the budget from 2017 and the potential revenue, we are no longer sustaining sufficient profit to grow our savings and capital improvements accounts. Andrew states that even the improvement to move Rusty Despain's meter could cost close to \$20,000 and with our current rates we cannot afford to make large, much needed improvements to our systems. Rhonda states that we also need to take into consideration the fact that we have some really great employees but are not going to be able to keep those employees unless we can pay them fairly. Jim inquires if we can move to his item on the agenda because he needs to get home and take his medications. Andrew states that we will come back to the rate increase after discussion of Jim Graham.

At 8:01pm the Board resumes their discussion regarding Rate Increases.

Rhonda asks Kellen if when she was calculating the rates and possible increase did gather the rates of other water and sanitary districts. Kellen states that she

did research other districts rates as well as used documents the AWWA published regarding rate setting and average rates in the state of Arizona. Joseph City came in \$18.00 under the state average for base charges plus 5,000 gallons of usage. Rhonda states that she wanted to make sure that we have the research and data to provide the customers when they question why we are changing rates. Tom inquires if we are raising rates for sewer as well. Andrew states that we can vote on any variation of rates that we feel is the best for the financial status of the company. Based on Kellen's proposal we would be raising everyone's utility bill \$10.00/month plus usage. Joe feels that if we are going to raise the rates we need to do it in smaller increments, customers will be in an uproar if we raise the bill \$10.00 all at one time. Kellen states that she agrees with smaller increases but because the Board voted to only raise rates \$1.00 in 2017, instead of the proposed \$5.00, and factoring in the major expenses this year we cannot afford another small increase. Rhonda agrees with Kellen, that because of the upgrades we need have discussed with water and sewer lines and assuming we do not have another major expense like the well, we still need more revenue. Joe agrees that we need to find a way to increase revenue, and most people will not mind a small increase, but an increase of \$10.00 could cause a major problem. Rhonda suggests a 3-month progressive increase. Tom feels like 3 months is too fast to raise rates on customers, they will still be upset. Andrew states that because of the cost of living and minimum wage increases, we must do something to increase revenue for those added cost alone. Pat inquires how we raise the rates \$10.00 and justify giving the employees a raise as well. Andrew feels that we also need to factor in meter replacement cost into base rates, because we should be charging different rates based on meter size and replacement cost. Andrew directs the office staff to place water base by meter size on the agenda next month and present a proposal on what the rates should be based on meter replacement cost. Joe that suggests that we should consider establishing a recycling program to help reduce tonnage as well has generate extra revenue. Pat states that the City of Holbrook has assessed a \$5.00 fee to all water customers to recuperate cost of a large unexpected expense. Kellen states that she found several districts that have WIFA loans and assessed a fee to recuperate the cost of the loan, and the fee remained on the bill until the debt was paid off. Pat suggest that we asses a \$5.00 WIFA fee to offset the added cost of the WIFA loan. Tom makes a motion to add a \$5.00 fee to the water rates to compensate for the cost of the WIFA tank loan, effective January 2018. Pat seconds the motion. All in favor; Rhonda, Pat, Andrew, Joe, and Tom. Rhonda makes a motion to increase all rates in the Sanitary District by 3%

effective January 2018. Joe seconds the motion. All in favor; Joe, Tom, Andrew, Pat, and Rhonda.

Cost of Living Wage Increase: By consensus the Board tables this issue until further notice.

Jim Graham: Jim states that he would like this to be discussed in open meeting. Andrew states that Jim did receive a modified work release but has not been released without restrictions. The modified work release states that Jim can work for 5-6 hours and lift up to 45 pounds. Andrew continues stating that the problem we have is that we do not have position that suits his restrictions. Pat inquires if Jim still has a feeding tube. Jim states that yes he does still have a feeding tube but he should be getting it removed in the next 2-3 weeks. Pat states that the Board had previously stated that they would not feel comfortable having Jim working in ditches or around raw sewage if he still had a feeding tube. Jim feels that his feeding tube should not be an issue with his ability to work. Jim states that he is still currently taking blood thinners. Joe inquires if the doctor is aware that Jim's job could have him working with raw sewage. Jim states that he told the doctor that he works with road cuts, water and sewer line repairs, sewer and water line installations, and this is the release he was given. Pat inquires why we have Jim's job description on the agenda. Andrew states that we need to decide if we bring Jim back what he will be working on. Rhonda states that a few meetings ago she asked whether or not Jim was a supervisor and feels that she still has not received an answer. Jim states that he has not received an answer either. Rhonda states that in her opinion that shows that no one really know what Jim's job description is. Jim states that he did not mind doing the work but he did not want to do evaluations. Andrew states that Jim refused to do the work required of a supervisor. Jim states that he was willing to do everything but employee evaluations. Rhonda says well that is like saying you did everything but show up for work, if you did not do everything that is required of a supervisor then you are not a supervisor. Pat inquires if Jim will be placed as a field operator. Andrew states that if you are not a supervisor then you are a field operator, the same as the other two employees, which means that Kellen and Tilynn are the only two supervisors. Therefor Jim would fall under the job description and duties of Field Operator, meaning that Kellen runs the show. Pat inquires if that was how it was before Jim left on medical leave, Kellen was doing the planning and the paper work, and Jim was doing the work. Rhonda states that in the industry she works in the foreman is typically at higher pay scale than the rest of the crew. Jim states that the only thing he refused to do was employee evaluations because he felt like he could not be fair in his

review at that time. Jim continues stated that when this all happened the other employee had used extreme profanities at him and the Board would not terminate him, therefor he felt his evaluation would be biased. Tom inquires why we are discussing Jim's position. Rhonda states that with Jim being gone on medical leave, there are other employees in place, so we have to decide what Jim's position will be, should he return to work. Pat states that there are no longer field supervisors, Kellen in the only supervisor. Andrew states that Kellen has taken over the management of the operations, and should Jim return it is vital that everyone know their place and position in the chain of command, to avoid future issues. Rhonda states that everyone in the room besides Joe has a long history with Jim and inquires if Joe feels like he can give an unbiased opinion on the situation. Joe states that he can give an unbiased opinion but feels like he does not know all the facts of the situation. Rhonda states that she is simply trying to help the Board make a decision that is fair and good for the company. Joe states that he when became a Board member that Jim was already out on medical leave, so in order to be fair he would like another month to learn the history of the situation, and the same goes for Tom. Jim states that all Tom know of me is based on the public relations we have had in the past and what he has witnessed him doing in the field. Andrew feels that we need to put Jim back to work soon and can revisit the terms of his employment. Pat asks Kellen if she has enough work to keep Jim and the other two field operators busy. Kellen states yes, there is plenty of work to be done, it is a matter of figuring out the logistics of 3 field operators versus two. Rhonda states that so long as everyone understands that Kellen is the boss and the project that she places them on is what they are to be working on without argument. Joe states that in a previous meeting it was discussed to have Jim assist with the mapping project, which is a project he can do on his own while the other field operators continue with the day to day operations. Joe asks Jim if he feels comfortable mapping the valves and manholes on paper then having Kellen transfer the data to the mapping software. Jim feels that we have worked well on that in the past and it would be a good start. Kellen states that there is a large amount of smaller, one-man projects that Jim can take care of. Jim inquires when they would like him to start back because he still has speech therapy sessions, but he should be close to done at the beginning of the year. Andrew feels that Kellen and Tilynn are paid to do the planning and scheduling, bring Jim back but he reports directly to Kellen for direction on what project he is working on and his availability. Rhonda inquires what Jim's hourly wage was before he left on medical leave. Kellen states that when Jim left he was at \$22.45/hour. Rhonda inquires what the pay range for field operator is because if he returns to work as a field operator his wages need to reflect that. Kellen states that the Field

Operator range is \$9.00 - \$17.00 and a Field Operations Technician is between \$12.00 - \$20.00 which was approved by the Board in August of 2016. Rhonda feels that after being out of work for the last six months, Jim isn't returning in the same physical condition as when he left, therefor should not come back at the same pay rate. Rhonda feels that because he is out of practice on the backhoe and general labor it will take some time for him to perform at the same level that he was before his medical leave. Jim states that he isn't sure what kind of work Rhonda does, but it sounds like they are trying to cut his wages by \$4.00/hour or more. Rhonda says that she does not feel that it is right for Jim to be paid above the pay scale that the company has in place for the field workers. Jim inquires if his 30 years in the field are no longer considered because he does not have a certification. Pat feels it has more to do with him no longer being a supervisor and his role in the company changing. Jim feels that after 15 years with the company now the Board is trying to take away the wage increases that he earned over that time. Rhonda explains that the 5 Board members are one unified voice, so it should not be just her asking questions and making suggestions. Tom inquires why Jim does not want to come back as a supervisor. Jim states that the supervisor position is filled by Kellen, she is the supervisor now. Pat states that Kellen is the supervisor because you refused to perform the tasks associated with being the supervisor. Jim states that he only refused to do one part of being a supervisor. Pat replies no, you refused to do the paperwork and reports, and you did not want to evaluate your employees. Andrew feels like we can bring him back on but doesn't know how we can cut his wages. Rhonda states that he is coming back under a different job classification therefor he should be paid the wages associated with that classification. His job experience and time with the company will all be considered when setting the new wage, but it will be within the range of the position he is now working at. Pat feels that we can place Jim at the top of the pay scale for Field Technician because of his valuable knowledge and experience. Jim asks if he is going to be stuck at \$20.00/hour for another 20 years before he gets a raise. Pat states that is not what she or anyone else said. Andrew states that we have rewritten the job descriptions and changed the pay scale many times according to industry standards and that just because we bring Jim back at \$20.00/hour doesn't mean that he is stuck there, or that there will not be opportunity for wage increases. Joe inquires if we need to seek legal council before proceeding. Rhonda states that because he is coming back in a different position that we are within our legal rights to change his wages. Pat states that he could not come back to his old position because Kellen is now doing that job, and we can't afford to lose her. Rhonda states that Kellen was appointed to that position before Jim left, therefor that position is no longer

available. Rhonda continues stating that if the other Board members feel that we need to seek legal counsel before we proceed that is an option, but Jim is willing to work, and this is the job that the company has available for him. Andrew makes a motion to bring Jim Graham back as a Field Technician with restrictions at \$20.00/hour, to be reviewed once a medical clearance with no restrictions is provided to the Board. Tom seconds the motion. All in favor; Pat, Rhonda, Joe, Tom, and Andrew.

Meeting Review & Upcoming Agenda Items:

- 2018 Budget
- 2018 Meeting Schedule
- Board Officers
- Food Service Tax
- Sewer and Water Mainline Definitions

Set a Date for the next Board Meeting: By consensus, the next Board meeting will be Tuesday January 23, 2018 at 6:00pm.

Meeting Adjourned: Andrew declares the meeting adjourned at 8:50pm.