

DRAFT

SUNBURST FARMS IRRIGATION DISTRICT
Regular Board of Directors Meeting
15610 N. 35th Avenue, Suite #7
Phoenix, AZ 85053

April 07, 2015

MEMBERS PRESENT: Kay Lorenzen, President
Brett Harrison, Secretary
Eldon Graber, 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 7:02 P.M.

2. CALL TO THE PUBLIC:

1. Homeowner Les Hatfield thanked the current Board Members for volunteering and for taking the time to help resolve the bridle path issue. Les also stated his opinion regarding the letter that was sent out by Richard, and that it was misleading and misrepresented
2. Homeowner Charles Crecelius stated that he lives on the south side of the path and he agrees with the lowering of the bridle path on Line 7
3. Homeowner Jeri McKelvie stated that she would like to hold off on the call to the public because her concern is an agenda item
4. Homeowner Larry Hudson stated his concerns regarding the damages to the Dodge truck, the circumstances and asked the Board Members if they would consider fixing it. Larry also stated his opinion that the district should consider purchasing used vehicles because of past experiences with the trucks

3. APPROVAL OF MINUTES:

MOTION

Secretary Brett Harrison *made a motion to approve the Special Board of Directors Meeting February 16, 2015 and the Regular Board of Directors Meeting March 03, 2015.* Member Eldon Graber seconded the motion. **Motion Passed**, unanimously.

President Kay Lorenzen tabled the Special Board of Directors Meeting February 19, 2015.

4. REPORTS:

A. Financial Report:

Cathy Hacker is absent due to tax season. President Kay Lorenzen reviewed and explained the financial reports to cover any line items that were significantly over or under budget.

1. Tax Exempt Information:

No action taken

2. Approval of financial report:

MOTION

Secretary Brett Harrison *made a motion to approve the February 28, 2015 Financial Report for filing.* Member Eldon Graber seconded the motion. **Motion Passed, unanimously.**

B. Summary of Current Events:

None

C. Managers' Report:

Irrigation Manager Richard Mitten stated that eleven (11) repairs were completed for the month of March; this leaves sixteen (16) repairs remaining. Richard also reported that three (3) acres have been replaced on Line 15. Richard also stated that additional camera work needs to be done further east of the replacement on Line 15. See attachment

D. Custodian of Records Report:

Custodian of Records Brenda Brown reported on completed/outstanding and fees collected. Five (5) ongoing public information requests for the electronic agenda and minutes which contained metadata were fulfilled for Randy Videen. Two (2) public information requests for the bridle path letter for line 7 and the notice of existence. Fees collected totaled \$2.15.

E. Office Upgrade Committee Report:

No report

5. OLD BUSINESS:

A. Discuss and possible action on what to do with the VFD "Variable Frequency Drive":

President Kay Lorenzen tabled this agenda item indefinitely

B. Discuss and possible action to approve the review for Fiscal Year 2013-2014:

President Kay Lorenzen stated her concerns regarding the capital expenditure/depreciation account and that it may exceed the insurance amount that is covered from the government.

Office Manager Brenda Brown stated that the funds in this particular account will be spent for the construction of the new office building.

MOTION Secretary Brett Harrison *made a motion to approve the review for Fiscal Year 2013-2014 for filing.* President Kay Lorenzen seconded the motion. Member Eldon Graber abstained. **Motion Passed.**

6. NEW BUSINESS:

A. Discuss and possible action to define work hours for health benefits:

Discussion ensued between President Kay Lorenzen, Secretary Brett Harrison, Member Eldon Graber and Attorney William Sullivan regarding the minimum hours that an employee should work to receive health benefits.

MOTION Secretary Brett Harrison *made a motion to define a minimum of twenty five (25) hours to receive health benefits.* Member Eldon Graber seconded the motion. **Motion Passed,** unanimously.

B. Discuss and possible action to approve windshield replacement:

President Kay Lorenzen tabled this agenda item until the next Regular Board Meeting

C. Discuss and possible action to allow 3 ½ vacation days to carry over from 2014 due to family emergency for Office Manager:

President Kay Lorenzen stated that this is not setting a precedent for the other employees but extending the vacation time for Brenda is due to a family emergency.

MOTION Secretary Brett Harrison *made a motion to allow 3 ½ vacation days to carry over from 2014 due to family emergency for the Office Manager.* Member Eldon Graber seconded the motion. **Motion Passed,** unanimously.

D. Discuss and possible action to sign a six (6) month lease on current office location in the amount of \$800 per month plus taxes. Month to month rental could be subject to change with 30 days' notice:

Discussion ensued between President Kay Lorenzen, Secretary Brett Harrison and Member Eldon Graber regarding the timeframe of the building process for the new office building. Homeowner Larry Hudson suggested that the district give a ninety (90) day notice when we vacate the commercial building and that the management company may accept that without having to sign a lease.

President Kay Lorenzen tabled this agenda item indefinitely

E. Discuss and possible action to ratify the new office building facing north or west:

President Kay Lorenzen tabled this agenda item indefinitely

- F. Discuss and possible action to approve change order in the amount of \$500 for the removal of two (2) loads of buried concrete at the 43rd Ave building location:**

MOTION Secretary Brett Harrison *made a motion to approve the change order in the amount of \$500 for the removal of two (2) loads of buried concrete at the 43rd Ave building location.* President Kay Lorenzen seconded the motion. Member Eldon Graber abstained. **Motion Passed.**

- G. Discuss and possible action to ratify the purchase of 68.8 tons of recycled asphalt and moving five (5) loads of dirt to the 43rd Ave building location in the amount of \$1,338.20:**

President Kay Lorenzen stated her concerns regarding the purchase of the recycled asphalt prior to the RFP being advertised.

MOTION Secretary Brett Harrison *made a motion to ratify the purchase of 68.8 tons of recycled asphalt and moving five (5) loads of dirt to the 43rd Ave building location in the amount of \$1,338.20.* President Kay Lorenzen seconded the motion. Member Eldon Graber abstained. **Motion Passed.**

- H. Discuss and possible action concerning the RFP process for the District Office construction and waiver of attorney client privilege for memorandum from Curtis, Goodwin, Sullivan, Udall & Schwab, District Attorney, dated April 3, 2015 regarding same:**

MOTION Secretary Brett Harrison *made a motion that we waive client attorney privilege concerning the RFP process and to disclose the April 3, 2015 memorandum.* President Kay Lorenzen seconded the motion. Member Eldon Graber abstained. **Motion Passed.**

President Kay Lorenzen stated that the plan was to do an RFP but Homeowner Paul Peterson volunteered to be our General Contractor and to donate his expense. The attorneys have come up with some possibilities and some pros and cons. Attorney William Sullivan stated that they have examined the following possibilities for procuring construction services for the project and provide options, along with legal issues for each option:

1. Design-Bid-Build – Contractor contracts with the subcontractors and vendors: The contractor contracts with the subcontractors and vendors and submits a bid based on the design. The contractor who is interested in managing the project submits a bid that includes the subcontractor and vendor costs and his services at no charge other than the cost of bonding and insurance.

Legal Issues: Bidding is still required.

2. Design-Bid-Build – District bids the subcontractors and vendors: The contractor merely manages the project. Because of the size of the contractor’s contract (to oversee the project), it would not be subject to the qualifications-based selection process.

Legal Issues: While the District may bid out separate portions of the project, it cannot do so to avoid the bidding requirement. We understand that this is not the intent of the District. In addition, if the District uses this approach, separate design documents, or at least a clear delineation of the work to be submitted, would have to be prepared by the architect so that the separate subcontracted work could be separately bid. Finally subcontractors would be required to obtain individual performance and payment bonds, as well as insurance.

3. Construction Manager At-Risk (CM@R) – In a CM@R project, the contractor participates in the design phase and, at some point during the design, he guarantees a maximum price. The “risk” is that the actual construction cost exceeds the guaranteed maximum price. This procurement method is generally used for larger projects. We do not think this is what the District intends to do.

Legal Issues: Selection of a CM@R must be through a qualification based process. Direct selection is not permitted.

Heavy discussion between President Kay Lorenzen, Secretary Brett Harrison, Member Eldon Graber and Attorney William Sullivan regarding failure to comply with State Statutes, performance bonds, payment bonds, direct select, cost of violations, bid process and all above mentioned options.

MOTION

Secretary Brett Harrison *made a motion to move forward with the RFP process for the District Office construction for general contractor and to send it to the Office Upgrade Committee for drafting.* President Kay Lorenzen seconded the motion. Member Eldon Graber abstained. **Motion Passed**

I. Discuss and possible action to approve cost in lowering the bridle path on Line 7 from 47th to 49th Ave:

Discussion ensued between President Kay Lorenzen, Secretary Brett Harrison, Member Eldon Graber, Irrigation Manager Richard Mitten, Homeowners Les Hatfield and Rob Myers regarding the original height of the bridle path, cost, dirt being added years ago, the removal of dirt in the past year, and using a laser level during the process of removing additional dirt that was approved last month. Homeowner Les Hatfield stated that the excess dirt can be moved to his property Lot #166.

MOTION President Kay Lorenzen *made a motion to lower the bridle path according to Brett's chart and not to exceed \$600.* Member Brett Harrison seconded the motion. Member Eldon Graber abstained. **Motion Passed**

J. Discuss and possible action to add dirt to bridle path behind Lot #450:

Discussion ensued between President Kay Lorenzen, Secretary Brett Harrison, Member Eldon Graber, Irrigation Manager Richard Mitten and Homeowner Jeri McKelvie regarding the dirt that was removed approximately 1 ½ years ago. Richard stated that the district's small tractor is not capable of doing that type of work and that there is no record of dirt being removed in that bridle path. Homeowner Les Hatfield volunteered to move the dirt from Line 7 bridle path to Lot #450.

MOTION Secretary Brett Harrison *made a motion that the dirt from Line 7 Lot 166 be available to Lot 450.* President Kay Lorenzen seconded the motion. Member Eldon Graber abstained. **Motion Passed**

K. Discuss and possible action to appoint budget chair and committee for FY 15-16:

Office Manager Brenda Brown reported that the Accountant Cathy Hacker volunteered to Chair the Budget Committee.

MOTION President Kay Lorenzen *made a motion to appoint Cathy Hacker as Chairperson, Homeowners Larry Hudson, Walt Michels and Lynette Gray as Committee Members and that Cathy Hacker has the authority to add additional Committee Members not to exceed a total of nine (9) members total including Cathy.* Secretary Brett Harrison seconded the motion. Member Eldon Graber abstained. **Motion Passed.**

L. Discuss and possible action on future agenda items:

1. Classes required for new Board Members
2. Resolution presented by Attorney Alan Wilson

7. ADJOURNMENT:

Without objection, meeting adjourned at 9:07 PM

Dated this _____ day of _____, 2015

Submitted by: _____
Office Manager

Minutes accepted on: _____, 2015 by Secretary_____.

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