

Joseph City Utilities
Po Box 147
4504 1st North Joseph City, AZ 86032
Phone: (928)288-3455
josephcityutilities@gmail.com



BOARD MEETING MINUTES

Meeting Date: January 21, 2020

Call to Order: Joe Zabadal @ 6:00 p.m.

Pledge: Joe Zabadal

Prayer: Rhonda Roberson

In Attendance:

Board members: Joe Zabadal, Tom Peterson, Rusty Westover, Rhonda Roberson, and Johnny Johnson.

Employees: Kellen Roberson, Elaina Wagoner, and Amber Quiroz.

Public: N/A

Call to the Public: N/A

Acceptance of the Agenda: Tom Peterson makes a motion to accept the agenda as presented. Rusty Westover seconds the motion. All in favor; Tom Peterson, Rhonda Roberson, Rusty Westover, Johnny Johnson, and Joe Zabadal.

Acceptance of Last Meeting Minutes: Rhonda Roberson makes a motion to accept the meeting minutes as presented for the regular session held on November 19, 2019. Joe Zabadal seconds the motion. All in favor; Joe Zabadal, Tom Peterson, Rusty Westover, Johnny Johnson, and Rhonda Roberson.

District Manager Report: Kellen Roberson reports that we have been very busy with the new billing software, working on the data conversion and making all necessary account corrections. December's billing cycle was processed side by side in both software's, but January's billing will be processed solely in UMS. The UMS online customer portal will be fully operational next week for customers to register online and set up their automatic payments.

Kellen Roberson reports that we had a few minor water leaks over the past 2 months but that they were repaired in a timely manner with minimal service disruption. Kellen Roberson states that she has the field crew focusing on meter changeouts. Kellen Roberson states that she will have a full meter report and projected expenses for the Board in February.

Kellen Roberson reports that we did have a sewer back up on the Orangeburg sewer line that runs from the post office to Norma's trailer park. During the attempt to dislodge the blockage a customer claimed that she suffered from wastewater damage. This customer was notified that she was required to file the proper paperwork in a timely manner and has yet to do so. During later investigation of the sewer line the field crew discovered that there was a service tap installed improperly. The tap has been repaired and 2 cleanouts have been installed for easier access to this area.

Kellen Roberson reports that we have had to make more repairs to the backhoe, mostly minor, however Virgil Bushman notified her that the engine on our backhoe is not running properly and that he suspects that we have an injector leak. Kellen Roberson states that she will be requesting a quote to repair the backhoe but that we need to seriously begin shopping for a replacement machine.

Financial Manager Report: Elaina Wagoner states that we had profits in both the Water and Sanitary Districts for November and December. Water usages were lower for November and December, as expected in the colder months. Elaina Wagoner states that we have had lower expenses overall for the two months. Both the Water and Sanitary District continue putting money into the savings accounts. The Board directs Elaina to earmark funds for special projects and new equipment purchases.

Elaina Wagoner reports that the revenues for both districts were higher than what was budgeted amounts as were the payroll expenses. Elaina Wagoner states that higher than expected revenues (water and sanitary usage), conservative spending, and payroll management by the District Manager Kellen Roberson is large reason for profits for both Districts for the year. These factors also directly attribute to coming in under budget for the year.

Overall, the financial health of both districts continues to improve while profits are transferred into the savings accounts for future scheduled improvement projects and much needed equipment purchases.

Elaina Wagoner provided the Board with the proposed budgets for both the Water and Sanitary Districts for 2020 based on the revenues and expenses from 2019.

BUSINESS

Board Officers:

- 1. Board Chairman:** Rusty Westover makes a motion to nominate Joe Zabadal as Chairman of the Board. Tom Peterson seconds the motion. All in favor; Rusty Westover, Tom Peterson, Rhonda Roberson, and Johnny Johnson. Joe Zabadal abstains.
- 2. Board Vice President:** Joe Zabadal makes a motion to nominate Rusty Westover as vice chairman of the board. Tom Peterson seconds the motion. All in favor; Joe Zabadal, Tom Peterson, Johnny Johnson, Rhonda Roberson, and Rusty Westover
- 3. Clerk:** Joe Zabadal makes a motion to nominate Rhonda Roberson as Clerk of The Board. Tom Peterson seconds the motion. All in favor; Rhonda Roberson, Tom Peterson, Joe Zabadal, Johnny Johnson, and Rusty Westover.

Authorized Bank Signers: No action is required at this time as the Board Officers have remained the same as 2019. Current Authorized Bank Signers are Kellen Roberson, Joe Zabadal, Rusty Westover, and Rhonda Roberson.

2020 Water District Budget: Rhonda Roberson makes a motion to accept the 2020 Water District Budget with the suggested corrections. Joe Zabadal second the motion. All in favor; Tom Peterson, Rusty Westover, Joe Zabadal, Rhonda Roberson, and Johnny Johnson.

2020 Sanitary District Budget: Rhonda Roberson makes a motion to accept the 2020 Sanitary District Budget with the suggested corrections. Joe Zabadal second the motion. All in favor; Tom Peterson, Rusty Westover, Joe Zabadal, Rhonda Roberson, and Johnny Johnson.

2020 Board Meeting Schedule: Rhonda Roberson makes a motion to move the monthly board meetings to the 4th Tuesday's of every month. Tom Peterson seconds the motion. All in favor; Rhonda Roberson, Tom Peterson, Rusty Westover, Joe Zabadal and Johnny Johnson.

Meeting Review & Upcoming Agenda Items:

- Insurance Renewal
- Fire Hydrant Maintenance
- Employee Reviews
- Dump Truck Budget Proposal
- Land Lease

Set Date for Next Meeting: By consensus the next Board Meeting will be held February 25, 2020 at 6:00pm.

Meeting Adjourned: By consensus the meeting is adjourned at 7:38pm.

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BOARD MEETING MINUTES

Meeting Date: February 25, 2020

Call to Order: Joe Zabadal @ 6:01 p.m.

Pledge: Joe Zabadal

Prayer: Rhonda Roberson

In Attendance:

Board members: Joe Zabadal, Rusty Westover and Rhonda Roberson. Absent Tom Peterson and Johnny Johnson.

Employees: Kellen Roberson, Elaina Wagoner, and Amber Quiroz.

Public: N/A

Call to the Public: N/A

Acceptance of the Agenda: Rusty Westover makes a motion to accept the agenda as presented. Rhonda Roberson seconds the motion. All in favor; Rhonda Roberson, Rusty Westover and Joe Zabadal.

Acceptance of Last Meeting Minutes: Rhonda Roberson makes a motion to accept the meeting minutes as presented for the regular session held on January 21, 2020. Joe Zabadal seconds the motion. All in favor; Joe Zabadal, Rusty Westover and Rhonda Roberson.

District Manager Report: Kellen Roberson reports that all field operations are going smoothly as expected. Virgil had the backhoe for repairs, it was not the injectors like he originally thought. There was water in the fuel separator, Virgil did a complete tune up on the backhoe, changed the fuel filter, air filter and the fuel separator. He also recommends that we use a fuel additive to prevent this from happening in the future which he also added to the fuel.

Kellen Roberson reports that we are fully up and running in the new billing system CUSI. Our old billing system renewal is up at the end of the month and we will not be renewing it. We've been working on learning the new system and working out all the kinks that come along with it as well. The transition is going smoothly.

Kellen Roberson states that we have a new installation coming up on 6th, and we will be assigning a lead for this install. We installed 16 smart meters this month, were making progress with finishing the smart meter project.

Financial Manager Report: Elaina Wagoner reports that overall January was a quiet month. With the expected lower revenues, expenses were kept low by the District Manager as a result. Both districts turned a profit. A few larger expenses are to be expected in February.

Elaina Wagoner states that we had lower revenues for both the water and sanitary districts as expected for low usages months. Elaina Wagoner states that both District's paid their annually Workman's Compensation fees this month as well. The Sanitary District had lower dump transportation fees for the month of January, which is expected during the colder months.

All requested reports have been sent to the CPA in Flagstaff, for him to start the year-end financial review. The financial review is required to be sent to WIFA by the end of May, which allows for plenty of time for him to complete and return.

BUSINESS

Insurance Renewal: Rusty Westover makes a motion to approve the renewal of the insurance policies as presented. Joe Zabadal seconds the motion. All in favor; Rhonda Roberson, Rusty Westover, and Joe Zabadal.

Equipment Purchase: This item is tabled until further information is acquired.

Fire Hydrant Maintenance: Kellen Roberson presented a free fire hydrant training that is available for the field operators as well as local firefighters. The Board approves to move forward with the field operator training.

Smart Meter Project: Rhonda Roberson makes a motion to the purchase of the remaining smart meters as presented. Rusty Westover seconds. All in favor; Rhonda Roberson, Joe Zabadal and Rusty Westover.

Future Capital Improvement Project: The Board discussed potential capital improvement projects for the Water and Sanitary District's. By consensus the Board decided that the replacement of the degrading Orangeburg sewer lines is the priority for the Sanitary District, as well as upgrading the reuse pasture. By consensus the Board decided that the next major project to be planned for the Water District is the installation of the northern loop from Randall Ave to Porter Ave.

Employment Status: Kellen Roberson notified the Board that she will be leaving the company at the end of June 2020, due to her husband relocating for work.

Job Posting: The Board directs the office staff members to draft a potential posting of the job opening and responsibilities to be approved.

Meeting Review & Upcoming Agenda Items:

- Installing fence around water tanks
- Surveying property
- Land Lease

Set Date for Next Meeting: By consensus the next Board Meeting will be held March 24, 2020 at 6:00pm.

Meeting Adjourned: By consensus the meeting is adjourned at 7:05pm.

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BOARD MEETING MINUTES

Meeting Date: March 24, 2020

Call to Order: Joe Zabadal @ 6:01 p.m.

Pledge: Joe Zabadal

Prayer: Rhonda Roberson

In Attendance:

Board members: Joe Zabadal, Rusty Westover, Rhonda Roberson, and Tom Peterson.
Absent Johnny Johnson.

Employees: Kellen Roberson and Amber Quiroz.

Public: N/A

Call to the Public: N/A

Acceptance of the Agenda: Rusty Westover makes a motion to accept the agenda as presented. Tom Peterson seconds the motion. All in favor; Rhonda Roberson, Rusty Westover, Tom Peterson, and Joe Zabadal.

Acceptance of Last Meeting Minutes: Rhonda Roberson makes a motion to accept the meeting minutes as presented for the regular session held on February 25, 2020. Rusty Westover seconds the motion. All in favor; Joe Zabadal, Rusty Westover, Rhonda Roberson, and Tom Peterson.

District Manager Report: Kellen Roberson reports that all field operations are running smoothly. Customers have been using the new software and it is running smoothly as expected. Sewer usage for residential will be added and will be included on the next billing

cycle. We have two installation projects that we are starting on next week and will be implementing a project foreman for each upcoming project.

Kellen Roberson states that she will be doing employee reviews in the next few weeks to be discussed at our upcoming board meeting. We have a potential candidate who is interested in the upcoming job opening. The potential candidate will be coming next week to shadow Kellen and see if it is something they are interested in, the candidate already has a full-time job but is looking for something different and less stressful.

Financial Manager Report: Kellen Roberson is reporting on behalf of Elaina Wagoner, she has been home with her newborn baby most of the month. Kellan states that she has kept up with the finances while she was out. Elaina came in on Thursday to review everything and create a monthly report.

February was a low usage, high expense month for both districts, keeping this in mind we were able to keep our regular monthly expenses low. The sanitary district suffered a small loss, but the water district made a profit of 2,500. Our annual general liability insurance premiums were paid for both districts this month.

BUSINESS

ACH Bank Drafts: Rhonda Roberson makes a motion to approve the motion as presented. Rusty Westover seconds the motion. All in favor; Rhonda Roberson, Rusty Westover, Tom Peterson, and Joe Zabadal.

Customer Reimbursement: By consensus, the board declines the customer's request for reimbursement.

Covid-19: The office staff will come in minimum hours to process payments and other office duties; they will have customer support telephonically. Field staff is required to take their temperature before coming into work and keep a record of their temperature. If any field staff is showing symptoms they need to stay home and report to Kellen Robertson ASAP. By consensus, the Board approves the motion as presented.

Equipment Purchase: By consensus, the Board approves a backhoe purchase up to \$55,000 with transport included.

Capital Improvements: This item is tabled until further information is acquired.

Interview Committee: By consensus, the Board we will schedule interviews with 2 board member present.

Set Date for Next Meeting: By consensus, the next Board Meeting will be held April 28, 2020 at 6:00pm.

Meeting Adjourned: By consensus, the meeting is adjourned at 7:05pm.

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SPECIAL MEETING MINUTES

Meeting Date: April 28, 2020

Call to Order: Joe Zabadal @ 5:04 p.m.

In Attendance:

Board members: Joe Zabadal, Rusty Westover, Rhonda Roberson, and Tom Peterson.
Absent Johnny Johnson due to excessive work load caused by COVID-19.

Employees: Kellen Roberson.

Public: Alonna Larson, Valorie Brooks, Telena Begay, and Taylor Wilbanks.

Call to the Public: N/A

Rhonda Roberson makes a motion to move into executive session to interview the Operations/Administrative Manager candidates. Joe Zabadal seconds the motion. All in favor; Rusty Westover, Tom Peterson, Joe Zabadal, and Rhonda Roberson.

EXECUTIVE SESSION

The Board reconvenes to public session at 6:00pm.

The Board will discuss and decided on which candidate they will hire in the next meeting which will begin immediately following the adjournment of this meeting.

Meeting Adjourned: By consensus, the meeting is adjourned at 6:02pm.

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BOARD MEETING MINUTES

Meeting Date: April 28, 2020

Call to Order: Joe Zabadal @ 6:00 p.m.

Pledge: Rhonda Roberson

Prayer: Rhonda Roberson

In Attendance: Board members: Rusty Westover, Rhonda Roberson, Joe Zabadal, and Tom Peterson. Johnny Johnson is unable to attend the meeting due to excessive work load caused by COVID-19.

Employees: Kellen Roberson, Herschel Slivers, and Elaina Wagoner via Zoom meeting.

Public: N/A

Call to the Public: N/A

Acceptance of the Agenda: Rhonda Roberson makes a motion to accept the agenda as presented. Rusty Westover seconds the motion. All in favor; Tom Peterson, Rhonda Roberson, Rusty Westover, and Joe Zabadal.

Acceptance of Last Meeting Minutes: Rhonda Roberson makes a motion to accept the meeting minutes as presented for the regular session held on March 24, 2019. Joe Zabadal seconds the motion. All in favor; Joe Zabadal, Tom Peterson, Rusty Westover, and Rhonda Roberson

District Manager Report: Kellen Roberson reports that things in the field are running smoothly and we currently have no issues with ADEQ. Kellen Roberson states the reuse pasture project has been completed and we are reinstalling the irrigation ditch and we should be ready to pump next week. Employee reviews have been conducted and we will be discussing that later in the meeting.

Kellen Roberson states that she has not be able to conduct Amber's review because she has been out of the office due to COVID-19 quarantine. Kellen Roberson states that she has closed the job listing on Facebook and removed the listing in the from the newspaper.

Financial Manager Report: Elaina Wagoner states that sewer usage is billing appropriately and the profit in the Sanitary District has increased and will recoup the cost of the new backhoe very quickly. The profit and loss reports showing 2 dump transport fees this month because their billing cycle fell on the 1st and the 31st this month. We had to renew out ADEQ permit this month, that is why the sampling fees are higher than normal. Elaina Wagoner reports that the backhoe was purchased out of the water savings account and will be reimbursed 40% of the cost from the Sanitary savings account. Elaina Wagoner reports that the financial review is almost complete and will be turned into WIFA at the end of May.

BUSINESS

COVID – 19 Update: Kellen Roberson reports that nothing has changed with the Governor's stay at home order, therefor she feels that we should continue with the limited hours until the state begins to open up and the risk of exposure is reduced. Rhonda Roberson inquires if our customers have made any complaints about the limited hours and if we are able to accommodate their needs. Kellen Roberson states that we have not received any complaints and that the office feels that they are able to meet the needs of the community while keeping our employees safe. The Board directs the office staff to continue with the limited hours until the Governor reopens the rest of the state.

Notary Public: Kellen Roberson states Joseph City Utilities has always had a Notary on staff and that Amber Quiroz has expressed that she would be willing to get her Notary stamp. The Board feels that the District Manager should be the Notary on staff, therefor until a replacement is hired and trained there is no further action.

Employee Reviews: Joe Zabadal makes a motion to move into executive session to discuss employee reviews at 6:22pm. Tom Peterson seconds the motion. All in favor; Rusty Westover, Rhonda Roberson, Joe Zabadal, and Tom Peterson.

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

The Board reconvenes to public session at 6:38pm.

Rusty Westover makes a motion to advance Herschel Slivers to Operations Planner at \$15.50/hour. Tom Peterson seconds the motion. All in favor; Joe Zabadal, Rusty Westover, Tom Peterson, and Rhonda Roberson.

Joe Zabadal makes a motion to return to executive session to complete employee reviews and discuss the position of Operations/Administrative Manager. Rusty Westover seconds the motion. All in favor; Rhonda Roberson, Joe Zabadal, Tom Peterson, and Rusty Westover.

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

The Board reconvenes to public session at 7:26pm.

Rhonda Roberson makes a motion to approve all raises as follows, LeAnn Baldwin: 5%, Albino Quintana: 3%, Jim Graham: 3%, Elaina Wagoner: \$500/month, Kellen Roberson: \$2.00/hour. Tom Peterson seconds the motion. All in favor; Rusty Westover, Joe Zabadal, Tom Peterson, and Rhonda Roberson.

Operations/Administrative Manager: Joe Zabadal makes a motion to hire Taylor Wilbanks as the Operations/Administrative Manager at \$15.50/hour. Tom Peterson seconds the motion. All in favor; Joe Zabadal, Rusty Westover, Tom Peterson, and Rhonda Roberson.

Set a Date for the next Board Meeting: By consensus, the next Board meeting will be held Tuesday May 26, 2020 at 6:00pm.

Meeting Adjourned: By consensus the meeting is adjourned at 7:37pm.

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BOARD MEETING MINUTES

Meeting Date: May 26, 2020

Call to Order: Joe Zabadal @ 6:02 p.m.

Pledge: Joe Zabadal

Prayer: Rhonda Roberson

In Attendance: Board members: Rusty Westover, Rhonda Roberson, Joe Zabadal, and Tom Peterson. Johnny Johnson is unable to attend the meeting due to excessive work load caused by COVID-19.

Employees: Kellen Roberson, Taylor Wilbanks, and Elaina Wagoner

Public: N/A

Call to the Public: N/A

Acceptance of the Agenda: Rhonda Roberson makes a motion to accept the agenda as presented. Tom Peterson seconds the motion. All in favor; Tom Peterson, Rhonda Roberson, Rusty Westover, and Joe Zabadal.

Acceptance of Last Meeting Minutes: Rhonda Roberson makes a motion to accept the meeting minutes as presented for the regular session held on April 28, 2020. Rusty Westover seconds the motion. All in favor; Joe Zabadal, Tom Peterson, Rusty Westover, and Rhonda Roberson

District Manager Report: Taylor Wilbanks reports that things in the field have been busy and we currently have no issues with ADEQ. Taylor Wilbanks explains the sewer issues we have been experiencing on 3rd and Edwards, as well as Main Street, and what our plans are to fix those issues. Next, Taylor Wilbanks reports the new water and sewer installation on Fish, and soon there will be another on 4th and Edwards. We had an incident at the transfer station earlier this month, A customer tripped and fell into the concrete wall, we have not

heard from the injured party. Taylor reports that we have started pumping reuse on the pastures and so far, things are running smoothly besides minor border wall issues. Lastly, Taylor Wilbanks expressed that we would like to switch out our chlorination system to a newer, safer model. Due to the system we have being old and outdated. We are currently exploring our options.

Financial Manager Report: Elaina Wagoner Reports that since we are accurately billing for sewer usage it has added significant revenue to Sanitary. Elaina Wagoner states water usage/revenue is lower than it was in April 2019, she thinks this is because we had more rainfall in April 2020. Since the weather is getting warmer, we are seeing an increase in dump transport. Elaina Wagoner also reports that partial payment for the water financial review was paid. Elaina Wagoner reports that all transfers for the backhoe were made/deposited. Reimbursements were completed for the 1st quarter. Elaina Wagoner stated the financial review was finished by the Flagstaff CPA and the Arizona Report of Indebtedness was completed and filed.

BUSINESS

Transfer Station Upgrades: Kellen Roberson state that we need to decide on securing the older backhoe. The Board directs our staff to find the best options that are financially reasonable. The Board directs the office staff to start gathering estimates on potential dirt and concrete work at the transfer station for the next board meeting.

Company Structure: Joe Zabadal makes a motion to move into executive session to discuss the company structure at 6:52pm. Tom Peterson seconds the motion. All in favor; Rusty Westover, Rhonda Roberson, Joe Zabadal, and Tom Peterson.

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

The Board reconvenes to public session at 7:18pm.

Joe Zabadal makes a motion to keep Kellen Roberson on as a consultant for the next 6 months with pay to be determined. Tom Peterson seconds the motion. All in favor; Joe Zabadal, Rusty Westover and, Tom Peterson. Abstain: Rhonda Roberson.

Joe make a motion to restructure the company by terminating the Administrative Assistant position on June 30th. Rusty Westover seconds the motions all in favor; Tom Peterson, Rhonda Roberson, Joe Zabadal and Rusty Westover.

Bank Signers: Tom Peterson motions to remove Kellen Roberson as an authorized bank signer and add Elaina Wagoner, Joe Zabadal seconds. All in favor; Tom Peterson, Rhonda Roberson, Joe Zabadal and Rusty Westover.

Company Credit Card: By consensus Kellen Roberson will be removed and Taylor Wilbanks will be the new Credit Card holder after her 90-day probation is up on August 3, 2020.

Job Description Update: By consensus, the Board approves the updated job descriptions as presented.

Phone Stipend: Rusty motions to change the monthly phone stipends from \$40.00 to \$25.00 a month for the same positions. Rhonda Roberson seconds. All in favor; Tom Peterson, Rhonda Roberson, Joe Zabadal and Rusty Westover.

Reuse Pasture: The Board directs the office staff to work with Rusty Westover to gather estimates on reseeded the reuse pasture.

Set a Date for the next Board Meeting: By consensus, the next Board meeting will be held Tuesday June 23, 2020 at 6:00pm.

Meeting Adjourned: By consensus, the meeting is adjourned at 7:42pm.

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BOARD MEETING MINUTES

Meeting Date: June 30, 2020

Call to Order: Joe Zabadal @ 6:03 p.m.

Pledge: Joe Zabadal

Prayer: Rhonda Roberson

In Attendance: Board members: Rusty Westover, Rhonda Roberson, Joe Zabadal, and Tom Peterson. Johnny Johnson is unable to attend the meeting due to excessive work load caused by COVID-19.

Employees: Taylor Wilbanks, Elaina Wagoner, and Kellen Roberson via webcam

Public: N/A

Call to the Public: N/A

Acceptance of the Agenda: Tom Peterson makes a motion to accept the agenda as presented. Rusty Westover seconds the motion. All in favor; Tom Peterson, Rhonda Roberson, Rusty Westover, and Joe Zabadal.

Acceptance of Last Meeting Minutes: Rhonda Roberson makes a motion to accept the meeting minutes as presented for the regular session held on May 26, 2020. Joe Zabadal seconds the motion. All in favor; Joe Zabadal, Tom Peterson, Rusty Westover, and Rhonda Roberson

District Manager Report: Taylor Wilbanks reports that we are in good standing with ADEQ, she just posted the 2019 CCR to the website and turned in our annual water usage report to ADWR. Taylor Wilbanks explained that we got our backhoe back earlier this month, it is working very well, and we have already opened a new work order to get other minor issues fixed under the warranty. Taylor Wilbanks states that the guys have started to change out the school's meters before the new school year begins. The meters on the south side are

nearly complete and we will be moving on to another area. Taylor Wilbanks explains that she emailed Navajo County about what steps we would need to take if the Board decided to buy the parcel that the Transfer Station, but is yet to receive a response.

Financial Manager Report: Elaina Wagoner states that there was a loss in both Districts due to large annual expenses and three payroll periods falling within the month of May. Annual expenses included chlorine tablets and final payment for the financial review completed by the CPA in Flagstaff. Other large expenses included dump transportation, large parts orders for two large sewer projects and customer parts purchases. Elaina Wagoner reports that all bank account minimums are being met and paperwork was filed with Bank of the West to change check signers from Kellen Roberson to Elaina Wagoner. The completed annual financial review was reported to Water Infrastructure Financial Authority (WIFA). Elaina Wagoner states that Joseph City Utilities is in compliance with all agencies that the company reports to for annual audits/reports.

BUSINESS

Resignation of Johnny Johnson: Rhonda Roberson makes a motion to accept Johnny Johnsons resignation letter, effective immediately. Tom Peterson seconds the motion. All in favor; Rhonda Roberson, Joe Zabadal, Tom Peterson. Abstain: Rusty Westover.

Nomination: Rusty Westover makes a motion to nominate Wayne Solomon as Board Member. Rhonda Roberson seconds the motion. All in favor; Rusty Westover, Joe Zabadal, Rhonda Roberson, Tom Peterson. Wayne Solomon will take his Oath of Office at the next scheduled meeting.

Reuse Pasture: Rhonda Roberson makes a motion to seed the Reuse Pasture at the end of August to early September with Apache Seed from St. Johns. Joe Zabadal seconds the motion. All in favor; Rusty Westover, Rhonda Roberson, Joe Zabadal. Against; Tom Peterson.

Transfer Station Upgrades: By consensus the Board tables this item until the meeting to acquire more information on upgrades.

Transfer Station Hours: By consensus, the Board agrees that the transfer station will now be opened Tuesday-Thursday 1:00pm to 6:00pm. Friday-Saturday 9am to 6pm for new summer hours. This will be revisited in October to decide if the winter hours will be extended also.

Company Structure: Tom Peterson makes a motion to keep Kellen Roberson on as a consultant until December 31, 2020 paying \$1,000 a month. Joe Zabadal seconds the motion. All in favor; Joe Zabadal, Tom Peterson, and Rusty Westover. Rhonda Roberson abstains. The Board will revisit this contract once the 6-month term is up.

RWAAZ Conference: By consensus, the Board gives Taylor Wilbanks and Hershel Slivers approval to attend the Rural Water Association of Arizona Conference in August.

Set a Date for the next Board Meeting: By consensus, the next Board meeting will be held Tuesday July 28, 2020 at 6:00pm.

Meeting Adjourned: By consensus, the meeting is adjourned at 7:22pm

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BOARD MEETING MINUTES

Meeting Date: July 28, 2020

Call to Order: Joe Zabadal @ 6:00 p.m.

Pledge: Joe Zabadal

Prayer: Rhonda Roberson

In Attendance: Board members: Joe Zabadal, Rusty Westover, Rhonda Roberson, Wayne Solomon and, Tom Peterson.

Employees: Taylor Wilbanks, Elaina Wagoner, and Kellen Roberson via Webcam.

Public: N/A

Call to the Public: N/A

Acceptance of the Agenda: Rhonda Roberson makes a motion to accept the agenda as presented with the addition of the Jetter Repair. Tom Peterson seconds the motion. All in favor; Tom Peterson, Rhonda Roberson, Rusty Westover, Wayne Solomon, and Joe Zabadal.

Acceptance of Last Meeting Minutes: Rhonda Roberson makes a motion to accept the meeting minutes as presented for the regular session held on June 30, 2020. Rusty Westover seconds the motion. All in favor; Joe Zabadal, Tom Peterson, Rusty Westover, and Rhonda Roberson. Abstain: Wayne Solomon

District Manager Report: Taylor Wilbanks reports that this month has gone smooth and we are still in great conditions with ADEQ. We were able to get the compactor welded at the beginning of the month. Taylor Wilbanks states that we will be able to install the 4in meters for the elementary school within the next month, but until then we will continue to switch out smaller meters for our residents. Taylor Wilbanks and Herschel Slivers will now be attending the RWAAZ conference virtually instead of in-person. Taylor Wilbanks reports about a sewer

clog we had over the weekend that left our jetter unusable. The crew was able to eventually get the clog out but reported that we might want to think about replacing the Orangeburg in the area to avoid this issue in the future.

Financial Manager Report: Elaina Wagoner reports that both districts had a profit for the month of June. However, the Sanitary district had a smaller profit due to larger expenses. Elaina Wagoner states these expenses include dump transportation, excavations services for the reuse pasture, and sampling charges. The Sanitary district is continuing to see an increase in revenue due to accurate billing for sewer usage. Elaina Wagoner reports the Water district revenue has been on track for June compared to previous months. Elaina Wagoner states that the paperwork for changing check signers was approved by Bank of the West.

BUSINESS

Wayne Solomon Oath of Office: Wayne Solomon recites the Oath of Office.

Transfer Station Upgrades: Rhonda Roberson motions to proceed as soon as possible to start the dirt work for the concrete slabs on the South fence line. Tom Peterson seconds the motion. All in favor; Joe Zabadal, Rusty Westover, Rhonda Roberson, Wayne Solomon, and Tom Peterson.

Reuse Pasture: By consensus, the Board approves Bill Roberson to volunteer to seed the reuse pasture at the end of August/beginning of September.

Jetter: Wayne Solomon motions to approve Joe Zabadal to get with Virgil to order parts to repair jetter. Tom seconds the motion. All in favor; Joe Zabadal, Rusty Westover, Rhonda Roberson, Wayne Solomon, and Tom Peterson.

Set a Date for the next Board Meeting: By consensus, the next Board meeting will be held Tuesday August 25, 2020 at 6:00pm.

Meeting Adjourned: By consensus, the meeting is adjourned at 6:41pm.

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BOARD MEETING MINUTES

Meeting Date: August 25, 2020

Call to Order: Rhonda Roberson @ 6:02 p.m.

Pledge: Wayne Solomon

Prayer: Rhonda Roberson

In Attendance: Board members: Rhonda Roberson, Wayne Solomon, Tom Peterson. Absent: Rusty Westover and Joe Zabadal.

Employees: Taylor Wilbanks, Elaina Wagoner, Herschel Slivers and Kellen Roberson via webcam.

Public: N/A

Call to the Public: N/A

Acceptance of the Agenda: Rhonda Roberson makes a motion to accept the agenda as presented. Wayne Solomon seconds the motion. All in favor; Tom Peterson, Rhonda Roberson, and Wayne Solomon.

Acceptance of Last Meeting Minutes: Rhonda Roberson makes a motion to accept the meeting minutes as presented for the regular session held on July 28, 2020. Tom Peterson seconds the motion. All in favor; Wayne Solomon, Tom Peterson, and Rhonda Roberson

District Manager Report: Taylor Wilbanks reports that our request for millings was approved by Navajo County and she will coordinate with their Yards Supervisor to get them transported to the Transfer Station. Taylor Wilbanks states that we have changed out 70 meters this year and are planning to change out two 4" meters at the Elementary School within the next two weeks. Taylor states we got the Jetter back last week and Herschel reported that it is working great and we will begin planning to change out Orangeburg on South Richards. Taylor

Wilbanks reports that she sent in her Notary forms two weeks ago, she should be getting her certificate within the next couple weeks and is in the process of becoming the authorized user of the company credit card.

Field Operations Report: Herschel Slivers reports things in the field are going very well, there has been a few hiccups with our supply distributors due to COVID-19 and shipping delays. Herschel Slivers states everyone has been working great together since he became the Operations Manager.

Financial Manager Report: Elaina Wagoner states that there was a profit in both districts for the month of July, due to higher summer usage revenues and low expenses. Some of the larger expenses for the month was a repair on the compactor located at the dump, operator substitute, and filling of the diesel tank. Elaina Wagoner states that profits were transferred into the savings for each district after bank account minimums were met. Elaina Wagoner states that she has been approved as a bank check signer and Kellen Roberson has been removed, Taylor Wilbanks is also in the process of applying to be an authorized user of the company credit card user. Elaina Wagoner states that the month of July was a quiet month financially, but to expect larger expenses for the month of August.

BUSINESS

Clean Yard Incentive: Table this item until next meeting when there are more Board members to vote on the nominations.

Transfer Station Upgrades: Rhonda Roberson moves to leave the bins where they are but continue with the three cement slabs under the bins and millings around. Wayne Solomon seconds. All in favor; Tom Peterson, Rhonda Roberson, and Wayne Solomon.

90 Day Probationary Review: Rhonda Roberson motions to keep Taylor Wilbanks on as a permanent employee with the title "District Manager" and to raise her pay to \$16.50 an hour. Wayne Solomon seconds. All in favor; Tom Peterson, Rhonda Roberson, and Wayne Solomon.

Set a Date for the next Board Meeting: By consensus, the next Board meeting will be held Tuesday September 22, 2020 at 6:00pm.

Meeting Adjourned: By consensus, the meeting is adjourned at 6:37pm

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BOARD MEETING MINUTES

Meeting Date: September 22, 2020

Call to Order: Joe Zabadal @ 6:00pm

Pledge: Joe Zabadal

Prayer: Rhonda Roberson

In Attendance: Board members: Joe Zabadal, Rusty Westover, Rhonda Roberson, Wayne Solomon, and Tom Peterson

Employees: Taylor Wilbanks, Elaina Wagoner, and Kellen Roberson via webcam.

Public: N/A

Call to the Public: N/A

Acceptance of the Agenda: Rhonda Roberson makes a motion to accept the agenda as presented with the addition of accepting a bid for grading and leveling the Transfer Station and emergency Transfer Station substitute. Wayne Solomon seconds the motion. All in favor; Tom Peterson, Rhonda Roberson, and Wayne Solomon, Rusty Westover, and Joe Zabadal.

Acceptance of Last Meeting Minutes: Rhonda Roberson makes a motion to accept the meeting minutes as presented for the regular session held on August 25, 2020. Tom Peterson seconds the motion. All in favor; Wayne Solomon, Tom Peterson, Rhonda Roberson, Rusty Westover, and Joe Zabadal.

District Manager Report: Taylor Wilbanks states the field operators got the elementary field meter in with no issues and are planning to changeout the elementary school's meter on Monday. Taylor Wilbanks report last week we were busy with three leaks. All were taken care of with little to no issues, we did have an employee puncture his foot while looking for an underground line. He

had it checked out at the hospital and will be returning to work tomorrow. Taylor Wilbanks reports that we had multiple complaints last week about water pressure on the West side of town, we had an electrician come check the booster pump at the tanks, he found a clogged injector. Since then we have not had any complaints. Lastly, Taylor Wilbanks states we received an application for a Transfer Station substitute. The applicant used to work for the company as a meter reader.

Financial Manager Report: Elaina Wagoner states that revenues for both districts is on trend for the month of August, except for the increased Sanitary revenues due to the accurate billing of sewer usage. Dump transport continues to be high for summer months, however the company was credited back \$2,542.86 from Waste Management for an inaccurate billing. Dump transport ended up being \$ 7,446.23 for August. Jetter Repair cost ended up being lower than expected, which Elaina Wagoner had warned at the previous meeting to expect a large expense. Elaina Wagoner states that new logins had to be established for online banking, Bank of the West switched its user platform. She also states that bank account balance minimums have been met and profits have been transferred to the savings. Elaina Wagoner states that at the October meeting she will have the third quarter budget.

BUSINESS

Clean Yard Incentive: By consensus, Sam Johnstun will be awarded the \$100 clean yard incentive for conducting a major upgrade.

Rhonda Roberson makes a motion to award the \$100 clean yard incentive to Rich Miller for having a pre-existing clean yard, with nice landscaping. Wayne Solomon seconds the motions. All in favor; Joe Zabadal, Rusty Westover, Rhonda Roberson, and Wayne Solomon. Against: Tom Peterson.

Transfer Station Hours: Table this item until the next meeting.

Emergency Transfer Station Substitute: Rhonda motions to approve Karen McCollam as a Transfer Station substitute effective immediately. Rusty Westover seconds the motions. All in favor; Joes Zabadal, Tom Peterson, Wayne Solomon, Rhonda Roberson, and Rusty Westover.

Approving the bid to grade and level the Transfer Station: Rusty Westover motions to accept Cutting Edge's bid without millings. Wayne Solomon seconds the motion. All in favor; Joes Zabadal, Tom Peterson, Wayne Solomon, Rhonda Roberson, and Rusty Westover.

Set a Date for the next Board Meeting: By consensus, the next Board meeting will be held Tuesday October 27, 2020 @ 6:00 pm

Meeting Adjourned: By consensus, the meeting is adjourned at 6:30pm

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BOARD MEETING MINUTES

Meeting Date: October 27, 2020

Call to Order: Rusty Westover @ 6:00 p.m.

Pledge: Rusty Westover

Prayer: Rhonda Roberson

In Attendance: Board members: Rhonda Roberson, Wayne Solomon, Rusty Westover. Absent: Tom Peterson and Joe Zabaddal.

Employees: Elaina Wagoner and Herschel Slivers

Public: N/A

Call to the Public: N/A

Acceptance of the Agenda: Rhonda Roberson makes a motion to accept the agenda as presented. Rusty Westover seconds the motion. All in favor; Rusty Westover, Rhonda Roberson, and Wayne Solomon.

Acceptance of Last Meeting Minutes: Rhonda Roberson makes a motion to accept the meeting minutes as presented for the regular session held on September 22, 2020. Wayne Solomon seconds the motion. All in favor; Wayne Solomon, Rusty Westover, and Rhonda Roberson.

Operations Report: Elaina Wagoner reported this month we replaced a faulty shut off valve on Old Route, and now it will be easier to shut off that side of the town. She reported there were two leaks in town that AZ811 needed to be called, they both were fixed in a timely manner. The first was on South Hansen due to a small slit on top of the poly pipe. The second was on Randall and this was caused by a rusted tap and a broken male adapter. Both school meters have been replaced, buried, and cemented. Elaina Wagoner states the field operators have been having issues with our chlorinator shutting off and

occasionally leaking. Herschel Slivers believes a possible cause is because its not mounted to the tank the pump is rattling the chlorinator hose which is causing the leak. Taylor Wilbanks will get costs by the next Board meeting. Elaina Wagoner reported that Taylor Wilbanks met with Matt Click last week. On November 8th he will be grading and lasering a 1% slope for water run off at the Transfer Station. Elaina explained that Matt offered to compact the millings with a roller once the concrete pads are finished. Lastly, Taylor Wilbanks received her notary certificate and stamp. She posted on social media to let the community know that we now offering this service for free.

Financial Manager Report: Elaina Wagoner reports that both districts had high revenues this month. This is because we began shut off notices again, so more bills were paid by customers, water usage was high due to a lack of precipitation and dump transport was low because of the overpayment in August. Elaina Wagoner presented the Quarter 3 YTD budget. The water district revenue was lower than budgeted and payroll is higher than budgeted for because the water district pays for 60% of the payroll whereas sanitary only pays for 40%. Elaina reports the Sanitary revenue is higher than budgeted because we are now accurately billing sewer usage. The dump transport is higher than budgeted for, due to the increase of dump use due to COVID.

BUSINESS

Winter Transfer Station Hours: Rhonda Roberson moves to keep normal winter hours: Tuesday through Friday 12:30 to 5:30 and Saturday 9-5:30 starting November 3, 2020. Rusty Westover seconds the motion. All in favor; Wayne Solomon, Rusty Westover, Rhonda Roberson.

Transfer Station Concrete Pads: Rusty Westover states that he will be available Saturday November 14th, 2020 at 8am begin on the concrete pads. The Board states that we will keep the Transfer Station open while the construction is going on but would like Taylor Wilbanks to let the community know via social media.

Thanksgiving Gift Cards: Rhonda Roberson makes a motion to gift \$25.00 Walmart gift cards to all permanent employees. Wayne Solomon seconds the motion. All in favor; Rusty Westover, Wayne Solomon, and Rhonda Roberson.

Set a Date for the next Board Meeting: By consensus, the next Board meeting will be held Tuesday December 1, 2020 @ 6 pm

Meeting Adjourned: By consensus, the meeting is adjourned at 6:32 pm

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BOARD MEETING MINUTES

Meeting Date: December 1, 2020

Call to Order: Joe Zabadal @ 6:00 p.m.

Pledge: Joe Zabadal

Prayer: Rhonda Roberson

In Attendance: Board members: Rhonda Roberson, Wayne Solomon, Rusty Westover, and Joe Zabadal. Absent: Tom Peterson

Employees: Elaina Wagoner, Taylor Wilbanks, and Albino Quintana

Public: N/A

Call to the Public: N/A

Acceptance of the Agenda: Wayne Solomon makes a motion to accept the agenda as presented. Rusty Westover seconds the motion. All in favor; Rusty Westover, Rhonda Roberson, Joe Zabadal, and Wayne Solomon.

Acceptance of Last Meeting Minutes: Rhonda Roberson makes a motion to accept the meeting minutes as presented for the regular session held on October 27, 2020. Joe Zabadal seconds the motion. All in favor; Wayne Solomon, Rusty Westover, Joe Zabadal and Rhonda Roberson.

Operations Report: Taylor Wilbanks reports that on November 18th we had an incident that left the Transfer Station without power. We hired an electrician who worked closely with APS to get everything fixed in a timely manner. Taylor Wilbanks states that a leak was found on Edwards and Third. Once we determined it was on our side we called in a blue stake and got the issue fixed. This leak was caused by a faulty 6 inch 45. Taylor Wilbanks reports that we are waiting on the rest of a large supply order, once this is received, we plan on replacing a line of poly pipe with 2in PVC along Old RT 66. This will eliminate all

issues we have been having with this line recently. Next Taylor Wilbanks states that we are 84% complete with the smart meter project, we should have about 72 meters to change out, most of these meters we have in stock, but there are still some larger meters that we will need to purchase. Taylor Wilbanks says she will inquire which meter sizes we do not have and get estimates. Lastly, Taylor Wilbanks states that on the 29th of November Cutting Edge came in and rolled out the millings, they are a little loose due to the colder weather. Rusty Westover states that we will have to touch them up once it warms up.

Financial Manager Report: Elaina Wagoner states that both district revenues are on trend for the month of October. She also states that payroll expense is higher than usual because October had three payroll periods. Elaina Wagoner states that uniforms were purchased for the year for the field employees, \$1000 that was budgeted. Field parts/supplies/equipment expense was a little higher than usual, as much needed tools, shovels, ladders, etc. were purchased. She states that overall October was a quiet month for income and expenses, profits made in both districts were transferred to the savings account. Elaina Wagoner informs the board that much larger expenses are expected for November and December.

BUSINESS

Chlorinator Estimates: By consensus, the Board tables this agenda item until more information is acquired.

Water Pressure on Porter Avenue and Surrounding Areas: The Board directs the field operators to blow off the last hydrant on Porter Ave to see if this helps with the pressure, if not then make a plan to cut into the line and add a blow off valve at the end of the 2in line.

Company Structure: Wayne Solomon makes a motion to take Kellen Roberson off salary at the end of December 2020 and use her on a case by case basis. Pay to be determined. Joe Zabadal seconds the motion. All in favor; Rusty Westover, Joe Zabadal, and Wayne Solomon. Abstain: Rhonda Roberson.

Christmas Bonus: Joe Zabadal makes a motion to move into executive session to discuss Christmas bonuses at 6:50pm. Rhonda Roberson seconds the motion. All in favor; Wayne Solomon, Rusty Westover, Joe Zabadal, and Rhonda Roberson.

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

The reconvenes to public session at 6:52pm

Rusty Westover Motions to increase Christmas bonuses to \$225. The six full-time employees will receive the full amount, and one employee will receive a

prorated amount for 6 months. Joe Zabadal seconds the motion. All in favor; Wayne Solomon, Joe Zabadal, and Rusty Westover. Abstain: Rhonda Roberson.

Set a Date for the next Board Meeting: By consensus, the next Board meeting will be held Tuesday January 26, 2021 at 6:00pm.

Meeting Adjourned: By consensus, the meeting is adjourned at 7:00pm