

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

January 7, 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, Presiding Officer, at 7:00 P.M.
2. SWEARING IN OF ONE NEW BOARD MEMBER FOR 2014-2016:

Oath of Office: I Brett Harrison, do solemnly swear that I will support the Constitution of the United States and the Constitution and laws of the State of Arizona; that I will through faith and allegiance bears to the same, and defend them against all enemies whatsoever, and that I will faithfully and impartially discharge the duties of the office of Director, *Sunburst Farms Irrigation District* according to the best of my ability, so help me God (or so I do affirm).

3. ELECTION OF OFFICERS:

**MOTION** Member Brett Harrison made a *motion to appoint Kay Lorenzen as President*. Member Kay Lorenzen seconded the motion. **Motion Passed**, unanimously. Member Brett Harrison made a *motion to appoint Victor Armendariz as Secretary*. President Kay Lorenzen seconded the motion. **Motion Passed**, unanimously.

4. CALL TO THE PUBLIC:

1. Homeowner Robert Myers stated his concerns regarding the height of the bridle path located on line 7 from 47<sup>th</sup> Ave to 49<sup>th</sup> Ave and asked if lowering the bridle path may be up for discussion on the next agenda
2. Homeowner Don Repp requested Secretary Victor Armendariz's resignation

5. REPORTS:

**A. Financial Report:**

Accountant Cathy Hacker stated that the objective of these reports is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the reports. The intended purpose of these reports is for management discussion and review. See Attachment

**MOTION**

Secretary Victor Armendariz *made a motion to move 6 A. OLD BUSINESS: 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 under financial report.* Member Brett Harrison seconded the motion. **Motion Passed, unanimously.**

6. 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:**

Accountant Cathy Hacker stated that she has gone over the review from CPA On Call for Fiscal Year ending June 30, 2010. Cathy verified the fixed asset and the accumulated depreciation numbers and the net number on the books is a total of \$1,177,000. For Fiscal Year ending June 30, 2011 the independent auditor "Colby & Powell" agreed with the books and had no problems with the journal entries that had been made. However, effective July 1, 2010 Colby & Powell stated in their schedule that the fixed asset amount started at \$1,021,000. There is nothing in Colby & Powell's audit that explains why their numbers started off differently. This is a discrepancy from the ending amount from the prior Fiscal Year. According to Seely & Mullins, the review for Fiscal Year ending June 30, 2012 started with the ending balance of the audit. Cathy also stated that she sent emails to Seely & Mullins regarding this issue and their response was "Since our review was for Fiscal Year ending June 30, 2012, we began with the auditing numbers and that's why we gave the journal entries. Cathy recommended that the district needs to contact Colby & Powell. President Kay Lorenzen requested Cathy Hacker to send the district a letter regarding her findings.

**B. Summary of Current Events:**

No report given

**C. Irrigation Manager Report:**

Irrigation Manager Richard Mitten stated that eleven (11) repairs were completed for the month of November and eight (8) were completed for the month of December, 2013. Richard reported on the removal of the curb located on line 14 at 41<sup>st</sup> Avenue. Richard also reported on the inspection of the cured in place pipe "CIPP" that Insituform installed in 2008. Richard is offering an educational class "Irrigation 101" for those homeowners who would like to learn more about the system and is asking them to contact the office to

find out more information. Richard also reminds homeowners to inspect their bridle paths for debris. Richard gives many thanks to all the homeowner who volunteer their services and to those who brought Christmas treats for the staff. See Attachment

**D. Custodian of Records Report:**

Office Manager Brenda Brown stated that due to time delays she has nothing to report at this time.

6. 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 until the next Regular Board Meeting.

**B. Discuss and possible action on opening sealed bids and award bid in reference to RFP #01-14 for replacement for Lines 9 and/or 10 from 45<sup>h</sup> Ave o 47<sup>th</sup> Ave:**

The Board of Directors opened five (5) sealed bids. The bids include the following:

1. Victor's Landscaping Inc. – Rejected, bid did not meet RFP requirements
2. Odeh Sons LLC in the amount of \$164,000 for both lines
3. Goldstein and Luera Construction, LLC in the amount of \$173,100 for both lines
4. Premier Irrigation in the amount of \$213,147.68 for both lines
5. Stewart Pipe, Inc. in the amount of \$124,381.91 for one line only

Discussion ensued between President Kay Lorenzen, Secretary Victor Armendariz and Member Brett Harrison regarding long term replacement, cost of repairs, repairs on top of repairs, and length of breaks, new breaks that's occurring, deterioration, and root intrusion.

**MOTION**

Member Brett Harrison *made a motion to award bid in reference to RFP #01-14 to Premier Irrigation.* President Kay Lorenzen seconded the motion.

Discussion ensued between President Kay Lorenzen and Member Brett Harrison regarding the price difference and qualifications between Premier Irrigation vs. Goldstein and Lual Construction.

**MOTION**

Member Brett Harrison amended his motion and *made a new motion to award bid in reference to RFP #01-14 to Goldstein and Lueral in the amount of \$173,100 for lines 9 and 10 from 45<sup>th</sup> Avenue to 47<sup>th</sup> Avenue.* President Kay Lorenzen seconded the motion. Secretary Victor Armendariz opposed. **Motion Passed.**

**C. Discuss and possible action on assignment of 2014 Dodge Ram truck:**

Member Brett Harrison stated that the district should use a walk around sheet to identify if there are damages that have been incurred by the previous irrigator and set an incentive plan. President Kay Lorenzen stated that a study was made by a former Board that a three (3) year rotation would work out best for the vehicles. The newest vehicle would be used by the irrigation manager and that the irrigation manager's vehicle would be used by the irrigators and the irrigators' vehicle would be passed down to the maintenance. The study took into consideration wear and tear, warranties, repairs, maintenance etc...Interested homeowners complained that the district is not careful with the vehicles and that the irrigators drive too fast in the bridle paths, they're careless, and they bang up the body of the truck. Kay also reported that since the maintenance vehicle is designated right now we have an opportunity to return to a three (3) or four (4) year rotation with at least a couple of the vehicles by rotating the manager's truck to the irrigators and using the new truck for the manager. Many homeowners do not like the idea of the manager getting a new truck every year and they like it even less that a brand new truck would go directly to the irrigators who they believe have shown little regard for the care of the vehicles they drive. The new truck has doors that extend 10" wider than the old truck and the total width of the new truck with the mirrors is 5" wider than the old truck. In some bridle paths there are only a couple of inches of clearance which involve the standpipes. Kay also stated that there is only anecdotal evidence that the irrigators report dints, dings, scrapes and other damages when they turn the truck over to the next driver. There is no known incentive program to motivate the irrigators to treat the new vehicle like their own and to take exceptionally good care of it. GPS records indicate that speeding is a daily occurrence. The irrigators need to prove that they can do the job without speeding and without damaging the vehicle. Attempts to determine warranty items repaired on previous vehicles were not successful, and how do we know that the warranty has paid off. Kay stated that she has two (2) recommendations.

1. Rotate the managers' truck to the irrigators with an incentive plan in place to keep that truck free of external damage and reduce the repairs caused by careless or fast driving. Or
2. Let the irrigators prove that they can take care of a vehicle by rotating the managers' truck to them for six (6) months and if they have no additional dents, dings, scrapes or repairs caused by carelessness or rough driving then move the new truck over to them with an appropriate incentive plan to help them be accountable.

**MOTION**

Secretary Victor Armendariz *made a motion to assign the 2014 Dodge Ram truck to the irrigators.* Member Brett Harrison seconded the motion. President Kay Lorenzen opposed.  
**Motion Passed.**

7. NEW BUSINESS:

**A. Discuss and possible action to change meeting time:**

Secretary Victor Armendariz stated his concerns regarding the timeframe if the district decides to rent the Sunburst Elementary School library. The cutoff time is 9:00 pm and school staff starts hovering around at 8:45 pm. Discussion ensued regarding lengthy meetings and agenda items.

**MOTION** President Kay Lorenzen *made a motion to change the meeting time from 6:30 pm to 7:00 pm.* Member Brett Harrison seconded the motion. Secretary Victor Armendariz opposed. **Motion Passed.**

**B. Discuss and possible action on reimbursing fees to Victor Armendariz cell phone bill to fulfill public records request:**

**MOTION** Secretary Victor Armendariz *made a motion to reimburse himself \$60 for cell phone bill to fulfill public records request.* Member Brett Harrison seconded the motion. **Motion Passed,** unanimously.

**MOTION** President Kay Lorenzen *made a motion to eliminate the previous motion concerning reimbursement.* Member Brett Harrison seconded the motion. **Motion Passed,** unanimously.

**MOTION** President Kay Lorenzen *made a motion to reimburse Secretary Victor Armendariz \$5 a month for cell phone bill to fulfill public records request.* Member Brett Harrison seconded the motion. Secretary Victor Armendariz abstained. **Motion Passed.**

**C. Discuss and possible action to appoint Custodian of Records:**

**MOTION** President Kay Lorenzen *made a motion to appoint Office Manager Brenda Brown as Custodian of Records.* Secretary Victor Armendariz seconded the motion. **Motion Passed,** unanimously.

**D. Discuss and possible action on becoming members of Irrigation Electrical District Association "IEDA":**

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

Secretary Victor Armendariz stated that he needs to leave for approximately five (5) minutes to operate his slide gates for irrigation.

**E. Discuss and possible action to change system passwords:**

President Kay Lorenzen stated that the district had two (2) security breaches in the last year, one with the surveillance system and one with the GPS system. We had made a motion back in April that only the Board Members and Richard would have the user name and password to the GPS system. Kay also stated that they need to narrow it down because there was another security breach. Kay made a recommendation that she and Richard have the user ID and password to the GPS system and that Brett and Brenda have the user ID and password to the surveillance system. Secretary Victor Armendariz stated that why wouldn't every Board Member have access to the information. President Kay Lorenzen stated that she was hoping to deal with the security breach without a huge discussion but,

on December 2, 2013, Victor Armendariz changed his user id and password and later that same day I “Kay Lorenzen” received an email from Randy Videen passing Victor’s user id and password out. This email was also addressed to Bob Bustoz. President Kay Lorenzen asked Secretary Victor Armendariz if he gave out the information. Victor stated no and that Randy Videen must have figured out the information because it was similar to the previous user ID and password. Kay stated that based on this information she does not feel that we have security. Kay also reported that if anyone wants this information they can put in a public records request. If any other board member wants the information they can come into the office and Richard and or Brenda can log them in.

**MOTION** President Kay Lorenzen *made a motion that Richard and I “Kay” have the user id and password to the GPS system.* Member Brett Harrison seconded the motion. Secretary Victor Armendariz opposed. **Motion Passed.**

**MOTION** President Kay Lorenzen *made a motion to change the surveillance passwords and that Member Brett Harrison and the Office Manager Brenda Brown have access.* Member Brett Harrison seconded the motion. Secretary Victor Armendariz opposed. **Motion Passed.**

**F. Discuss the appointment of new attorney specializing in Open Meeting Law and Public Records:**

President Kay Lorenzen requested that board members interview attorneys by next meeting and tabled this agenda item until the next Regular Board Meeting.

**G. Discuss and explore qualifications and pricing of district accountant:**

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

**H. Discuss and possible action on future agenda items:**

President Kay Lorenzen and Member Brett Harrison directed Office Manager Brenda Brown to put the following items on the agenda for the next regular board of directors meeting.

1. Lowering the bridle path located on lines 7 from 47<sup>th</sup> Ave to 49<sup>th</sup> Ave
2. Incentive plan for irrigators using the new truck
3. Contract with Sunburst Elementary School
4. Ordering five (5) minute increments of water
5. Tracking public information requests
6. Standpipe sensors

**I. Discuss and possible action on maintenance procedures and records for irrigation lines:**

Member Brett Harrison stated that he would like to see a more detailed report on how we're tracking maintenance and repairs so we can make even better educated decisions regarding line replacements. Brett gave a presentation via personal laptop. Brett stated that he's in the process of building a data base program that has all the repairs, maintenance, current leaks and replacements overlaid on a map of the farms with a timeline, and will produce reports as well. Brett also stated that he would like to get input from the board and homeowners on what type of information would the district like to track. Secretary Victor Armendariz stated that the GPS photography information is a great idea. Brett stated that these systems would become the property of the District.

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

**J. Discuss and possible action on the current complaint/resolution letter from the Attorney general's Office dated 10/11/2013:**

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

8. ADJOURNMENT:

Without objection, meeting adjourned at 9:13 PM

Dated this 7<sup>th</sup> day of January, 2014

Submitted by: Brenda Brown  
Office Manager

Minutes accepted on: February 4, 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

