

SUNBURST FARMS IRRIGATION DISTRICT
Regular Board of Directors Meeting
Sunburst Farms Irrigation District
16040 N. 43rd Avenue
Glendale, AZ 85306

April 1, 2014

MEMBERS PRESENT: Kay Lorenzen, President
Victor Armendariz, Secretary
Brett Harrison, Member

EMPLOYEES PRESENT: Brenda Brown
Richard Mitten

OTHERS PRESENT: (See attached sign-in list)

1. CALL TO ORDER: The meeting was called to order by Kay Lorenzen, President, at 7:05 P.M.

President Kay Lorenzen stated that the following guidelines shall be in place for this meeting. Homeowners will have three (3) minutes to address the Board in the Call to the Public. Input from the public on agenda items should be provided during Call to the Public. Homeowners must be recognized by the Presiding Officer to speak. Only one (1) person may speak at a time. Homeowners will address the Board, not each other, once recognized by the Presiding Officer. The Board may not discuss irrigation issues with each other outside of Open Meetings; noticed meetings are the only time business issues may be discussed. It is the Board's time to discuss issues. Time permitting, the Board may allow input from the public during the meeting. Homeowners may speak only one time per issue.

2. CALL TO THE PUBLIC:

1. Homeowner Larry Hudson requested that some procedures for the new truck be on the agenda, possibly some incentives. Larry also asked the Board if they can give direction to the budget committee regarding accomplishments to different areas of the budget. Larry also stated his concern in regards to the replacement of lines 9 and 10 and that the district should have utilized a cause for replacements. Larry also stated that the bridle path cleanup should be an ongoing issue and that the district be more proactive.
2. Homeowner Jack Lee stated his concerns and disappointment regarding a letter he received about the mandatory bridle path cleanup. Jack stated that he sent a letter to the district back in 2002 about the motion that was passed regarding the cleanup and that homeowners will not stay in compliance.
3. Homeowner Rob Myers thanked the district for grading the bridle path on line 7. Rob also gave a presentation in regards to an index of storm severities varying from a 100 – 2

year storm and the excess storm water that is being delivered from the larger storms. Rob also stated his concerns regarding the changing/raising of the bridle paths.

4. Homeowner Walt Michels stated his concerns regarding the placement of an agenda item, and that the review reports a bad debt in excess of \$17,000. Walt also stated that the review was not approved by the Board of Directors.

3. APPROVAL OF MINUTES:

MOTION

Secretary Victor Armendariz made a *motion to approve the Regular Board of Directors Meeting of March 4, 2014 with a change to 6 D to read: Discussion ensued about asking the attorney isolated questions in regards to the election process.* Member Brett Harrison seconded the motion. **Motion Passed**, unanimously.

4. REPORTS:

A. Financial Report:

Cathy Hacker absent

1. Tax Exempt Information:

No Action Taken

2. Approval of financial report:

No Action Taken

3. Discuss and possible action on Fiscal Year 2012-2013 review:

President Kay Lorenzen stated that she requested to have this agenda item under the financial report for convenience only. Kay also stated that she will check with the attorney and if it was inappropriate to list it here, then it will be moved to a regular agenda item next month. Secretary Victor Armendariz stated that he originally put this on the agenda to discuss and possible action because if the board needed to vote on something it wouldn't restrict us from doing so. Victor also stated that he received an email from Walt Michels stating that he had questions. President Kay Lorenzen stated that she had a question for Cathy in regards to if the district had a change from a GAP method of depreciation back to a Tax method. Discussion ensued in regards to inviting Mary Haas with Seely & Mullins attending a future meeting.

President Kay Lorenzen tabled this agenda item until the next meeting

B. Summary of Current Events:

President Kay Lorenzen stated that Bill Sullivan has extended their reduced fees through the month of April because they have not had time to answer our concerns. Kay stated that she referred the RFP process over to them and that she asked two (2) additional questions concerning the election process.

a. There is a ten (10) day provision for petitions which conflicts with the provision of early balloting. The district has been informed that there is a process to circumvent the problem and would allow us more time to get the ballots out.

b. Fractional voting vs one vote per person

Kay also reported on a study that is being prepared by the City of Phoenix regarding storm water.

Secretary Victor Armendariz requested to have the attorney Cc all board members with regard to responses from questions that have been asked. Victor stated his concerns in regards to the flooding issue, neighboring properties, and the lowering of the bridle paths.

Member Brett Harrison stated that he's started on the data base for the irrigation scheduling system.

C. Irrigation Manager Report:

Irrigation Manager Richard Mitten stated that six (6) repairs and two (2) maintenance jobs were completed for the month of March. The district also installed one (1) new gate located at 45th Avenue on line 09; this leaves eleven (11) additional repairs. Richard thanked all the homeowners for cleaning the bridle paths and around the valves. Richard recommended for all homeowners to clean their bridle paths more often and suggested to coincide with the bulk trash pickup. Richard reported on lines 9 and 10 west of 45th Avenue with regards to the line replacements and thanked Board Member Brett Harrison for his ten (10) hour shift along with Eldon Graber for his time and supplying the tractor during irrigation so these homeowners could receive their water. Richard also stated that irrigation is now on a two (2) week cycle. See Attachment

D. Custodian of Records Report:

Custodian of Records Brenda Brown reported on completed/outstanding and fees collected.

1. Request dated October 3, 2013 from homeowner Randy Videen, requesting the following information:

- a. Document created in regard to billing irregularities in September 2012
 - District responded on March 4, 2014
 - Approved for copying of the public record in its original form
 - Fee – \$.25

2. Ongoing request dated July 19, 2013 from homeowner Randy Videen, requesting the following information:

- a. Electronic Special Meeting Agenda of March 4, 2014 in native format with metadata
 - District responded on March 4, 2014
 - Approved for copying of the public record in its original form
 - Fee – Pending
3. Ongoing request dated July 19, 2013 from homeowner Randy Videen, requesting the following information:
 - a. Electronic Regular Meeting Agenda of March 4, 2014 in native format with metadata
 - District responded on March 4, 2014
 - Approved for copying of the public record in its original form
 - Fee – Pending
4. Ongoing request dated July 19, 2013 from homeowner Randy Videen, requesting the following information:
 - a. Electronic Minutes from the Regular Board Meeting of February 4, 2014 in native format with metadata
 - District responded on March 4, 2014
 - Approved for copying of the public record in its original form
 - Fee – Pending
5. Ongoing request dated July 19, 2013 from homeowner Randy Videen, requesting the following information:
 - a. Electronic Minutes from the Regular Board Meeting of March 4, 2014 in native format with metadata
 - District responded on March 7, 2014
 - Approved for copying of the public record in its original form
 - Fee – Pending
6. Ongoing request dated July 19, 2013 from homeowner Randy Videen, requesting the following information:
 - a. Electronic Minutes from the Special Board Meeting of March 4, 2014 in native format with metadata
 - District responded on March 7, 2014
 - Approved for copying of the public record in its original form
 - Fee – Pending
7. Request dated March 12, 2014 from Chris Peterson, requesting the following information:
 - a. Vendor's contact information
 - District responded on March 24, 2014
 - Approved for copying of the public record in its original form
 - Fee – No charge "Digital"

8. Request dated March 12, 2014 from Chris Peterson, requesting the following information:
 - a. Written complaints on bridle path cleanup
 - District responded on March 24, 2014
 - Approved for copying of the public record in its original form
 - Fee – No charge “Digital”

9. Request dated March 12, 2014 from Chris Peterson, requesting the following information:
 - a. Lawyers contact information
 - District responded on March 24, 2014
 - Approved for copying of the public record in its original form
 - Fee – No charge “Digital”

10. Request dated March 12, 2014 from Chris Peterson, requesting the following information:
 - a. Police report when the computer was removed from the district office
 - District responded on March 24, 2014
 - Records do not exist
 - Fee – No charge

11. Request dated March 12, 2014 from Chris Peterson, requesting the following information:
 - a. Safety violation report
 - District responded on March 24, 2014
 - Approved for copying of the public record in its original form
 - Fee – No charge “Digital”

12. Request dated March 12, 2014 from Chris Peterson, requesting the following information:
 - a. Videen/Jones lawsuit
 - District responded on March 24, 2014
 - Approved for copying of the public record in its original form
 - Fee – No charge “Digital”

13. Request dated March 20, 2014 from homeowner Walt Michels, requesting the following information:
 - a. Annual review for FY ended June 30, 2013 with supporting docs
 - District responded on March 20, 2014
 - District asked the homeowner to utilize the approved public information request form. Homeowner’s request fulfilled through the City
 - Fee – 0

14. Request dated March 26, 2014 from homeowner Walt Michels, requesting the following information:

- a. Annual review for FY ended June 30, 2013 adjusting entries
 - District responded on March 26, 2014
 - Approved for copying of the public record in its original form
 - Fee – \$.75

15. Request dated March 26, 2014 from homeowner Robert Myers, requesting the following information:

- a. Copy of letter in personal file
 - District responded on March 27, 2014
 - Approved for copying of the public record in its original form
 - Fee – \$.25

16. Ongoing request dated July 19, 2013 from homeowner Randy Videen, requesting the following information:

- a. Electronic Regular Meeting Agenda of April 1, 2014 in native format with metadata
 - District responded on March 31, 2014
 - Approved for copying of the public record in its original form
 - Fee – Pending

17. Request dated March 31, 2014 from Mark Fountain, P.E., requesting the following information:

- a. Existing irrigation line maps
 - District responded on March 31, 2014
 - Approved for copying of the public record in its original form
 - Fee – N/C Mark supplied the district with digital maps

MOTION

Secretary Victor Armendariz *made a motion to move New Business 6 A and D next on the agenda.* Member Brett Harrison seconded the motion. **Motion Passed**, unanimously.

NEW BUSINESS:

A. Discuss and possible action on reducing power rates from Hoover Dam presentation by Terry Urbine:

Mr. Terry Urbine thanked the board members for allowing him to speak and stated the following:

About Us:

Current Insight is an energy consulting company founded in 2006 which specializes in power scheduling, energy forecasting, and power contract settlements. Built on 15 years of experience in the electricity and telecommunications industries, our strength has been the ability to collect and interpret large amounts of billing and meter data for the settlement of contracts at the wholesale level. This precision in hindsight can be used to accurately forecast our clients' power needs and use this insight to optimally schedule power supplies.

About Hoover Part D:

The Hoover dam located between Arizona and Nevada on the Colorado River was built for flood control and water management but includes a hydroelectric generating plant that is operated by the Department of Energy Western Area Power Administration (WAPA). Public power from Hoover has traditionally been provided to select customers at a very low cost - as much as 75% below market prices. WAPA has announced that a portion Hoover power called part D, will be made available to new customers who have never received an allocation of this inexpensive power in the past.

Who can apply for Hoover Part D?

Any of the following who have not received an allocation of Hoover power in the past and who are located in AZ, NV, CA, or NM; subject to some geographic and end use restrictions.

- Native American organizations
- Non- profit organizations
- Municipalities, towns and cities
- Cooperatives, Agricultural districts, Irrigation districts, Electrical districts
- Public entities
- Non - investor owned utilities
- Others

How much money will an allotment of Hoover Part D save?

Savings on electric power costs as a result of applying a Part D allocation to your energy needs will accrue every month for the duration of your contract with WAPA. Part D power will not be free but is much cheaper than retail or even wholesale prices today. Additionally, Part D prices will not rise over time, while retail and wholesale prices will.

A qualifying applicant with 100,000 ft² of equivalent electrified space can expect to save \$810 per month, or \$9,720 per year on electricity costs. This will amount to \$496,000 over the life of your Hoover contract.

How can I apply?

Contact us immediately. The deadline is very soon and your application will take some time to prepare. We will complete your application with WAPA. After that, we will help you set up transmission and agreements with other parties involved in getting the power to your location as well as making sure you are properly credited on future electric invoices. Our services are completely free in exchange for the opportunity to serve you on a contractual basis after you receive your allocation.

MOTION

Secretary Victor Armendariz *made a motion that Terry Urbine represents Sunburst Farms Irrigation District and we'll engage in a nonbinding memorandum of understanding that he'll speak on our behalf in a meeting on April 7, 2014 with the APA.* Member Brett Harrison seconded the motion. **Motion Passed**, unanimously.

NEW BUSINESS:

D. Discussion and possible action on approving payment in the amount of \$32,929.66 to Fuller Form for material in reference to RFP #01-14

President Kay Lorenzen stated that Fuller Form provided the material for lines 9 and 10 to Goldstein and Luera. The first purchase of material was against a PO that was supplied by the district, and the second purchase of material was against a PO supplied by G&L. The material has not been paid by G&L because they are waiting to get paid at the end of the job. Since the job is not completed Fuller Form is requesting their money. Kay also stated that Darwin from Fuller Form is here and has asked if the district can pay for the material and have the check made out to G&L and Fuller Form as the district did against the first PO. Kay also stated that she spoke to the attorney and who has indicated that if the district chose to make a partial payment to ease the situation it would be up to the Board. Heavy discussion between President Kay Lorenzen, Secretary Victor Armendariz, Member Brett Harrison and Darwin with Fuller Form regarding the purchase of material, nonpayment issues from G&L, obligations, tax advantages and payment to Fuller Form.

MOTION

Secretary Victor Armendariz *made a motion to make a joint check to G&L and Fuller Form in the amount of \$32,929.66 which will fulfill the entire obligation for the material for lines 9 and 10 replacements.* President Kay Lorenzen seconded the motion. **Motion Passed**, unanimously.

5. OLD BUSINESS:

- A. Discuss and possible action on recommended Journal Entry suggested by Seely & Mullins in Fiscal Year 2011-2012 review. Recommended Journal Entry is regarding accumulated depreciation in the amount of \$184,482.48:**

President Kay Lorenzen tabled this agenda item

- B. Discussion allowing homeowners to order water in five (5) minutes increments:**

President Kay Lorenzen tabled this agenda item indefinitely

- C. Discuss and possible action on approving and explore qualifications and pricing of district accountant:**

President Kay Lorenzen tabled this agenda indefinitely, but if Brenda receives 2 or 3 more bids we can put this back on the agenda

6. NEW BUSINESS:

- A. Discuss and possible action on reducing power rates from Hoover Dam presentation by Terry Urbine:**

A motion was made to discuss this agenda item after the Custodian of Records report.

B. Discuss and possible action to appointment of budget chair and committee:

Heavy discussion ensued between President Kay Lorenzen, Secretary Victor Armendariz, Member Brett Harrison, homeowner Larry Hudson and homeowner Walt Michels regarding volunteers, committee members, budgeting items, staying in compliance with Roberts Rules and getting direction from the Board of Directors. President Kay Lorenzen, Secretary Victor Armendariz and Member Brett Harrison volunteered as committee members and will be added to the committee.

MOTION

President Kay Lorenzen *made a motion to appoint Cathy Hacker as chair and the following homeowners as the committee: Larry Hudson, Walt Michels, Victor Armendariz, Kay Lorenzen, Brett Harrison, Renee Breeden, Lynette Gray, Office Manager Brenda Brown and Irrigation Manager Richard Mitten.* Member Brett Harrison seconded the motion. Secretary Victor Armendariz voted nay. **Motion Passed.**

C. Discuss and possible action on line 9 and line 10 replacement project from 45th Ave to 47th Ave in reference to RFP #01-14:

1. **Compaction test to be completed by G&L by Friday, April 4, 2014 by 5:00 pm**
2. **Replacements' of splash pads and walls**
3. **Rebuilding the berms**
4. **Leveling issues**
5. **Other misc. items**

President Kay Lorenzen stated that she put several items on the agenda but it's not restricted to other things that may need to be added. Kay reported that G&L has been informed in writing that the compaction test has been requested by Friday, April 4, 2014. Discussion ensued between President Kay Lorenzen, Secretary Victor Armendariz, Member Brett Harrison and Irrigation Manager Richard Mitten regarding the compaction test prior to irrigation, getting quotes from different vendors to complete the job and having the fee deducted from the final bill, re-excavating lines 9 and 10, compaction methods, diagram comparisons not in compliance, replacements of splash pads and walls, meeting deadlines and possibly turning this over to the attorney's office. Secretary Victor Armendariz stated that it's the Irrigation Managers job to watch over the project, not the superintendent of the construction company. President Kay Lorenzen directed Richard to provide the Board with a list of items that are completed and items that are not in compliance by tomorrow, Wednesday, April 2, 2014.

MOTION

President Kay Lorenzen *made a motion to have the attorney provide us with an agreement that requests a compaction test by April 4, 2014 and the remainder of the work done by April 11, 2014 which would be in time for irrigation on April 14, 2014 and if G&L cannot complete the tasks within the timeframes we will ask another vendor to do this work and what we pay the other vendor will be deducted from the final bill. If the attorney has better advice on how to handle this, we will go with his recommendation.* Member Brett Harrison seconded the motion. **Motion Passed,** unanimously.

D. Discussion and possible action on approving payment in the amount of \$32,929.66 to Fuller Form for material in reference to RFP #01-14

A motion was made to discuss this agenda item after the Custodian of Records report.

E. Discuss and possible action on the use of district public information request forms:

President Kay Lorenzen reported that in the past a former attorney advised us that we could not require this form to be used. However, our current attorney says it should be utilized and be completed by the requestor. Kay stated that the district put this form together to help save time and money. Member Brett Harrison agreed to make the form fillable through the website. Secretary Victor Armendariz stated his concerns if the district can legally require the form to be used.

MOTION

President Kay Lorenzen *made a motion that the public information request forms be made fillable on the website and that the requestor provide it to the district.* Member Brett Harrison seconded the motion. Secretary Victor Armendariz voted nay. **Motion Passed.**

F. Discuss and possible action to approve ½ day vacation for the Irrigation Manager:

MOTION

Member Brett Harrison *made a motion to approve ½ day vacation for the Irrigation Manager Richard Mitten on Thursday, April 10, 2014.* Secretary Victor Armendariz seconded the motion. **Motion Passed, unanimously.**

G. Discuss and possible action to approve two (2) vacation days for the Office Manager:

MOTION

Secretary Victor Armendariz *made a motion to approve two (2) vacation days for the Office Manager for Monday, April 14, 2014 and Tuesday, April 15, 2014.* Member Brett Harrison seconded the motion. **Motion Passed, unanimously.**

H. Discuss and possible action on revising the Policy and Procedure Manual:

President Kay Lorenzen stated that recommendations have been identified in red and if anyone has other recommendations to please identify them in a different color.

President Kay Lorenzen tabled this agenda item until the next regular meeting

I. Discuss and possible action on the bridle path cleanup process and frequency:

President Kay Lorenzen stated that the 6" inches of grass is a City of Phoenix ordinance. Secretary Victor Armendariz stated that we have to have a starting point and not to mention it's a fire hazard. Homeowner Jack Lee stated his concerns in regards to the tone of the bridle path letter and that it sounds like intimidation. Kay stated that there are 347 out of 647 homeowners that are receiving the letters and as neighborhood preservation the

farms must look terrible. Homeowner Larry Hudson stated that when he was on the Board the attorney stated that the district can't go after the homeowners for beautification but it must hinder the irrigator from irrigating. Member Brett Harrison stated that he's building a program so the irrigators can identify the property that have out of control vegetation that is damaging the truck; therefore, the information will be sent out in a timelier manner.

President Kay Lorenzen tabled this agenda item until the next regular meeting

J. Discuss and possible action on future agenda items:

1. Procedures for vehicles
2. Hire a maintenance employee

7. ADJOURNMENT:

Without objection, meeting adjourned at 9:50 PM

Dated this 1st day of July, 2014 ^{Revised}

Submitted by: Brenda Brown
Office Manager

Minutes accepted on: July 1st, 2014 by Secretary _____.

***Note:** All attachments including correspondence in its entirety are filed with the original minutes and may be viewed at the District Office