

Joseph City Utilities
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BOARD MEETING MINUTES

Meeting Date: January 23, 2018

Call to Order: 5:58 p.m.

Pledge: Andrew Bushman

Prayer: Rhonda Roberson

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

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

Public: Colton Bushman.

Call to Public: N/A

Acceptance of Last Meeting Minutes: Pat makes a motion to approve the minutes from the meeting held December 19, 2017. Joe seconds the motion. All in favor; Pat, Rhonda, Andrew, Joe, & Tom

Field Operator Report: Kellen states that we have had a very busy but productive month. We have been doing routine maintenance on our sewer system. The field crew flushed all the lines around 3rd Ave and Despain. Kellen states that the field crew did find a large amount of debris and trash in the lines that could have led to another back up but luckily did not. Kellen states that we also received a low flow complaint near 3rd Ave and Trotter, the crew has been flushing and investigating the lines in that area. After discussing the situation with Jim we believe that area was installed incorrectly causing low flow due to sharp angles. Jim believes that there are 8 homes running on a single 4" line

that could also be causing the flow issues. Kellen states that she is adding this area to the Master Plan to be upgraded. Rhonda inquires where these lines are located and if we are the responsible party for the repair. Kellen states that we have adopted everything that runs in the easements and anything that spurs off of the mainline would be the property owner's responsibility. Andrew suggests that we add this area to the Master Plan to be investigated. Tom inquires if we have a lot of 4" sewer mains. Andrew states that most of this was installed in the 60's and 70's and we have adopted it into our system. Kellen states that Jim came back to work and I have put him in charge of auditing both systems. His first task was to locate all the valves in the water system and he completed that on January 18, 2018. Now that I have valve locations, sizes, and operational statuses, I have working on getting them input into the mapping software. Jim's current project is meter inspections. He is cleaning all the meter boxes, locating unknown meters, and reporting the meter sizes to ensure we have accurate information for meter replacement fees. We completed the sewer installation at 4282 2nd North. I have a parts order for the customer and am keeping in close contact with him on the status of his construction to ensure that we activate sewer billing when needed. The field crew was also able to complete the repair at 8134 S Richards and have not had an issue since the repair was completed.

Kellen states that meter installations are going great this year. We set a goal of 200 smart meters by the end 2018. The field crew installed 12 meters this month bringing us to a total of 144 meters installed.

The office has a few new procedures that we are implementing to ensure production and accountability. Everyone will be filling out a log book, including Tilynn and myself. This will allow us to better track our time per district as well as back up the hours tracked on our time cards. Kellen is working on creating new procedures and manuals to help cover the company. Rhonda inquires where we are on an inventory. Kellen states that she will be having Jim do a complete inventory once the audit is completed for the Sanitary District.

Andrew states that he recently found out that the field crew has completed the meter reads in record time the past 3 months. Andrew would like to show some form of gratitude and appreciate for the hard work the field operators are doing. Kellen states that the field crew completed meter reads in 2.5 days, which included dealing with a sewer plug and replacing a meter.

Office Manager Report: Tilynn states that this month has been pretty busy, as it has been for the past few months. A newsletter was mailed out with this month's bills notifying the customers of the rate increase and to beware of what is being placed in the compactor to help prevent further damage. The office also

included an account information update form because we found that some of our information was outdated. Tilynn states that she had informed the Board that she would be recreating the QuickBooks company files and budget but it has been difficult to schedule time with the accountant to review the files and budget, she has a meeting scheduled for next Tuesday. The accountant suggested splitting the company file into two, one for Water and one for Sewer, which will help with reports and tracking expenses.

Tilynn states that she finally received an email from the attorney regarding the bylaws and handbook. They are making revisions to both the bylaws and handbook because they are very vague. Our questions regarding medical leave will be addressed in the revisions. Rhonda inquires if he gave a timeline for when the revisions will be completed. Tilynn states that he asked if there was a deadline but she did not have a reply for him. Andrew feels that we should request a copy of what they have completed to date, send regular updates, and set a deadline. Tilynn states that she could request that they be completed before the next Board meeting. Rhonda inquires if the attorney gave Tilynn any indication of when the revisions would be completed. Tilynn states that they have completed the outline of what needed revision and had started revising the noted areas.

Tilynn states that all employees have received their W-2 and she is working on getting 1099's out next week. Tilynn received the Navajo County elections paperwork for the 3 members who are up for reelection this year, if you are interested in running. All paperwork must be filled between July 9, 2018 and August 18, 2018. Tilynn states that she has paperwork awaiting signatures if the Board members could stay for a few minutes at the conclusion of the meeting.

OLD BUSINESS

No discussion of old business is necessary at this time.

NEW BUSINESS

2018 Board Meeting Schedule: Andrew makes a motion to keep the monthly Board meetings on the 4th Tuesday of every month. Rhonda seconds the motion. All in favor; Pat, Rhonda, Andrew, Joe, & Tom

Board Officers:

Chairman – Joe makes a motion to nominate Andrew Bushman as Chairman of the Board. Tom seconds the motion. All in favor; Tom, Joe, Pat, and Rhonda. Andrew abstains.

Vice Chairman – Joe makes a motion to nominate Rhonda Roberson as Vice Chairman of the Board. Tom seconds the motion. All in favor; Tom, Joe, Pat, and Andrew. Rhonda abstains.

Clerk – Joe makes a motion to nominate Pat as Clerk of the Board. Tom seconds the motion. All in favor; Tom, Joe, Andrew, and Rhonda. Pat abstains.

Authorized Bank Signers: Andrew states that in the past the authorized check signers have been the Office Manager and the 3 Board officers. Andrew makes a motion to have Tilynn Martineau, Pat Pogue, Rhonda Roberson, and Andrew Bushman be the authorized check signers. Pat seconds the motion. All in favor; Pat, Rhonda, Andrew, Joe, & Tom.

Kellen states that Jim has requested that his item be moved up on the agenda. By consensus the Board moves the item Jim Graham to be discussed next.

Jim Graham, Medical Work Release: Jim notifies the Board that he would like to discuss his status in open meeting. Jim states that since the last Board meeting he was able to have his feeding tube removed which has been a huge relief. Jim states that his next appointment with his radiologist, who signs his work release, is in April, so we will not have a new medical work release until then. He continues stating that he is feeling better than he has in a long time and that he believes being back to work is really helping. He is trying to not over exert himself and stay within the limits stated in his work release. Pat inquires if he is still going to physical therapy. Jim states that his last session is next week and then he will only have to return for a checkup in February. By consensus the Board agrees there is no action need at this time.

2018 Budget: Tilynn states that while preparing the budget, most of the expenses remained close to the same, the largest change in the budget was wages and having a third field operator. All employees were calculated at 40 hours per week and then a cushion was added for overtime, wage increases, and other unforeseen expenses in each District. Andrew states that he is having a difficult time with the status of the sewer district. After a lengthy discussion of the many ways to save money and improve the budget, by consensus, the Board tables this issue until the next meeting.

8134 S Richards, Plumber Reimbursement: The customer was unable to attend tonight's meeting therefor by consensus this item is tabled until the next meeting.

Insurance Renewal: By consensus the Board approves the renewal of the insurance policy presented by Hancock-Leavitt.

Food Service Tax: By consensus the Board requests the office staff to prepare a presentation of potential sewer usage rates for the next meeting.

Rates by Meter Size: Rhonda makes a motion to approve the meter replacement rates as presented. Pat seconds the motion. All in favor; Pat, Rhonda, Andrew, Joe, & Tom.

JCU Mainline Definitions: Andrew makes a motion to approve the JCU Mainline Definitions with the addition that any damage to the District lines will be the sole responsibility of the property owner to pay for the repairs required. Joe seconds the motion. All in favor; Pat, Rhonda, Andrew, Joe, & Tom.

Meeting Review & Upcoming Agenda Items:

- 2018 Budget
- Food Service Tax
- 8134 Richards Reimbursement
- Employee Reviews

Set a Date for the next Board Meeting: By consensus, the next Board meeting will be Tuesday February 27, 2018 at 6:00pm.

Meeting Adjourned: Andrew declares the meeting adjourned at 8:03pm.

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BOARD MEETING MINUTES

Meeting Date: February 27, 2018

Call to Order: 6:05 p.m.

Pledge: Andrew Bushman

Prayer: Rhonda Roberson

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

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

Public: Colton Bushman, Rebecca Bushman, & Yvette De Jesus.

Call to Public: N/A

Acceptance of Last Meeting Minutes: Joe makes a motion to approve the meeting minutes from January 23, 2017. Tom seconds the motion. All in favor; Joe, Pat, Andrew, Tom, & Rhonda.

Field Operator Report: Kellen reports that Well #1 is complete and back online. The well house is 95% completed, with only a few small welds to finish. All the sampling is completed for both wells and we currently do not have any issues with ADEQ. Jim completed the meter audit which allowed the office staff to assess the meter replacement fees to the appropriate accounts. Kellen states that she is hoping to have an updated map to present to the Board at the next meeting. Jim and Herschel completed a full inventory of the shop and yard, and Kellen is working to get that computerized to help keep a running inventory of supplies. We did have a water leak on Porter Ave. The brass saddle for 8200

N Porter rusted out, but we were able to get it repaired without issue. There were also several sewer plugs this month, but they we all cleared without damage to the customer's properties. Kellen has been very busy with the proposal writing course but has received full credit on all assignments to date.

Kellen and Tilynn have implemented a new weekend duty schedule with the field operators to eliminate overtime for daily inspections. As of now Herschel and Albino alternate weekends on call and will be paid 8 hours for being in call, then take the following Friday off. Jim has not been included in the weekend duty schedule but will be once we receive full clearance from his physician. This has been beneficial for the office staff as well to have a designated field operator to call and inspect issues reported over the weekend. We also implemented log books for all employees as we discussed last month. It has taken practice but we are all working hard to better track our daily activities.

Office Manager Report: Tilynn reports that our expenses were very high this month due to the renewal of our liability insurance and workman's comp policies. We were able to attach the new billing rates that were approved last month but not without issue. Our current billing software is having problems keeping up with the changes that we are implementing. We did have 2 customers shut off this month, one customer walked out on his final bill and we have not heard from the other customer at this time.

Tilynn states that she has all the required documentation for the bank to authorize check signers, if the Board could stay after the meeting a few moments to complete them.

Tilynn reports that she was able to speak with the attorney this month and notify him that we would like the bylaws completed by this meeting. He was unable to complete the updates by the meeting but notified the office that he is having his paralegal prepare the bylaw documents for his review to save the company money. The attorney did notify the office that they are extensive changes to the bylaws and depth of detail. When the documents are ready the Board can hold a special meeting, or the bylaws will be placed on the next meeting agenda.

Pat inquires about the status of the Dream Catcher RV Park. Tilynn states that the previous manager of the park has returned. The account was brought completely current and has the required \$200.00 deposit.

OLD BUSINESS

No discussion of old business is currently necessary.

NEW BUSINESS

8134 S Richards, Plumber Reimbursement: Andrew states that he has been hired by the customer and will be abstaining from this issue due to conflict of interest. Yvette feels that she should be reimbursed because if she had not hired the plumber with the camera that she would have snaked the line herself, but it wasn't her problem and then JCU still would not have know what and where the problem was. She continues stating that her brother contacted Andrew and he recommended calling a plumber with a camera to investigate the issue and if the problem was not on her property that JCU would reimburse the cost of the plumber. Rhonda states that it is her understanding that the area that was repaired by JCU is not part of the company's responsibilities based on our bylaws. Yvette states that if she had not had the camera there to snake the line then the problem would still exist and would continue backing up. Rhonda states that although the line is not physically on her property that it is still the homeowner's responsibility not JCU, and JCU repaired the line as a favor. Yvette would like to know what the utility company would have done if she had not called the plumber and found where the problem was in the line, would she just continually have sewer backing up in her yard. Rhonda states that JCU is only responsible for the mainline plus 2 feet of the customer service line, the remainder of the line is the homeowner's responsibility. Rhonda states that as a community owned utility we are required to only maintain the mainlines because the company has lost a lot of money "helping out" its neighbors when it wasn't our responsibility. Yvette feels that she should not have been told by a Board member to hire a plumber. Andrew feels that this issue is his fault and therefor he will reimburse the cost himself, as he should not have spoken on behalf of the utility. Yvette states that she will split the cost of the bill with Andrew. Rhonda feels that it is not right that Andrew pay for the cost simply because as a Board member or contractor he suggested that she seek the consult of a plumber to resolve her sewer issues. As community members that have volunteered to serve the community they should still be able to speak freely to other community members and offer advice. Yvette did not feel from the beginning that the issue was on her property or would be her responsibility. Yvette states that she felt that from the initial board meeting when she presented the issue she felt that we were going to investigate the problem and find out whose issue it was. Rhonda inquires where the problem area is in comparison to the main sewer line. Albino states the pipe that was replaced is at least 4ft from the sewer main. Kellen states the physical property has no bearing on who is responsible for the maintenance and repair of the service line, the home to which the line services determines the responsibility. We are still

investigating the easements but that does not change the fact the Joseph City Utilities is only responsible for the main sewer line plus 2 feet of the service line, the continuation of the sewer line to the home is the sole responsibility of the homeowner. Andrew and Yvette agree to split the cost of the plumber, by consensus there is no further discussion regarding this matter.

Water & Sewer Installations @ 3rd & Allen Ave: Kellen describes the installation location and general project scope. Kellen proposes that the Board approve the water and sewer tap for installation, she will continue investigating the installation factors and create an estimate for the water installation to be reviewed in the next meeting. Once the water installation is completed she will present the sewer line expansion estimate. By consensus the Board approves the water and sewer installations/line extension at 3rd and Allen Ave.

Sewer Usage Rates and Classifications: Rhonda makes a motion to accept the sewer usage rates and classifications with the removal of Government Facilities. Joe seconds the motion. All in favor; Joe, Pat, Tom, Rhonda, & Andrew.

2018 Operating Budgets: Rhonda makes a motion to accept the 2018 Operating Budgets as presented. Andrew seconds the motion. All in favor; Pat, Joe, Tom, Rhonda, & Andrew.

Employee Review Preparations: Tilynn states that last year each employee reviewed themselves and were reviewed by her, she then compiled a ranking for each employee and based her recommendations on the rankings. The Board then reviewed Tilynn and the recommendations and completed the reviewing process. Rhonda feels that Tilynn needs to make recommendations as the District Manager on all the employees as well as herself. By consensus there is no further discussion required.

Meeting Review & Upcoming Agenda Items:

- Employee Reviews
- Water and Sewer Extension
- After Hours Call Out Fee
- Bylaws
- Easement Maps

Set a Date for the next Board Meeting: By consensus, the next Board meeting will be Tuesday March 27, 2018 at 6:00pm.

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

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BOARD MEETING MINUTES

Meeting Date: March 29, 2017

Call to Order: 6:00 p.m.

Pledge: Andrew Bushman

Prayer: Becca Bushman

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

Employees: Kellen Roberson, & Tilynn Martineau.

Public: Colton Bushman, Castlin Bushman, Rebecca Bushman, & Dayton Flake.

Call to Public: N/A

Acceptance of Last Meeting Minutes: Rhonda makes a motion to approve the meeting minutes from February 27, 2018. Joe seconds the motion. All in favor; Joe, Pat, Andrew, Tom, & Rhonda.

Operations Manager Report: Kellen reports that operations have been going well this month. We had a small water leak on Randall that was easily repaired and a few minor sewer plugs. The field crew has been working on mapping the sewer lines between Richards and Hansen south of Main St. We found cast iron fitting on the sewer line that were rusted almost completely closed so the crew has replaced the fitting with PVC. The crew also found a make shift manhole that has deteriorated beyond repair, we are removing it and installing two cleanouts at that location. Kellen states that it has been a good month and we are going to keep working on these sewer lines in order to upgrade them and

locate them. Andrew inquires how the well is running. Kellen states that we have not had a single issue with the #1 well since it came back online. We did blow a fuse on the #2 well but it was a quick easy fix and it is also back online. Kellen states that we currently have 159 smart meters installed and are on track to blow past our goal of 200 by the end of the year. Kellen reports that she has been working hard on her federal grant proposal and has leads on potential grants for the smart meter project.

District Manager Report: Tilynn apologizes that we had to push the meeting this month. Tilynn states that the issues started with Munibilling notifying the office that they will not prorate the sewer usage rates and that we should stick to the billing practices that we are accustomed to. Customers were billed last month for the sewer usage but moving forward if we want to continue the prorated billing, the office staff will have to adjust the rate to all 465 accounts individually. Rhonda inquires if we are paying the company to bill for us? Tilynn states that they do not run billing on our behalf, we rent the web based software and Munibilling is not willing to make changes or upgrades to the software for individual companies. Rhonda inquires what the cost of the software is. Tilynn states that we pay roughly \$1400/year to rent the software. Tilynn states that when we first moved to this company they were smaller and very willing to help and make changes. As they have grown it has been harder and harder to get customer support, even to the point that they locked our account and we could not access the software at all. They were able to unlock the account and regain our access but it took nearly 24 hours.

Tilynn states that she had issues with her computer and by the time I.T. responded the issue had been resolved. Rhonda inquires about our tech support and computers, do we own them and do we pay for year-round computer tech support? Tilynn states that we do own the computers and call Nate Hensley's Snowflake office when we have technical issues. We do not currently pay for constant technical support and coverage. Rhonda states at this time we do not have any contract for tech support. Tilynn states that Andrew recommended a company out of Winslow for technical support because the response time from Hensley's has been so slow.

Tilynn states that Munibilling sent a liability waiver to fill out, stating that they would no longer allow the office to take credit cards and/or e-checks. They then removed the option without notice. Pat suggests that we speak to Bank of the West about accepting credit cards or look for a new billing software.

Tilynn states that the Fire Dept. donated a used work truck to the company and she will be getting the title transferred to Joseph City Domestic Water Improvement District in the coming weeks.

Tilynn reports that she spoke to the attorney about the bylaws, they were emailed the day of the last meeting just to the wrong email address. The address has been corrected so communication about this should no longer be an issue.

Tilynn states that she spoke with the accountant and he is starting on the 2017 financial documents and should have them completed for approval in the next month. Tilynn is hoping to start looking for a new accountant that is willing to be more hands on with the company. Andrew states that he does not believe that the accountant needs any specific qualifications besides being a CPA. Kellen states that she feels over the years Donald has become more reactive than proactive. Pat states that he has always been that way and has never been very helpful. Tilynn informed the accountant that she had questions regarding the new QuickBooks files and he charged \$75 for a short phone call that did not answer her questions. Tilynn states that she is still working on the new QuickBooks files and hopes transition to a new accountant when the files are completed.

OLD BUSINESS

No discussion of old business is currently necessary.

NEW BUSINESS

8179 Roberson Ave Reimbursement: Kellen states that the customer is not in attendance. Andrew makes a motion to decline the reimbursement. Joe seconds the motion. All in favor; Pat, Rhonda, Joe, & Andrew.

3rd & Allen Ave Water Line Extension: Kellen states that she has prepared a cost estimate for the full cost of the extension and broken the cost into 3 sections, JCU, Customer, and Fire Department. Pat inquires what detection tape is. Kellen states that detection tape is a reflective caution type tape that is laid about foot above the pipe to notify the operator that they are getting close to the line. We are also installing tracer wire, that when charged with an electrical current can be picked up by the locating equipment. Andrew inquires what the customer cost is based on. Kellen states that she created a cost estimate for a 2" water line extension and allocated those cost to the customer. JCU would then be paying for the upgrade to 6" waterline and installation. Andrew inquires how the customer feels about \$3000 for the waterline extension. Dayton states

that in speaking with Kellen previously \$3000 close to what she estimated. Rhonda inquires how we are going to pay for the cost of the line extension. Kellen states as a line extension it falls under a capital improvement. Andrew makes a motion to approve the extension to Dayton Flake's property for the cost of \$3000. Joe seconds the motion. All in favor; Rhonda, Pat, Joe, & Andrew.

Kellen states that Rusty Despain had talked about the fire department paying for the cost of the fire hydrant, reducing the parts cost by nearly \$3000. Andrew inquires how much we have in our capital improvements account. Tilynn states that the Water District has \$66,000 in capital improvements. Rhonda inquires if we are going to be able to create a loop in the system with this extension. Kellen states that yes eventually the 6" line will be extended again and tied into the mainline on 1st Ave. Rhonda makes a motion to approve the parts purchase for the 6" line extension. Pat seconds the motion. All in favor; Pat, Rhonda, Joe, and Andrew.

Reuse Pasture Upgrades: Andrew states that we have a great pasture that we are letting go to waste. Andrew would like to see us level and plant the pasture in order to eliminate standing water which is an ADEQ violation. Pat inquires what the cost would be to upgrade the pasture. Andrew feels that it would cost roughly \$5000 in dirt work. Andrew states that his goal is to be able to lease the pasture for livestock. Joe states that Kenny Westover laser leveled 10 acres for \$1000 for his uncle. Rhonda suggests that Joe and Andrew come up with a project plan to present. Kellen suggest creating a special committee to oversee and design the upgrades. Rhonda nominates Joe and Andrew for the Reuse Pasture Special Committee. Pat seconds the motion. All in favor; Pat, Rhonda, Joe, and Andrew.

After Hours Callout Fee: Tilynn states that this item was placed on the agenda for discussion after we received a callout at the last meeting to turn on water. The office is seeking clarification of what the Board feels should merit a fee. Andrew feels that fees should be assessed when the issue is caused by customer neglect. Joe makes a motion that if a customer requests non emergent services after hours they will be charged a \$50 call out fee. Andrew seconds the motion. All in favor; Pat, Rhonda, Joe, and Andrew.

CUSI Billing Software: Rhonda states that she reviewed the proposal packet and feels that it is very reasonable but would like the office to reach out to Nate Hensley to review the program and ensure that it is a good fit for the company. Tilynn states that her biggest selling point for CUSI is that you own the software

and they can accommodate multiple billing types. Rhonda inquires if updates are included in the purchase price. Tilynn states there is a yearly maintenance fee that upgrade software and gives access to unlimited customer service that is less than we are paying to rent software now. CUSI is also able to integrate with our website and accept credit card payments over the phone, in office, and online. Rhonda inquires if we have researched other billing software besides CUSI. Tilynn states that we have not looked into receiving quotes from other software. Rhonda requests that Tilynn talk with Nate about software options and present comparison bids next month.

Bylaw Review: Tilynn states that the bylaws thus far are the Arizona Statute regulations for open meetings and Board operations. The attorney is still working on the O&M bylaws and Employee Handbook. Pat states that we cannot afford for the attorney to change the bylaws every year. Pat does not feel we should be paying to rewrite the bylaws. Rhonda is under the impression that they bylaws needed to be rewritten because there are too many loop holes that can get the company in trouble. Tilynn states that once this is completed that we will not have to write them again. This is the first time that we have requested that he rewrite the bylaws, previously he only reviewed them. Andrew states that they attorney stated that the bylaws needed to be updated. Tilynn feels that the new version of the bylaws is better suited to cover the Board and company from potential liabilities. Andrew feels that the employee handbook is something that we need to have professionally written because of all of the new laws protecting employees. Andrew states that ADP offers services for creating Arizona legal employee handbooks. Tilynn inquires if the Board would like her to have to attorney stop the update where it is now. Kellen states that it is her understanding that he is now working on the company operations portion of the bylaws. He is reviewing and revising the amendments and operating procedures that are specific to the operations of JCU ensuring that they are legal and without loopholes. Andrew inquires if we have a total cost thus far. Tilynn states that he has not billed for the work at this time but she knows that his paralegal is preparing the documents and the attorney is reviewing them to save money. Andrew suggests that we get a quote for the completion of the project and table this issue for further review.

Meeting Review & Upcoming Agenda Items: Andrew would like the Board's permission to attend the Fire Department Board Meeting on behalf of JCU. He is looking to open the lines of communication and inform them about the mapping software, grant writing, and willingness to pay for fire hydrants. Rhonda agrees and feels that the best thing is to encourage more

communication. All members are in agreement with attending the Fire Board Meeting.

- Employee Reviews
- Billing Software
- Computer and Technology Support

Set a Date for the next Board Meeting: By consensus, the next Board meeting will be Tuesday April 24, 2018 at 6:00pm.

Meeting Adjourned: Andrew declares the meeting adjourned at 7:06pm.

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BOARD MEETING MINUTES

Meeting Date: April 24, 2018

Call to Order: 6:02 p.m.

Pledge: Andrew Bushman

Prayer: Rhonda Roberson

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

Employees: Kellen Roberson, Tilynn Martineau, Jim Graham, LeAnn Baldwin, Herschel Slivers, and Albino Quintana.

Public: Randy Miffin.

Call to Public: N/A

Acceptance of the Agenda: Kellen states that the date for the previous meeting minutes is incorrect and should be March 29, 2018. Andrew makes a motion to accept the agenda with the stated revision. Rhonda seconds the motion. All in favor; Pat, Rhonda, Andrew, Tom, & Joe.

Acceptance of Last Meeting Minutes: Rhonda makes a motion to approve the meeting minutes from March 29, 2018. Andrew seconds the motion. All in favor; Joe, Pat, Andrew, Tom, & Rhonda.

Operations Manager Report: Kellen reports that we had many complaints about the smell from the sewer pond this month. Turnover happens when the surface temperature changes quickly and is a normal occurrence for ponds. The sewer

pond has been sprayed with enzymes, we are pumping enzymes into the system round the clock, and we started pumping reuse on the 1st of April.

Kellen states that she and Andrew attended the Fire Board meeting at the beginning of the month and it went very well. The Fire Dept. is going to pay for the hydrant on the new line extension. We discussed mapping and reporting water usage and the Fire Dept. is on board with building a better relationship and more communication. Andrew states they are willing to work with us to apply for grants and future upgrade projects. Rhonda inquires if Andrew is going to attend the School Board meeting and present grant writing and the street light issues. Kellen states that the Fire Board suggested petitioning to recreate the Street Light District. Rhonda feels that recreating the District would be a good option because the County and APS are not making improvements or maintaining the lights as promised. Andrew states that there was not enough documentation to validate the Street Light District and that is why Navajo County came in and took over. Pat feels that the lack of lighting is a safety hazard. Andrew agrees and feels that with the support of the Fire Dept. and School District we have more leverage on the county to make upgrades or allow the creation of a new Street Light District.

Kellen states that her proposal writing course is coming to an end soon. The final draft of her federal proposal is due on May 6, 2018. She hopes to be reporting soon that she is a certified Grant Writer. Kellen states that there is a potential grant to apply for in July to assist with the cost of the smart meter project, which is what she prepared her federal proposal project around.

Kellen reports that on Richards near the Fire Dept. we found a collapsed Orangeburg sewer line, with multiple holes and patches. We replace 100 feet with new SDR35 and installed a cleanout heading west to meet the lines on Hansen Ave. We are also repairing a plugged fitting on the same line.

Kellen reports that we had an incident on April 14, 2018 which resulted in damaging the jetter monitor. Kellen states that this is on the agenda if they would like to discuss it then. Andrew feels that we should discuss this as the agenda item to be able to take action.

District Manager Report: Tilynn reports that things have slowed down quite a bit this month. We are still facing issues with Munibilling, but not nearly as many as before. Tilynn states that we purchased a paper folding machine this month, which will pay for its self in 3 months by decreasing the time it takes to process billing. Rhonda feels that this is a wise purchase because folding is time consuming as well as dangerous.

Tilynn states that she received engagement letters and yearend financial information from the accountant. Tilynn states that we should have the finalized 2017 financial documents from the accountant for the next Board meeting.

Tilynn spoke with the attorney and he notified her that his paralegal was finished revising the bylaws and they were on his desk for final review. Tilynn did receive a statement for the work he has done to this point, which totaled \$2300 or \$1150 per District. The final review is all the statement lacked therefor the final cost should not be much more. Tilynn states that our bylaws will now be in compliance with the Arizona Statute and without loopholes, the only revisions that will need to be made are new amendments that the Board adds and revisions to the Arizona Statutes. Rhonda states that the School Board receives revisions from the state regularly to keep the bylaws up to date and inquires if we receive similar updates. Tilynn states that we do not currently receive that information but she will look into that information. Andrew suggests reaching out to Neal Whittle of Rural Water about receiving updates and suggestions.

Tilynn states that she completed the 1st Quarter year to date report. She apologizes but she did not have time to update the format to match the budget as she had hoped. Next Quarter she will have the new format in place that will allow for easy comparison to the approved budgets.

Tilynn states that we will not be proceeding with the billing software at this time. The office staff feels that this is something that the company needs but we would like more time to investigate other companies to ensure that we are moving forward with the best fit. We would like to approach this again this fall in order to start 2019 fresh with a new software. Rhonda inquires if this will affect the use of her computer since she was having issues with it the past few months. Tilynn states that no the billing software is separate from the technological support. Tilynn states that we feel that due to the recent expenses its best if we postpone the purchase of new billing software. Pat inquires if Tilynn spoke with Bank of the West regarding credit card payments. Tilynn states that she has not but if they have a temporary solution until we find new billing software that would really help. Pat inquires what we are doing for credit card payments if our software will not process them. Tilynn states that the customer can use the customer portal to set up an online account to make a credit card payment or a one-time payment, but we cannot take credit card payments in the office. Joe inquires if we have a company cell phone because they have the square that allows you to take payments directly through your phone or computer. Randy Miffin states that the square would be the simplest method to accept credit card payments. Rhonda inquires how secure that method is. Randy

states that the banks guarantee the security and all information is encrypted going in and out of the bank.

OLD BUSINESS

No discussion of old business is currently necessary.

NEW BUSINESS

Sunstate Technology Group: Randy Miffin states that Tilynn reached out to Sunstate, as we have worked on your system before. Randy states that he can bring in all new hardware and move the operating system to a server. Currently the two computers are not networked and therefore cannot talk to each other. What Sunstate would do is come in a replace the existing computers with new ones, establish the server, backup all information saved to the server every night, and manage the environment. Managing the hardware allows the office staff 1-click access to tech support and field techs would be sent out of Taylor should that be necessary. The monthly fee is for a contracted period of time, if at the end of the contract you like what we are doing and want to continue the relationship, Sunstate would then replace all the hardware and continue the full time tech support. Randy states that with this contract should you have a failure of hardware it is fully replace by us in the negotiated contract and fully backed up in the cloud to replace the data. Pat inquires what the total cost is for these services. Tilynn states that it is a monthly fee of \$494.00. Rhonda inquires what we are currently spending for these services. Tilynn states that currently do not have any of the services Sunstate is offering. Kellen states that this contract also included firewall and virus protection. Randy states that yes this will protect your incoming and outgoing data and customer information. Tilynn states that we looked into this because the Board inquired about cloud backup and storage. We would like to go to a server based system because currently Kellen cannot access the mapping software or Neptune system from her computer, this is also how we get priority tech service. Rhonda inquires if this well help with the jetter video monitoring. Kellen states with the new monitor we will be able to transfer video via thumb drive and then insert a link on the mapping software to view the video for that specific area. Andrew inquired if we received any other bids for these services. Rhonda states that moving forward if we are spending a considerable amount of money we need to get 2 or more bids to ensure we are getting the best deal. Tilynn inquires if anyone has a suggestion of who also provides coverage in this area. Randy states that most of their competitors come out of the Phoenix area but he can send a few references for comparison bids. By consensus the Board tables this issue for further information.

Jetter Monitor: Kellen states that there was an issue on April 14, 2018 that damaged the jetter monitor. She called the manufacturer of the jetter and they sent me to MEC Equipment as they are the only sales rep for the equipment that we use. Kellen states from the reports that she received Albino was in the ditch and Jim was cleaning up the camera, and moved the truck and jetter. Albino then got out of the ditch and without checking began to drive back to the shop, assuming that Jim had put the monitor away. The monitor was not secured and fell off the trailer damaging it beyond repair. Kellen states that the quote she received is for an upgraded monitor that will burn DVD's, or download the video footage to a thumb drive or SD memory card allowing us to watch the videos in the office. Joe makes a motion to purchase the monitor as presented. Pat seconds the motion. All in favor; Pat, Rhonda, Andrew, Joe, and Tom.

Billing Software: Tabled for further information.

Employee Reviews: Kellen states that she made an error on the agenda and did not include LeAnn Baldwin on the list to be reviewed but she was notified in writing of the potential executive session. Andrew makes an emergency amendment to the agenda, adding LeAnn Baldwin to agenda item 10 A-6.

LeAnn Baldwin notifies the Board that she would like to proceed with her review in open meeting.

LeAnn Baldwin: Pat inquires who received a raise due to the state mandated minimum wage increase. Tilynn states that LeAnn is the only employee that received the mandated raise. Pat inquires what LeAnn's wages were at this time last year. Tilynn states that the only raises that LeAnn has received are state mandated raises. Kellen states that LeAnn does a great job keeping the site clean, checking every customer in, and if you are not on the list she enforces the prices that were set. Pat states that every Saturday that she has been to the dump her bins are full and she never turns a customer away. Rhonda points out that the transfer station is the only entity that made a profit in the 1st Quarter. Pat states that a midrange employee for the transfer station in Holbrook makes \$12.95/hour, and they do not perform half the work that LeAnn does. Joe states that he is always pleased when he goes to the transfer station. Pat feels that LeAnn deserves a raise. Andrew suggests that give LeAnn a raise of \$1.00/hour. Rhonda makes a motion to give LeAnn Baldwin a \$1.00/hour raise bringing her wages to \$11.50/hour. Pat seconds the motion. All in favor; Pat, Rhonda, Andrew, Joe, & Tom.

All remaining employees wish to have their review in executive session. Andrew makes a motion to move to executive session at 6:49pm.

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

By consensus the Board reconvenes to public session at 8:17pm.

Rhonda states that prior to the employee reviews the Board would like a complete wage history and job title for each employee. The Board would also like all scheduled meetings to be posted on the white board for all employees to see and send out a reminder text. Tom states that something that the Board discussed with Tilynn is having each employee track the activities that they are in charge of in the log book. For instance, if Jim is in charge of water, then when they are water projects it is his responsibility to log the activities for any employee working on the water project and the time spent working on the project. The same for sewer and shop/inventory projects. Andrew would like to have copies of the logs in the Board packets. Rhonda states that we need to be creating work orders for all projects. Rhonda feels that this will simplify and save time for Tilynn when processing payroll. Rhonda states that instead of making copies of the log books we should have them available for the Board to review during the meeting.

Andrew states that as a Board they are very satisfied with all the employees and have noted everyone has room for improvement. Tom states feels that everyone is doing a good job and moving the company in the right direction, he does not envy the position the employees are in and appreciates all the hard work everyone is doing.

Tilynn Martineau: Andrew makes a motion for Tilynn Martineau's wages to remain at \$17.95/hour. Tom seconds the motion. All in favor; Pat, Rhonda, Andrew, Joe, & Tom

Kellen Roberson: Andrew makes a motion to raise Kellen Roberson's wages to \$17.75/hour. Joe seconds the motion. All in favor; Pat, Andrew, Joe, & Tom. Rhonda abstains due to conflict of interest.

Jim Graham: Andrew makes a motion for Jim Graham's wages to remain at \$20.00/hour. Pat seconds the motion. All in favor; Pat, Rhonda, Andrew, Joe, & Tom

Albino Quintana: Andrew makes a motion to raise Albino Quintana's wages to \$13.95/hour. Tom seconds the motion. All in favor; Pat, Rhonda, Andrew, Joe, & Tom.

Herschel Slivers: Andrew makes a motion to raise Herschel Sliver's wages to \$12.50/hour. Tom seconds the motion. All in favor; Pat, Rhonda, Andrew, Joe, & Tom.

Meeting Review & Upcoming Agenda Items:

- Computer and Technology Support
- Cable One Internet
- Credit Card Payments
- Bylaw Review

Set a Date for the next Board Meeting: By consensus, the next Board meeting will be held Tuesday May 22, 2018 at 6:00pm.

Meeting Adjourned: Andrew declares the meeting adjourned at 8:37pm.

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BOARD MEETING MINUTES

Meeting Date: May 22, 2018

Call to Order: 6:00 p.m.

Pledge: Andrew Bushman

Prayer: Alan Palmer

In Attendance: Board members: Joe Zabadal, Pat Pogue, Tom Peterson and Andrew Bushman. Rhonda arrives at 6:07pm.

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

Public: Alan Palmer

Call to Public: N/A

Acceptance of the Agenda: Andrew makes a motion to accept the agenda as written. Joe seconds the motion. All in favor; Pat, Andrew, Joe, and Tom

Acceptance of Last Meeting Minutes: Pat makes a motion to accept the meeting minutes from April 24, 2018. Joe seconds the motion. All in favor; Pat, Andrew, Joe, and Tom.

Operation Manager Report: Kellen states that we have had a very good month. The line extension on 3rd is in full swing and running relatively smoothly. The installation should be completed next week. Kellen states that there have been some issues with the reuse pump but the field crew was able to get the pump and back up pump up and running. Kellen states that the other big news is that she passed the proposal writing certification course and the certificates are in

the mail. Kellen states that she has found a potential grant and is currently reviewing the RFP to ensure that it will fit with the meter replacement project.

Office Manager Report: Tilynn reports that expenses were very high last month due to a large Core & Main bill, which included meter stock and the jetter hose replacement, we also had to purchase our annual supply of chlorination tablets. The APS bill was over \$1000 less than normal due to a billing error on their part. Donald completed the Water District financial documents and submitted them to WIFA for review.

Tilynn states that she has been investigating credit card options that fit with our industry. She has been speaking with Bank of the West and should be receiving 2 quotes in the next week. Tilynn has been looking into the Square system as well, which is a single purchase stand alone operation with no monthly fees or rentals. The office has a phone meeting with a Square rep to better explain the software and ensure that it is compatible with our industry. Andrew states that we need to compare the percentages and monthly rental rates to find the best deal for us and the customer. Tilynn states that it has been difficult to find the best combination because the interest rates and cost are based on how many payments are slide, keyed in, and paid online, which our current software does not differentiate.

Andrew states that on the current version of the P&L it doesn't include the year to date making it difficult to determine if we have had a bad month, 3 months, of year. Tilynn states that she will create a new report including the year to date and 3 months P&L. Rhonda inquires about the ADP expenses on the expense report. Tilynn states that ADP is our payroll company, calculate and file all payroll taxes as well as provide direct deposit. Next Rhonda inquires about the iPage expenses. Tilynn states that iPage is our website provider and the fees listed are 2 year renewal fees for the website services. Rhonda inquires about the Mohave Environmental expenses. Tilynn states that Mohave is the sampling company that analyses all of our water and sewer samples. Rhonda inquires how often we pay for these samples as it seems very expensive. Tilynn states that sampling expenses are higher in the summer due to the biweekly reuse samples. Finally Rhonda inquires about the Safeway purchase of bottled water, she thought that the Board directed the office to stop purchasing bottled water. Tom states that he didn't interpret the discussion as directive to stop purchasing, just discussion of other potential options. Andrew states that it's a bit of both because we did state that faucet water is potable but never gave any directive to stop purchasing bottled water. Rhonda requests that the purchase of bottled water and company drinking water on the agenda for the June meeting. Rhonda inquires about the 1 time purchases like the jetter monitor and hose

being paid out of capital improvements instead of the operations accounts. Andrew states that they should be capital purchases and depreciated out over the next 5 – 10 years. Tilynn states that it was established that the checking accounts we to remain at a certain amount throughout the month, and this report is used to reimburse the accounts accordingly. Andrew feels that the way that the report is currently written while the large purchases are listed under capital improvements, it is still being subtracted from the monthly revenue and counted as a loss. Andrew is just trying to understand the way that the reports are compiled and bills are paid.

OLD BUSINESS

No discussion of old business is necessary at this time.

NEW BUSINESS

Reuse Pasture: Andrew states that he received a phone call from Alan Palmer regarding the grazing rights to the reuse pasture. Alan Palmer states that he would like to first off thank the Board for all the work that they do behind the scenes to continually improve the community. Alan states for many years he has placed his goats in the sewer pond to keep the weeds down for our compliance purposes and reduce feed cost for himself. Last week while watering the goats Alan states that he realized that there is quite a bit of feed going to waste on the reuse pasture. Alan feels that the fence would take minimal repair to keep horses on the pasture and proposes that he will continue to make minor repairs to the property in exchange for the right to graze his horses on the pasture through the summer months. Alan feels that the horses will help knock down the large weeds and dried grass and mow down the overgrown grasses and weeds, allowing the Board and employees to see what the earth looks like underneath and start planning for long term larger improvement projects. Jim feels that it is a good idea to graze the pasture down in order to improve on it. Rhonda inquires how long Alan would like to keep his horses on the reuse pasture. Alan states he would like to run them on the pasture until the end of 2018 and revisit the issue in the Spring of 2019 after the Board has had time to investigate the necessary upgrades. Joe inquires if this will cause any issues with in the community if the Board approves Alan's request to graze his horses. All Board members agree that there should not be an issue allowing Alan to graze horses as he has grazed goats on the sewer pond for 10 years without question. Jim states that at one time the reuse pasture was well maintained with substantial amounts of feed. Over the years, it has take the back burner to other projects and deteriorated from its once ideal

condition. Rhonda makes a motion to allow Alan Palmer to do as proposed until the end of 2018. Pat seconds the motion. All in favor; Tom, Joe, Pat, & Rhonda. Andrew abstains due to conflict of interest.

4" Trash Pump: Andrew states that the field crew has been facing issues with the reuse pump. Jim explains that there is a vacuum leak but they have been unable to get the pump apart to properly repair the pump. They were able to use a couple of imaginative techniques to get the pump working. Jim states that though the pump is working, it is not pumping to full capacity. Andrew feels that we have spent too many man hours working on the older pumps. Andrew makes a motion to purchase a new 4" trash pump. Joe seconds the motion. All in favor; Tom, Joe, Andrew, Pat, & Rhonda.

Love's Truck Stop: Joe states that he was driving past the truck stop last week while the wind was blowing and noticed the despicable amount of trash on the fence of the hill north of the truck stop. Jim states that ADEQ is the responsible authority for reporting potential environmental violations. Pat states that the only time the trash is picked up along the northern fence line is by the Boy Scouts as a service project or the county prisoner clean up crew. Joe feels that drafting a letter as the Joseph City Sanitary Board stating that we have received many complaints from the citizens of the community regarding the trash issue and that if the issue is not addressed we will be forced to turn in a complaint to ADEQ. Rhonda makes a motion to have Joe work with the office staff to draft a letter of concern to Love's Travel Stop regarding the trash issue. Andrew seconds the motion. All in favor; Tom, Joe, Andrew, Pat, & Rhonda.

Transfer Station Security: Tilynn states that this is an item we have been researching lately due to recent issues at the transfer station. Tilynn states that ideally, we would fence the entire property but due to the cost that isn't realistic at the moment, so in lieu of fencing we are looking into security cameras. Pat inquires what is missing from the transfer station. LeAnn has brought it to our attention that her grandsons bicycle was stolen, as well as the door to her office was opened and things were missing from inside the office and refrigerator. Pat inquires if we feel like they are breaking in or if they are using a key. Tilynn states that we don't know how they are breaking in, and we also do not know who has a key to the office or the main gate. Kellen states that one of the issues that we have been facing besides the minor theft is wildcat dumping. Tilynn states that in the past 6 months we have had 4 instances of wildcat dumping. Andrew and Rhonda don't feel that we should invest in property that does not belong to Joseph City Utilities. Andrew believes

that we should start with changing the locks and fix the doors for now and see if the issues continue.

Computer Technology Support Bids: Tilynn states that she received a 2nd quote for the services we are requesting. Steve Henley informed Tilynn that with the requirements of the billing software and other programs we have multiple options to establish a server based environment. The tower/server can be purchased for under \$1600.00 compared to \$2500.00 for the server alone. Steve recommends an upgraded computer tower that is also a server. Steve Henley does not charge a monthly service fee, customers are billed as needed. He is also able to work on the computers via remote access or in office as needed. Rhonda makes a motion to approve the purchase and service recommendations of Steve Henley. Andrew seconds the motion. All in favor; Joe, Tom, Andrew, and Rhonda. Pat abstains due to conflict of interest.

Employee Wage History: Tilynn states that as per the Board's request she has compiled the wage history for each employee. All the information has been placed in a binder with each wage increase, date and amount, and copies of the coordinating meeting minutes. The Board appreciates the work and time put into the creation of the binder and there is no further discussion needed at this time.

Jim Graham, Medical Release: Based on the medical release provided, Andrew makes a motion to release Jim to full duty without restrictions. Rhonda seconds the motion. All in favor; Tom, Joe, Andrew, Rhonda, & Pat.

Meeting Review & Upcoming Agenda Items:

- Wage Increase for Proposal Writing Certifications
- Continued Education Amendment
-

Set a Date for the next Board Meeting: By consensus, the next Board meeting will be Tuesday June 26, 2018 at 6:00pm.

Meeting Adjourned: Andrew declares the meeting adjourned at 7:14 pm.

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BOARD MEETING MINUTES

Meeting Date: June 26, 2018

Call to Order: 6:05 p.m.

Pledge: Andrew Bushman

Prayer: Andrew Bushman

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

Employees: Tilynn Martineau & Kellen Roberson.

Public: N/A

Call to Public: N/A

Acceptance of the Agenda: Rhonda makes a motion to accept the agenda as written. Andrew seconds the motion. All in favor; Rhonda, Andrew, Joe, and Tom.

Acceptance of Last Meeting Minutes: Joe makes a motion to accept the meeting minutes from May 22, 2018. Andrew seconds the motion. All in favor; Rhonda, Andrew, Joe, and Tom.

Operation Manager Report: Kellen reports that we have had a good month. We have completed the installation on 3rd and Allen, including the meter. Andrew states that there is still a lot of clean up that needs to take place before the project can be considered completed. Kellen states that the issue has been discussed and she is working on getting the field crew complete the cleanup

portion of the project. Andrew states that according to the Board that project is not completed and Kellen needs to inform the field crew that the Board feels that way. Kellen states that we received the final bill from Core & Main and can now create a bill for the Fire Dept. in order to be reimbursed for the fire hydrant and assembly. Kellen states that there is 600 feet remaining to install in order to complete the loop to 1st.

Kellen reports that the new reuse pump arrived and has been plumbed in. Andrew inquires if the reuse pump is pulled at the end of the season to be flushed and stored. Kellen states that she does not know if that is something that has been done in the past but it is something that she plans on implementing and has added to the annual schedule for November 1st.

Kellen states that we have a total of 171 smart meters installed, which calculates to 36% complete on the project. Kellen states that she is still working on the grant proposal but has shifted the project to large meters only because that is where the major cost will come from.

Kellen states that the field crew has been working on the manholes around Love's. There have been issues with the manholes shifting and the bases crumbling. We have added additional concrete to help support the manholes and prevent additional shifting. Kellen states that she is looking into options to resurface the manholes and have them plastic lined.

The Board directs Kellen to contact Navajo County about the manholes and valves on 3rd North that are still buried in asphalt. This is becoming a safety issue and our field crew needs to regain access to the system in these locations.

Office Manager Report: Tilynn reports that she received the Sanitary District draft financials from the accountant this morning, which is the packet that you received when you arrived. Once everyone agrees that they are complete, Tilynn can return the signed authorization to the accountant. Tilynn states that she made changes to the profit and loss report to clarify the day to day expenses vs the capital improvement expenses. Tilynn explains the new layout of the profit and loss report.

Rhonda inquires why we are still purchasing bottled water. Tilynn states that we still have to provide drinking water to all the employees and because we have not come up with another solution we purchased a 2 month supply of water. Rhonda inquires if the water that comes out of the bathroom faucet is considered potable. Tilynn states that legally we are required to provide sanitary drinking water to all employees, which doesn't necessarily mean bottled or filtered simply sanitary, and drinking out of the bathroom sink is not

sanitary. Rhonda suggests that we look into a utility sink at a separate location to fill water jugs. Tom inquires about filling 5 gallon jugs on the trucks. Tilynn states that they are required to be sanitized every day. Tom inquires what the company spends on bottled water per month. Tilynn states that we average \$350 per year. Tilynn has looked into a water dispenser but we will still be filling jugs 3-4 times per month. Joe directs the office staff to look into a bulk water machine. Rhonda suggests that the office staff investigate an ice machine also. Andrew feels that these options are going to be too expensive but agrees that we should investigate other options.

Tilynn states that the new computers have been installed and networked. Matt from Core & Main was able to come in and set the metering software up so that it was compatible with the server and Kellen has access to the programs on her computer as well as Tilynn's computer. InfraMap is the only program that we are unable to move to the server because of the licensing issues, that program is staying on Kellen's computer, which is not an issue because she is the one using the program most often. Steve Henling is continuing to look into cloud based back up programs, and hopefully will have a suggestion soon as to which is the best for our needs. Tilynn states that because of the Memorial Day sale we were able to purchase the new computer and 3 monitors for less than the original quoted price.

OLD BUSINESS

No discussion of old business is necessary at this time.

NEW BUSINESS

Water Usage Rates: Andrew states that he was approached by Carolyn Rice about the cost of water rates as well as being charged for sewer usage, when the majority of her water is being sold not flushed. Rhonda inquires what water rate their account is listed at. Tilynn states that the water rate is commercial at \$1.03/1000 gallons and their usage is only 4000 gallons. Kellen states that the sewer usage is rated at \$1.25/1000 gallons, costing them \$2.50 this month. Rhonda feels that at this time they do not qualify for large quantity purchasing at this time. By consensus the Board feels that there is no need for action at this time.

Kellen Roberson, Proposal Writing Certification: Andrew states that Kellen recently received her Proposal Writing Certification, and per the bylaws it needs to be discussed if this certification warrants a raise. Kellen states that she feels

that she received the raise for this certification during employee reviews. The Board agrees that she has been compensated for the certification, by consensus there is no action needed at this time.

Meeting Review & Upcoming Agenda Items:

- In kind community assistance
- Surplus Equipment/Property Pass

Set a Date for the next Board Meeting: By consensus, the next Board meeting will be Tuesday July 31, 2018 at 6:00pm.

Meeting Adjourned: Andrew declares the meeting adjourned at 7:25 pm.

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BOARD MEETING MINUTES

Meeting Date: July 31, 2018

Call to Order: 6:01 p.m.

Pledge: Andrew Bushman

Prayer: Andrew Bushman

In Attendance: Board members: Joe Zabadal, Pat Pogue, Tom Peterson, and Andrew Bushman.

Employees: Kellen Roberson & Tilynn Martineau.

Public: Marlene Westover

Call to Public: N/A

Acceptance of the Agenda: Joe makes a motion to accept the agenda as written. Tom seconds the motion. All in favor; Pat, Andrew, Joe, & Tom.

Acceptance of Last Meeting Minutes: Andrew makes a motion to approve the meeting minutes for June 26, 2018. Joe seconds the motion. All in favor; Pat, Joe, Andrew, & Tom.

Operations Manager Report: Kellen reports that we have had really smooth month, despite the flood. The field crew was able to install 12 meters this month and address issues with meters not reading correctly on the handheld. Kellen states that there are 186 smart meters installed at this time, which has the project 38% complete.

There is quite a bit of clean up to be done at the sewer pond and reuse pasture that was caused by the flood. The road was partially washed out and the dyke surrounding the sewer pond needs to be built up where the water overflowed into the sewer pond. Kellen states that she needs to research the repair options and the estimated cost of the repairs. Andrew suggests reaching out to JD Smith and Matt Click to try and keep the work local.

Kellen states that prior to the flood she had a meeting with Jeff Hammond, in which he was praising the progress that we have made with the systems and that he feels that we are taking this company in the right direction. We are blessed with a great water source because there is arsenic to the west of us and radio-chem to the east of us that are both very expensive to treat for. He was incredibly pleased with the status of the pond and how low we had kept the levels, which in the end was a blessing because the issues caused by the flood could have been much worse. Jeff stated that he was impressed with the company's initiative and quick response to the flood. Tom inquires if we should hire out the rebuilding of the fence or have our crew restring the barbed wire. Andrew feels like we should hire out the dirt work and have the fences fixed in house. Kellen states that she will speak with the field crew and see if they are confident in their abilities to restring the barbed wire. Tom inquires what the rush is on having the fence repaired. Kellen states that because we are pumping treated sewage water the state requires us to have a livestock fence around the entire property.

District Manager Report: Tilynn reports that where the flood is concerned, Kellen and I are working with Jeff Hammond to draft a letter to ADEQ stating exactly what happened and at what times and include the pictures that were taken. Luckily there was only inlet water not overflow so we are not facing any environmental impact issues. Andrew recommends that we start looking for bids to repair the damage to the dyke and the roads in turn showing good faith effort to repair the damage caused by the flood.

Tilynn reports that our expenses were very low this month allowing the Water District to turn a large profit. The Sanitary District expenses were also low this month allowing for another large profit. Tilynn states that she made some minor changes to the Year to Date report, including adding the budgeted amount which allows the Board to see how the Districts are doing in comparison to the approved budgets. Tilynn also added the transfer station to the Sanitary District to eliminate the confusion of it being a separate entity. Tilynn will include a quarterly transfer station report in your Board packets to ensure that it is still covering its own cost. The Board is greatly appreciative for LeAnn's hard work at the transfer station.

OLD BUSINESS

No discussion of old business is currently necessary.

NEW BUSINESS

Marlene Westover, Utility Easement: Marlene states that she is looking to secure her property off of 8th North. She states that she would like to place a lock on the gate that the water company uses to access the tanks to limit the access of the property to only those who are required access. Marlene states that she is willing to purchase a lock and give the water company and Cellular One a copy of the key or combination, and that would limit the access to the property. Marlene states that she does not believe that there is an easement recorded on that property and would recommend that Joseph City Utilities look into that. Tilynn states that we do in fact have an easement through the property but it isn't where the access is currently granted. Andrew states that if he remembers correctly when the 2nd tank was being constructed, Boyd suggested that we move the road access to a different location that better served his property and the water company. Tilynn states that the only maps that she is able to find show the original easement that was recorded with the county. Joe states that the gate that Marlene is looking to lock is the access road that isn't a recorded easement. Tilynn states that on her personal property she has a utility easement and was notified by Navajo County that she was allowed to fence the property and install a gate but that the gate could not be locked. Tom states that this should be different because it isn't technically the easement but the access road to our property. Tom inquires who else would require access to the property besides Joseph City Utilities. Andrew states that people that would require access are Joseph City Utilities, Cellular One, APS, and the Fire Department. Marlene feels that APS does not need to be granted access to the property. Andrew states that because APS has a meter on the tanks that we cannot lock them out of accessing their property. Tilynn states that she agrees that we can provide locks we just need to ensure that we are in compliance with the county and other utilities. Andrew states that we will notify the other utilities of the change. Andrew directs Tilynn to order a combination lock for the access gates and have the field crew install the lock as well as order a lock for Marlene's personal use. Andrew also feels that it is very important to get the easement fixed and properly filed with the county. Marlene inquires if we will be the ones to have the property surveyed. Andrew feels that it is the responsibility of Joseph City Utilities to have the property surveyed and the easement corrected. Kellen states that this will not erase the first easement it will add a

second easement to the property. If the current easement is where the pipelines are located then we would simply be adding an access easement. Marlene inquires what purpose would there be to have a second easement added. Andrew states that the only time that the original easement would come into play is if there is a situation with the main pipelines. Andrew directs Kellen to have the field crew Blue Stake the property. Andrew would like to have a surveyor mark the existing easement and the proposed easement, as well as our crew mark the location of the pipelines on the property. Marlene states a concern about the run off culvert being blocked with weeds and the hill being slightly washed out from the rain and just wanted to bring it to our attention. Tilynn inquires if the county deals with the property owners and permission of for the easements or if we are required to take care of that. Andrew states that it is our responsibility as the utility to make the request for the new easements and have them surveyed. Tilynn states that this is a conflict of interest for her to be the person of contact on this issue because her mother and father own part of the property that we are looking into making an access easement. Andrew states that he is willing to speak with Kerri and Johnny Johnson on behalf of Joseph City Utilities regarding the second portion of the proposed easement.

Raymond Burr, Transfer Station Fees: Customer did not attend meeting, no action required at this time.

Replacement of White Chevy Pickup: The office staff feels that we are overstocked on vehicles and would like to consider selling or donating one of the older vehicles. Kellen states that our maintenance cost have increase over the past year and we looking to open the discussion to removing one of the excess vehicles. Tilynn suggests that we donate the green Dodge pickup to the fire department for Jaws of Life training or possibly the auction. Joe inquires why we do not have a diesel storage tank to keep from driving the backhoe back and forth to Love's. Kellen states that she will investigate this further and place it on the next agenda for discussion and approval. By consensus the Board agrees to donate the green Dodge pickup to the Joseph City Fire Department.

Surplus Equipment/Property Pass: Tilynn states that the office feels that it is important to create a policy regarding equipment and supply surplus. Tilynn states that we are curious how to proceed should there be a broken lawn mower on site and one of the guys wants to take it home and get it running, what is the policy for these kinds of situations. Joe inquires how you decide if more than one of the employees is interested. Kellen feels that it should be a

first come first serve policy. Pat states that years ago it was placed in the bylaws that on one outside of a Joseph City Utilities employee is to use Joseph City Utilities equipment. Andrew firmly states that we cannot use any of our equipment for anything outside of Joseph City Utilities jurisdiction and is justification for disciplinary action. Tom inquires if we still allow customers to purchase parts. Tilynn states that we do sell parts to our customer for a marked up rate from what we pay. Andrew states that there can be no gifting of company property to ANYONE because we do not own the property, it is owned by the community. Andrew suggests that any surplus should be auctioned off once a year. Andrew makes a motion that there is no equipment use, parts, or supplies that comes out of this facility that is not under the direct jurisdiction of the water or sewer system. Tom seconds the motion. Motion fails. Tilynn states that she is going to open the Joseph City Utilities Facebook page and we could use that as a source to post items for auction. Joe agrees but feels that items also need to be approved by the Board prior to being placed up for auction so the decision falls on the Board not the staff.

In Kind Community Assistance: Andrew states that this was brought to our attention after the flood caused a few questionable scenarios for the employees to deal with. Jim was upset that he was using the company equipment to snake a sewer line on the customer's private property. Joe states that we discussed this and unless it was our main line he shouldn't be doing that. Andrew states that later that day Jim used the company backhoe without authorization to remove a citizen's trailer from the wash. Joe states that once you do for one you set a precedent and you have to do it for all. It is a fine line to people believing that you are helping a neighbor to when they start taking advantage of you. Andrew would like the office to notify the field crew that the only area that is to be worked during a sewer plug is manhole to manhole, we are no longer permitted to work on private property and customer service lines.

Meeting Review & Upcoming Agenda Items:

- Tank Cleaning and Inspections
- Diesel Storage Tank

Set a Date for the next Board Meeting: By consensus, the next Board meeting will be held Tuesday August 28, 2018 at 6:00pm.

Meeting Adjourned: Andrew declares the meeting adjourned at 7:55pm.

Joseph City Utilities
Po Box 147
4504 1st North Joseph City, AZ 86032
Phone: (928)288-3455
Fax: (844)257-0248
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BOARD MEETING MINUTES

Meeting Date: September 25, 2018

Call to Order: 6:00 p.m.

Pledge: Andrew Bushman

Prayer: Rhonda Roberson

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

Employees: Kellen Roberson & Tilynn Martineau.

Public: Wayne Christensen & Rachelle Hansen

Call to Public: N/A

Acceptance of the Agenda: Andrew Bushman makes a motion to accept the agenda as written. Rhonda Roberson seconds the motion. All in favor; Andrew Bushman, Joe Zabadal, Rhonda Roberson, & Tom Peterson.

Acceptance of Last Meeting Minutes: Tom Peterson makes a motion to approve the meeting minutes for August 28, 2018. Joe Zabadal seconds the motion. All in favor; Joe Zabadal, Andrew Bushman, Rhonda Roberson, & Tom Peterson.

Operations Manager Report: Kellen Roberson reports that she has been working very closely with Catrina Jenkins from Navajo County completing the notice of intent for the backup generator grant. Kellen states that we are applying for grants through multiple agencies to raise our chances for selection. Catrina submitted one of the NOI's on September 24, 2018 and will send out the

remaining NOI's on October 8, 2018. Kellen explains that with some federal agencies they require an NOI to narrow down the applicant group, if our NOI is accepted then we move on to the full proposal and application process. Kellen states that she signed the letter of commitment on behalf of JCDWID stating that we are aware of the required 25% matching funds.

Kellen reports that we had a few water leaks this weekend and an issue with one of the field operators not notifying the office that he was leaving town on his weekend on call. Kellen states that she was available to help Jim make the needed repairs to the two leaking areas. There has been a verbal coaching regarding the abandonment of duties with the employee, which Andrew Bushman was present for. The employee did receive a letter in their file and we feel that the issue has been resolved.

Kellen states that she did have a line on a used diesel fuel tank but unfortunately it was sold before she could make a deal. Kellen reports that she will continue looking for a diesel tank and hopes to find a used one, decreasing the cost.

Kellen reports that she did complete the ADEQ letter of compliance and all the required corrections. The O&M manual is coming along and includes the owner's manual for the reuse pump, APP permit, all significant location and contact information and basic procedures. Kellen states that she has been reviewing the APP and has brought sampling procedure, bail out procedures, and exceedence limits to the forefront of the O&M

District Manager Report:

OLD BUSINESS

No discussion of old business is currently necessary.

NEW BUSINESS

Water Line near Wayne Christensen's:

Tanner Park Maintenance Agreement:

Joseph City Cemetery Maintenance Agreement:

Parks & Recreation District:

Board Member Candidate; Laura Brooks:

ADEQ Letter of Compliance:

Water & Sanitary Bylaw Revision:

Emergency Response Plan:

Meeting Review & Upcoming Agenda Items:

- Emergency Preparedness Workshop
- ADEQ Letter of Compliance
- Park & Cemetery Line adoption
- Bylaw Revision

Set a Date for the next Board Meeting: By consensus, the next Board meeting will be held Tuesday September 25, 2018 at 6:00pm.

Meeting Adjourned: Andrew declares the meeting adjourned at 7:25pm.

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SPECIAL BOARD MEETING MINUTES

Meeting Date: August 7, 2018

Call to Order: 6:00 p.m.

Pledge: Andrew Bushman

Prayer: Rhonda Roberson

In Attendance: Board members: Joe Zabadal, Rhonda Roberson, Tom Peterson, Pat Pogue, & Andrew Bushman.

Employees: Tilynn Martineau, LeAnn Baldwin, Albino Quintana, Herschel Slivers, & Kellen Roberson.

Public: N/A

Call to Public: N/A

NEW BUSINESS

Pat inquires if the employees know why they are at the meeting. Rhonda states that they will be spoken to in executive session. Rhonda states that they feel as though they need the facts cleared up because as a Board they are liable for everything that the employees do. Andrew inquires if any of the employees would like keep their discussions public. With no response, Andrew asks for a motion to go into executive session.

Joe makes a motion to move into executive session at 6:05pm. Tom seconds the motion. All in favor; Joe, Tom, Andrew, Rhonda, & Pat.

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

By consensus the Board reconvenes to open meeting at 7:15pm.

Employee Leave: Andrew states that this item requires no action at this time.

Unauthorized use of District Equipment and Materials: Rhonda states that she would like a written notice put together and reviewed by the Board stating that from this point on no District employees are not to use or work on anything outside of District authorization while on company time. Specifically employees are not to work on a sewer line outside of manhole to manhole. Andrew states that any actions disobeying this order can result in disciplinary action up to and including termination.

Rhonda states that this meeting was called because of instances brought to our attention by community members that company equipment was being used for non-company business. Rhonda states that the Board feels as if the employees have been warned about this and that is why they want a written and signed letter notifying each employee of the policy and potential repercussions of breaking policy. Rhonda states that if any employee gets injured or damages customer property the five Board members are liable for their actions. Rhonda continues stating that while this is the employee's job, Board members volunteer for this position and have more to lose than the employees. Rhonda states that she is very proud of all six of the Districts employees, and feels that they are all hard working good people, we as a Board just have to clarify that everyone has to follow the rules, including the Board. Rhonda states that she felt like everyone was aware of the rules but there have been a few instances in the past few weeks that the Board felt shouldn't have happened and needed to be addressed in person, this meeting was giving all the employees the benefit of the doubt. Kellen inquires that if the Board was notified of multiple situations in the past few weeks, why wasn't the office notified of these situations to have time to address the situation and reprimand if necessary. Pat and Joe state that they were unaware of the situations. Andrew states that most of this was addressed in the last Board meeting because it occurred during the flood. Kellen states that if this is regarding the actions taken during the flood it was discussed and addressed in the last Board meeting. Rhonda asks Kellen point blank if I knew that the District's backhoe was used to remove a citizen's trailer from the wash after the flood. Kellen states that yes she was informed of this after it happened. Rhonda inquires if there was a reprimand made. Kellen states that no there wasn't because there was no policy in place and in fact this

was discussed in the last meeting and clarified what the Board expects. Kellen states that she is unaware of a situation since that regarding the same issues. Tilynn states that we had a Board meeting one week ago today, in which we discussed the flood and the actions taken at that time. Tilynn states that the Board clarified that there are no exceptions to the rules and the office is unaware of any violations since the last Board meeting. Kellen states that we discussed these actions being unacceptable and what we could do to make sure that this did not happen again, so when a special meeting was called to discuss the same things she assumed that there was inappropriate actions taken without her knowledge in the past week that sparked a new conversation. Rhonda asks Andrew to explain the situation that he witnessed on Friday. Andrew states that on Friday afternoon he witnessed the company backhoe being used to haul non-company property off of the reuse property. Andrew was under the impression that all non-company property had been removed from the site and it caused him to second guess the employees understanding of the policies. Tilynn states that she understands that he saw a situation that he felt was inappropriate but the office felt that they were directed at the last meeting to start cleaning up the reuse facility and the debris from the flood. Tilynn continues stating that she and Kellen were both out of town until yesterday and came home to the Board in an uproar without having discussed the situation with either of them to know what the field crew was instructed to do. Rhonda states that the office had 2 days to deal with the field crew and then they were caught doing something they shouldn't have been doing on Friday. Kellen states that she specifically directed the field crew to dispose of the drag. Rhonda states that while you two were gone someone's personal property was being loaded with the company backhoe again. Kellen states that the field crew was specifically directed to dispose of the wooden drag and remove it from company property. Rhonda inquires if the drag was the only thing that was loaded on to the citizen's trailer. Andrew states that is the only thing that he saw loaded. Andrew feels that they were told that all personal property was removed then they found out it wasn't. Kellen states that she completely understands and was under the same impression but when she found that there was still one piece of private property on the reuse site she directed it to be taken care of and now is being scolded for the way that she directed it to be removed. Joe states that it is a fine line, if it is on our property and needs to be loaded you take on a larger liability using someone else's machinery on our property, so in this instance I believe that the office and the field crew made the right decision. Joe inquires if we mentioned specific names previously and that is why he isn't clear on what we are talking about. Kellen states that these situations were spoken of very generically as to not violate

open meeting laws. Rhonda states that she was notified on Monday of the snake being used on private property. Tilynn states that that specific situation was discussed in the previous meeting and that we as the office staff we directed to make sure that the field understood the definitions of JCU jurisdiction. Kellen states that in the moment we did not feel that that situation fell under the same category as a citizen calling in repeat sewer plugs on their service line. The office felt that this was a natural disaster and you help your community when things like this happen. Rhonda inquires if Kellen realized that if any person property had been damaged or one of the employees had been injured that the Board is liable. Kellen states that she is not saying that the action taken was correct, she is stating that it was a situation that we have never encountered and handled the best we knew how. Kellen feels that this is all a learning curve and with no specific procedures in place we are all just doing the best that we can and adjusting as the Board makes decisions. Pat feels that it was an emergency and we all have to help when and where we can. Rhonda states that she feels that we as a Board are in remiss because we give directions and then do not follow up to ensure that it was done to expectations as with the personal property at the reuse. She was under the impression that they were told it was completed. Kellen states that she was also under that impression and had reported to the Board that this was complete but then found out that first off the drag wasn't ours and second that it didn't belong on the property. As soon as I found out these things I instructed the guys to take care of it and they did the following day. Andrew feels that we have covered everything that could be covered and that we are all on the same page. The office staff will draft a letter of understanding for all employees and a bylaw amendment regarding the use of company equipment.

Meeting Review & Upcoming Agenda Items:

N/A

Set a Date for the next Board Meeting:

N/A

Meeting Adjourned: Andrew declares the meeting adjourned at 7:30 pm.

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BOARD MEETING MINUTES

Meeting Date: September 25, 2018

Call to Order: 6:00 p.m.

Pledge: Andrew Bushman

Prayer: Rhonda Roberson

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

Employees: Kellen Roberson & Tilynn Martineau.

Public: Wayne Christensen & Rachelle Hansen

Call to Public: N/A

Acceptance of the Agenda: Andrew Bushman makes a motion to accept the agenda as written. Rhonda Roberson seconds the motion. All in favor; Andrew Bushman, Joe Zabadal, Rhonda Roberson, & Tom Peterson.

Acceptance of Last Meeting Minutes: Tom Peterson makes a motion to approve the meeting minutes for August 28, 2018. Joe Zabadal seconds the motion. All in favor; Joe Zabadal, Andrew Bushman, Rhonda Roberson, & Tom Peterson.

Operations Manager Report: Kellen Roberson reports that she has been working very closely with Catrina Jenkins from Navajo County completing the notice of intent for the backup generator grant. Kellen states that we are applying for grants through multiple agencies to raise our chances for selection. Catrina submitted one of the NOI's on September 24, 2018 and will send out the

remaining NOI's on October 8, 2018. Kellen explains that with some federal agencies they require an NOI to narrow down the applicant group, if our NOI is accepted then we move on to the full proposal and application process. Kellen states that she signed the letter of commitment on behalf of JCDWID stating that we are aware of the required 25% matching funds.

Kellen reports that we had a few water leaks this weekend and an issue with one of the field operators not notifying the office that he was leaving town on his weekend on call. Kellen states that she was available to help Jim make the needed repairs to the two leaking areas. There has been a verbal coaching regarding the abandonment of duties with the employee, which Andrew Bushman was present for. The employee did receive a letter in their file and we feel that the issue has been resolved.

Kellen states that she did have a line on a used diesel fuel tank but unfortunately it was sold before she could make a deal. Kellen reports that she will continue looking for a diesel tank and hopes to find a used one, decreasing the cost.

Kellen reports that she did complete the ADEQ letter of compliance and all the required corrections. The O&M manual is coming along and includes the owner's manual for the reuse pump, APP permit, all significant location and contact information and basic procedures. Kellen states that she has been reviewing the APP and has brought sampling procedure, bail out procedures, and exceedance limits to the forefront of the O&M manual.

District Manager Report: Tilynn Martineau reports that she was able to contact the attorney, and clarified that we are revising the operations portion of the bylaws and that he has not started working on that section. The attorney stated that if we had any questions or needed any help with the operations sections to let him know and he would be available to help. Rhonda inquires if we are paid in full with the attorney. Tilynn states that yes we are paid in full and he will be sending the office the word documents of the bylaws so we are able to make the changes ourselves and not submit them to him.

Tilynn states that she has reached out to BNSF regarding the fencing that needs replaced at the reuse field. They initially emailed right back requesting more information about the situation but she states that she hasn't heard anything since then. Tom Peterson states that BNSF will give you the material to replace the fence but will not build it for you. Tom states that he will find the contact information for BNSF and get it to the office staff.

Tilynn reports that she did reach out to a surveyor today and gave him the parcel number and information regarding the tank land and easement. He will

be looking into the easement and resetting the markers, hopefully we will know something soon.

Tilynn states that Matt Click is going to do a temporary repair on the dyke of the sewer pond to bring it back to grade on the washed out areas. The office decided that it was important to repair the washout and we can look into repairing the rest of the dyke and the reuse pasture down the road. Rhonda Roberson inquires if we are looking into grants for some of these repairs. Kellen states that she will be looking into funding for some of these projects. Tilynn states that we did receive a notice from ADEQ regarding a sanitary water inspection. Andrew Bushman states that he would like Jeff Hammond to do a full inspection of the systems prior to the ADEQ inspection so that we are doing our due diligence to ensure compliance.

Tilynn reports that the Sanitary District turned a normal profit this month but the Water District sustained a loss due to meter restock, which is reimbursed from the Capital Improvements account, otherwise water would have made a large profit this month. Andrew inquires if we have attempted piggybacking our order with a larger purchase to get the meters at a discounted price. Tilynn states that that option has not been available in the past 12 months but Lance Brown does notify us when he is placing a large order.

OLD BUSINESS

No discussion of old business is currently necessary.

NEW BUSINESS

Water Line near Wayne Christensen's: Wayne Christensen states that we have a problem and have had a problem for the past couple of years on a water line that runs behind his property. Mr. Christensen states that that line has been repair 6 times in the past 3 years. Mr. Christensen states that in the past he suggested that we cap the line because there is no one down the line past him. Mr. Christensen states that this past Friday he was out of town and the water line broke. He continues stating that he was unable to get a hold of anyone about the issue and so his brother called 911, but the leak flooded his storage shed and flooded his yard. Mr. Christensen inquires what JCU plans to do about repairing that water line. Rhonda Roberson inquires if we have verified that there are no other customers on that water line past Mr. Christensen's property. Andrew Bushman states that there are meters past his property but they are not currently active. Rhonda feels that we are unable to cap the line because there are potential water customers past the Christensen's property. Joe

Zabadal inquires what the precedence is for abandoning a water line. Kellen states that she is unaware of any bylaw or procedure in place for abandoning water lines. Tom Peterson inquires where this water line is located. Mr. Christensen states that the water line cuts north across Joe Zabadal's, then east to his fence and tees off north and south. The north line then runs behind his property and over to the old Baker place. Andrew Bushman states that he knows that in years past that the Board has approved for that water line to be replaced running down the road easement but it has never been done. Kellen states that the last time this project was approved by the Board was when a former Board member introduced a large scale investigation project into the water line under I-40 which cost the company a significant amount of money and 6 months. Since that time we have had a major leak at the wells and a major pump replacement that have pushed this project back on the priority list. Rhonda states that her concern is that we have an established service past the Christensen's property and feels that we cannot cap the line. Mr. Christensen states that he has granted permission and the water company can get the permit to move that water line into the right of way, eliminating the old black pipe lines running all around his property. Joe Zabadal suggests that the water company caps the water line until we can move the water lines to the easement. Kellen suggests that we put a shut off valve on the line and investigate that area. Once the area has been investigated we can look into rerouting the water line down the right of way in the near future. By consensus the Board agrees to install a shut off valve and investigate moving the water line to the easement.

Tanner Park Maintenance Agreement: Andrew states that this contract states that Joseph City Utilities is adopting Tanner Park water and sewer lines as our system with the exception of the sprinkler systems and toilet plumbing. Andrew Bushman and Rachelle Hansen sign the contract on behalf of Joseph City Utilities and the Chamber of Commerce.

Joseph City Cemetery Maintenance Agreement: Andrew states that we have not been able to contact Layne Miller on behalf of the cemetery but would like to approve and sign the contract. The office can then have Layne Miller sign when available. By consensus the Board agrees to the contract as written and Andrew Bushman signs on behalf of Joseph City Utilities.

Parks & Recreation District: Rachelle Hansen states that the Chamber of Commerce would like to create a Parks & Recreation District. Daniel Hutchens informed her that he had seen it done where the utility company would be in

charge of the District and access a fee to pay for utilities and insurance. Rachelle states that the Chamber of Commerce is having a difficult time sustaining the annual cost of the insurance, maintenance, and utilities. Rachelle states that she has attempted to reach out to the county but has not been able to reach anyone. Andrew states that because of the way that Joseph City Utilities is sanctioned we are unable to add another District under our governing. Andrew suggests that as a community, we need to contact the Board of Supervisors and voice our complaints about the lack of attention to Joseph City, and possibly having park funding added to the property tax. Rachelle inquires about charging for park usage, paying utility bills, etc. if the county were to tax for the park. Andrew recommends that we look into creating a Park District that has a Board and manages itself, and hopefully we can raise enough money through taxes to continue to improve the park.

Board Member Candidate; Laura Brooks: Andrew states that Laura Brooks has stated an interest in becoming a Board member. Tilynn has been researching the legality of approving a Board member before the seat is actually vacant. Tilynn states that she spoke with Navajo County and the Board can approve a new Board member prior to vacancy but their term will not begin until January 1, 2019. Laura Brooks was unable to attend the meeting today, by consensus the Board tables this issue until more candidates are available to attend.

ADEQ Letter of Compliance: Kellen states that she has created a letter on behalf of the Joseph City Sanitary District addressing the compliance violations cited at the time of inspection. This letter is to be emailed to ADEQ prior to our compliance deadline of September 27, 2018 upon Board approval. Rhonda makes a motion to approve the ADEQ Compliance letter as written. Joe seconds the motion. All in favor; Tom, Joe, Andrew, and Rhonda.

Water & Sanitary Bylaw Revision: Kellen states that this was placed on the agenda for discussion about any possible changes or additions the Board would like to make to the new bylaws, and/or schedule a workshop to discuss the new bylaws. Tilynn states that the Water and Sanitary District Bylaws are almost the same and mostly consist of Arizona Revised Statutes pertaining to open meeting laws and Board conduct. The office feels that the most important thing to focus on right now is the Employee Handbook, so that we can get copies to all employees and have the letter of understanding signed and on file. By consensus the Board schedules a workshop for October 23, 2018 at 5:00pm.

Emergency Response Plan: Kellen states that based on the information that was discussed during the workshop, the office staff will create Joseph City Utilities Emergency Preparedness and Response plan for the Board to review and approve during the October meeting.

Meeting Review & Upcoming Agenda Items:

- Emergency Preparedness Workshop
- ADEQ Letter of Compliance
- Park & Cemetery Line adoption
- Bylaw Revision

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

Meeting Adjourned: Andrew declares the meeting adjourned at 7:25pm.

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BOARD WORKSHOP SUMMARY

Meeting Date: September 25, 2018

Call to Order: 5:00 p.m.

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

Employees: Kellen Roberson & Tilynn Martineau.

NEW BUSINESS

Emergency Preparedness & Response Plan: The Board and office staff discussed the correct chain of command and expectations of the emergency response & preparedness plan. Tilynn and Kellen will be the first team members notified and in charge of notifying all Board members and team members of the situation. Kellen and Tilynn will also be responsible for calling out field operators and managing the situation as it progresses. The office staff will create a condensed version of the emergency plan used as a template to be kept in the office.

Adjournment: Andrew declares the workshop adjourned at 5:55pm.

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BOARD MEETING MINUTES

Meeting Date: October 23, 2018

Call to Order: 6:00 p.m.

Pledge: Andrew Bushman

Prayer: Rhonda Roberson

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

Employees: Kellen Roberson & Tilynn Martineau.

Public: N/A

Call to Public: N/A

Acceptance of the Agenda: Andrew Bushman makes a motion to accept the agenda as written. Rhonda Roberson seconds the motion. All in favor; Andrew Bushman, Joe Zabadal, & Rhonda Roberson.

Acceptance of Last Meeting Minutes: Joe Zabadal makes a motion to approve the meeting minutes and workshop summary for September 25, 2018. Joe Zabadal seconds the motion. All in favor; Joe Zabadal, Andrew Bushman, & Rhonda Roberson.

Operations Manager Report: Kellen Roberson reports that the isolation valve at Wayne Christensen's has been installed as requested. The field crew repaired the water leak at Bill Patterson's and replaced their meter with a smart meter while it was exposed, we poured 6 inches of pea gravel under the meter before

setting the meter boxes in place. The Patterson's old meter was still in working condition and the correct size so that was installed at the Fire Department so that we can allocate for the water used. Pat Pogue inquires if we were having issues at the fire house. Kellen states that we have had water leaks there in the past but mostly this is to help track the health of the system and account for water pumped on the annual water usage report. Kellen reports that the storage tanks are scheduled to be cleaned and inspected on Monday October 29, 2018. The Notice of Intent for the FEMA grant that we are applying for was accepted and marked as a priority project, which means that as long as our application is correct and turned in on time, we are guaranteed funding. Kellen states that she will be meeting with Catrina and Kerry from Navajo County about how we proceed and the upcoming deadlines. Kellen states that she had Yvette De Jesus' sewer tap scheduled to be replaced last week but due to the weather we have been delayed. Rhonda inquires why we are working on her sewer again. Kellen states that we found that her tap was installed incorrectly and we are replacing it and installing it correctly, hoping that will alleviate any further issues.

Kellen states that Dayton Flake would like us to investigate getting sewer to the property on 3rd & Allen. Kellen states that in order to do this installation we would have to obtain an easement through the Randall's property in order to do the line extension to Mr. Flake's property. Rhonda inquires who is responsible for obtaining the easement. Kellen states that she is unsure that is why she is bringing this issue to the Board. The Board feels that this is not a financially sound decision at this time, if would like to continue the investigation we will require a \$5000 non-refundable investigation fee.

Kellen states that she also received a call from Jim Edwards regarding sewer and water taps at 8218 Randall Ave. Kellen states that after investigation water will not be an issue but the sewer line will be a 500 foot extension from 5th Ave North. Kellen states that she will work up a cost estimate for the project.

Andrew would like the office to place Non-Refundable Planning Fee on the agenda for next month in order to buffer the cost of the planning phase of the project.

District Manager Report: Tilynn Martineau reports that our expenses were very low this month as we did not have any major supply purchases from Core and Main or Central AZ Supply. Tilynn explains the year to date and that we are currently under budget and in the black.

Tilynn states that Tom gave her the contact information for a woman named Kelly with BNSF, but she was the wrong Kelly but could put her in contact with

the correct Kelly. After attempting to reach her through email and phone calls we been unable to contact her. Joe Zabadal inquires if we have flood insurance that would cover the fencing materials that need to be replaced. Joe directs the office staff to contact the insurance company and inquire about our coverage.

OLD BUSINESS

No discussion of old business is currently necessary.

NEW BUSINESS

Marlene Westover: Marlene called and stated that she no longer needed to speak with the Board at this time.

Water Tank & Easement Survey: Tilynn states that we received the preliminary survey results and need Board directive to continue and have the paperwork filed with Navajo County. The Board directs Tilynn to have the surveyor continue with his work until the documents are finalized and filed with Navajo County. The Board directs the office to have the field crew pothole the mainline coming from the tanks to get an accurate location of the mainline.

Equipment Purchase: Kellen states that Elaine has a few pieces of equipment for sale that could be useful to the Water and Sanitary Districts. Andrew states that Elaine is selling a small dump truck and jack hammer with air compressor. Tilynn states that Andrew looked at the equipment and inquires what he thinks. Andrew doesn't feel that we should purchase anymore equipment because we are having issues taking care of the equipment we currently have. Andrew states that a few years back the Board requested that the field crew purchase a 90 pound electric jack hammer because it would take care of 90% of the work we need done. Rhonda requests that Joe investigate the equipment that Elaine has for sale and report his findings at the next Board meeting.

Tsheets Time Tracking Software: Tilynn states that the office has been investigating a software that would assist the office staff with time tracking, as well as scheduling. Tilynn states that she received an email from QuickBooks regarding this new product that streamlines payroll and scheduling. We signed up for a 2 week free trial and Tilynn was able to process payroll in 20 minutes instead of 3-4 hours. This software will allow you to create different jobs to login to and track time, a time kiosk on the desktop computer or your phone, and establish a companywide published schedule. Kellen states that Andrew uses a

similar program in his own company. Andrew states that it is very simple and saves a lot of time. Rhonda makes a motion to purchase the Tsheet software. Andrew seconds the motion. All in favor; Pat, Joe, Andrew, and Rhonda.

Emergency Response Plan: Andrew makes a motion to second the Emergency Response Plan as written. Rhonda seconds the motion. All in favor; Pat, Joe, Andrew, and Rhonda.

Water and Sanitary Bylaw Revision: Kellen states that in the workshop it was discussed that we will continue working on this item, therefor no action is required at the time. By consensus the Board tables this agenda item.

Employee Handbook: Kellen states that in the workshop it was discussed that we will continue working on this item, therefor no action is required at the time. By consensus the Board tables this agenda item.

Thanksgiving Gift Cards: Andrew states that in years past the Board has given each employee a turkey, last year in lieu of a turkey the employees each received a \$25 gift card. Pat makes a motion to give each employee a \$25 gift card for Thanksgiving. Joe seconds the motion. All in favor; Pat, Joe, Andrew, and Rhonda.

Christmas Bonus: The Board directs the office staff to create an incentive program for all employees. By consensus the Board tables this item until next month.

Meeting Review & Upcoming Agenda Items:

- Incentive Program

Set a Date for the next Board Meeting: By consensus, the next Board meeting will be held Tuesday November 27, 2018 at 6:00pm.

Meeting Adjourned: Andrew declares the meeting adjourned at 7:05pm.

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BOARD WORKSHOP SUMMARY

Meeting Date: October 23, 2018

Call to Order: 5:00 p.m.

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

Employees: Kellen Roberson & Tilynn Martineau.

NEW BUSINESS

Employee Handbook: The Board reviewed the Employee Handbook and requested the office staff to integrate the discussed changes and present them in the December Board meeting.

Water and Sanitary District Bylaws: The Board reviewed the new District Bylaws created by the attorney. Bylaws will be placed on the November agenda for approval. The operational bylaws will be reviewed and added to the new bylaws to be approved in December.

Adjournment: Andrew declares the workshop adjourned at 5:55pm.

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BOARD MEETING MINUTES

Meeting Date: November 27, 2018

Call to Order: 6:00 p.m.

Pledge: Andrew Bushman

Prayer: Andrew Bushman

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

Employees: Kellen Roberson & Tilynn Martineau.

Public: N/A

Call to Public: N/A

Acceptance of the Agenda: Rhonda Roberson makes a motion to accept the agenda as written. Pat Pogue seconds the motion. All in favor; Andrew Bushman, Joe Zabadal, Tom Peterson, & Rhonda Roberson.

Acceptance of Last Meeting Minutes: Andrew Bushman makes a motion to approve the meeting minutes and workshop summary for October 23, 2018. Rhonda Roberson seconds the motion. All in favor; Tom Peterson, Andrew Bushman, & Rhonda Roberson.

Operations Manager Report: Kellen Roberson reports

District Manager Report: Tilynn Martineau reports that our expenses were low again this month, with a high usage allowing both Districts to turn a sizeable

profit. The office staff has been working diligently to monitor expenditures each month, in turn creating larger profit margins for both Districts.

Tilynn Martineau states that we received the finalized land survey documents from the surveyor. These documents are recorded with Navajo County. The location of the water line was removed from the final documents but can be added after it is officially located.

Tilynn reports that after speaking with Monty Hancock, our insurance agent, we do not have a flood insurance policy at this time. We can add the coverage in our upcoming renewal but don't feel that it is necessary. Rhonda states that it is her understanding that it is relatively expensive to obtain flood insurance and probably would not be a benefit to the company. Tilynn states that she has still had no luck contacting BNSF in regards to the fencing materials therefor we are going to purchase the supplies and schedule our crew to repair the fencing in house.

Tilynn reports that she is working on the 2019 budgets and hopes to have them completed for approval in the December meeting. Tilynn continues stating that Christmas Day falls on the 4th Tuesday this year, so we will have to adjust our meeting schedule accordingly. Tilynn inquires if the Board would have an issue with the office closing for the week of Christmas. The Board has no issue with the office being closed for the week as long as one of the office staff is on call and the closure is posted in case of emergency.

OLD BUSINESS

No discussion of old business is currently necessary.

NEW BUSINESS

Sanitary Bylaws:

Water Bylaws:

Investigation and Project Planning Fees:

Incentive Program:

Meeting Review & Upcoming Agenda Items:

- Hydrant Meter Purchase
- Bulk Water Meter Rental Agreement

- 2019 Budget

Set a Date for the next Board Meeting: By consensus, the next Board meeting will be held Tuesday December 18, 2018 at 6:00pm.

Meeting Adjourned: Andrew declares the meeting adjourned at 7:05pm.