

DRAFT

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

February 7, 2017

MEMBERS PRESENT: Kay Lorenzen, President
Brett Harrison, Secretary

MEMBERS ABSENT: Eldon Graber, Treasurer

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 7:06 P.M.
2. CONSIDERATION OF ACTION TO GO INTO EXECUTIVE SESSION OF THE BOARD PURSUANT TO A.R.S. SECTION 38-431.03.A.1 TO REVIEW PERSONNEL ISSUE

MOTION Secretary Brett Harrison *made a motion to go into Executive Session.* President Kay Lorenzen seconded the motion. **Motion Passed.**

RECONVENE IN OPEN SESSION

3. CALL TO ORDER: The meeting was called to order by Kay Lorenzen, President at 7:14 P.M.

4. CALL TO THE PUBLIC:

None

5. APPROVAL OF MINUTES:

MOTION Secretary Brett Harrison *made a motion to approve the Regular Board of Directors Meeting January 3, 2017.* President Kay Lorenzen seconded the motion. **Motion Passed.**

President Kay Lorenzen stated that the Special Board of Directors Meeting January 27, 2017 and Executive Session Board of Directors Meeting December 13, 2016 is tabled until the next Regular Meeting

6. REPORTS:

A. Financial Report:

Accountant Cathy Hacker reviewed and explained the financial reports to cover any line items that were significantly over or under budget.

1. Approval of financial report:

MOTION

Secretary Brett Harrison *made a motion to approve the December 31st, 2016 Financial Report for filing.* President Kay Lorenzen seconded the motion. **Motion Passed.**

B. Summary of Current Events:

Secretary Brett Harrison reported that the District is now working on replacing four (4) acres on Line 05. Irrigation Manager Richard Mitten stated that the replacement on Line 05 is east of Kay's property, and that her property has already been replaced. Richard also reported that the crew will be tying in at this particular point but, when we cross 47th Avenue the cost is going to be expensive.

C. Managers' Report:

Irrigation Manager Richard Mitten reported that Line 6 from 51st Avenue to 47th Avenue, half mile is finished with new pipe being laid. The District saved about 40 % on the cost by doing it ourselves, compared to an outside contractor as in the past. Thank you to all the homeowner's on line 6 for their help and patience. There were thirteen (13) repairs done by our employees this month. Congratulations to Brett Harrison, on being re-elected to his second term on the Sunburst Farms Irrigation District, Board of Directors'. Thank you to Sunburst Farms Irrigation District Board of Director Eldon Graber, for loading a big dump truck full of old concrete and getting it out of our 39th Avenue yard. There is a Committee working on and re-doing the Sunburst Farms Irrigation District Employee Handbook. It is chaired by Kay Lorenzen, President, and the committee consists of: Peggy Schwend, Renee Breeden, Larry Hudson, Brenda Brown and Myself. Thank you to all of the Committee for volunteering your time to work on updating our Handbook. See attachment

D. Custodian of Records Report:

Custodian of Records Brenda Brown reported on completed/outstanding and fees collected. The District received seven (7) Public Information Requests. Fees collected totaled \$1.05.

7. NEW BUSINESS:

A. Discuss and possible action to items discussed in Executive Session:

MOTION President Kay Lorenzen *made a motion to adjust the service date from September 23, 2013 to February 28, 2014 for an employee who was off the payroll for several months.* Secretary Brett Harrison seconded the motion. **Motion Passed.**

B. Discuss and possible action on payroll issues:

President Kay Lorenzen tabled this agenda item indefinitely

C. Discuss and possible action to Capitalize Line 6 Phase 2 in the amount of \$41,971.97:

Discussion ensued between President Kay Lorenzen and Secretary Brett Harrison regarding the difference in cost that's been presented to the Board in the amount of \$39,292.78. Office Manager Brenda Brown stated that the \$41,971.97 includes taxes and Phase 3 labor in December.

MOTION President Kay Lorenzen *made a motion to Capitalize Line 6 Phase 2 in the amount of \$41,971.97.* Secretary Brett Harrison seconded the motion. **Motion Passed.**

D. Discuss and possible action on depreciation and capitalization of projects:

Heavy discussion ensued between President Kay Lorenzen, Secretary Brett Harrison, Accountant Cathy Hacker and Homeowners Peggy Schwend and Walt Michels regarding funding capitalized projects, current balance in capitalized/depreciation account, purchasing heavy equipment and items that were budgeted to be capitalized.

No Action Taken

MOTION President Kay Lorenzen *made a motion to go out of order and to move New Business G. Discuss and possible action to approve review for FY ending 06/30/2016 next on the agenda.* Secretary Brett Harrison seconded the motion. **Motion Passed.**

G. Discuss and possible action to approve review for FY ending 06/30/2016:

Discussion ensued between President Kay Lorenzen, Secretary Brett Harrison, Accountant Cathy Hacker and Office Manager Brenda Brown regarding the review for Fiscal Year ending June 30, 2016, the collection of past due accounts, pending Judgements and that the Journal Entries recommended by Mary Haans with Seely & Mullins have been made as of December 31, 2016.

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

E. Discuss and possible action on what to do with the Kubota tractor:

Discussion ensued between President Kay Lorenzen, Secretary Brett Harrison and Irrigation Manager Richard Mitten regarding the cost of repair, the condition, current tractor is too small, options, sealed bid auction, setting reserve, fully depreciated, selling it

for parts, blue book value, trade-in value and that the District purchased the 1995 Kubota tractor on July 1, 2000 in the amount of \$13,700. President Kay Lorenzen asked Richard to get additional information on trade in value.

President Kay Lorenzen tabled this agenda item until the next meeting

F. Discuss and possible action on purchasing tractor:

President Kay Lorenzen tabled this agenda item until we get the trade in value for our current tractor

G. Discuss and possible action to approve review for FY ending 06/30/2016:

Discussed out of order

H. Discussion on approving Employee Handbook:

President Kay Lorenzen reported that the Employee Handbook Committee had several meetings and worked very hard on revising and adding additional information. Kay thanked Homeowners Renee Breeden, Peggy Schwend and Larry Hudson for volunteering their time and also thanked Managers, Brenda Brown and Richard Mitten for their input and time as well. Kay stated that the Employee Handbook will be sent out to all Board Members and Committee Members so everyone will have a chance to review it and that the Board Members will have ample time to make a final approval and/or make any changes accordingly at a Special Meeting possibly in a couple of weeks. Office Manager Brenda Brown stated that the revised Employee Handbook will have the recommendations highlighted in yellow for their convenience.

President Kay Lorenzen tabled this agenda item until a Special Meeting is called

I. Discuss and possible action on future agenda items:

- 1. Purchase a truck load of 10” pipe for a cost of \$3.50 a foot
- 2. Ratify two (2) vacation days for Office Manager

8. ADJOURNMENT:

Without objection, meeting adjourned at 9:02 PM

Dated this _____ day of _____, 2017

Submitted by: _____
Office Manager

Minutes accepted on: _____, 2017 by Secretary_____.

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