

DRAFT

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

May 2, 2017

MEMBERS PRESENT: Kay Lorenzen, President
Brett Harrison, Secretary
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 7:03 P.M.

2. CALL TO THE PUBLIC:

1. Homeowner Renee Breeden stated her concerns regarding the low irrigation that she received.

3. APPROVAL OF MINUTES:

No Action Taken

4. 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 March 31st, 2017 Financial Report for filing.* President Kay Lorenzen seconded the motion. **Motion Passed.** President Kay Lorenzen stated that Eldon has not arrived but she will make note for the minutes when he does.

B. Summary of Current Events:

No Reports

C. Managers' Report:

Irrigation Manager Richard Mitten stated that four (4) repairs were completed for the month of April. Replacement of Line 5 Phase 1 and 2 is completed. Loose trash curbside begins on Saturday, May 27, 2017 and collection begins on Monday, June 5, 2017. See attached report.

D. Custodian of Records Report:

Custodian of Records Brenda Brown reported on completed/outstanding and fees collected. The District received four (4) Public Information Requests. Fees collected totaled \$2.95.

E. Ad Hoc Committee:

Chairman Larry Hudson stated that the Hiring Committee made several recommendations regarding establishing wages for non-driving positions at \$10 per hour, which took care of the mandatory increase of the minimum wage, establishing new hire positions for maintenance/irrigation positions at \$12 per hour, establishing a range for maintenance/irrigation positions not to exceed \$20 per hour, establishing a starting salary range for the Office Manager position from \$30,000 to 35,000 based on experience with a maximum salary of \$50,000, and establishing a starting salary range for the Irrigation Manager position from \$35,000 to \$40,000 based on experience with a maximum salary of \$55,000. Larry also stated that the Committee recommends to the Board to establish a time cycle every five (5) years to review these ranges and to make sure they are still appropriate.

5. OLD BUSINESS:

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

Heavy discussion ensued between President Kay Lorenzen, Secretary Brett Harrison, Treasurer Eldon Graber, Irrigation Manager Richard Mitten, Dave Graf a wholesaler with Bobcat of Phoenix and Homeowners Larry Hudson, Renee Breeden and Karen Mills regarding the sale of the Kubota tractor, recommendation from Phoenix of Bobcat to contact wholesaler, staying in compliance with State Statutes, no written bids, fees to fix the tractor, condition of the tractor, sealed bids, auctions, procurement code procedures and accepting a cash offer in the amount of \$3,800 from Dave Graf.

MOTION

Secretary Brett Harrison *made a motion to sell the Kubota tractor to Dave Graf in the amount of \$3,800 cash.* Treasurer Eldon Graber seconded the motion. **Motion Passed,** unanimously.

B. Discuss and possible action to install security cameras:

Discussion ensued between President Kay Lorenzen, Secretary Brett Harrison and Office Manager Brenda Brown regarding the crashed hard drive, 8 channels DVR, hard drive capacity, brand names and purchasing higher grade of cables.

MOTION Secretary Brett Harrison *made a motion to install security cameras and not to exceed \$800.* President Kay Lorenzen seconded the motion. Treasurer Eldon Graber opposed. **Motion Passed.**

6. NEW BUSINESS:

A. Discuss and possible action to accept the Hiring Committee recommendations:

MOTION Secretary Brett Harrison *made a motion to accept the Hiring Committee recommendations for minimum wage for non-driving position at \$10 per hour, maintenance/irrigation starting position at \$12 per hour, ranges for maintenance/irrigation position ranges from \$12 per hour to \$20 per hour, range of \$30,000 to \$50,000 for Office Manager and range of \$35,000 to \$55,000 for Irrigation Manager.* Treasurer Eldon Graber seconded the motion. **Motion Passed,** unanimously.

Irrigation Manager Richard Mitten stated that the guys have been watching this and can we move forward with giving them a raise tonight. President Kay Lorenzen stated that we need to schedule an Executive Session to discuss this issue and we should do this prior to the last Budget Meeting.

B. Discuss and possible action to pay sales tax for the John Deer Tractor in the amount of \$3,113.45

Discussion ensued between President Kay Lorenzen, Secretary Brett Harrison and Treasurer Eldon Graber regarding the approved amount of \$37,150 for the tractor, tax obligations and the attendance needed for a past auction. Eldon stated his opinion regarding the cost of the tractor, sales tax was not included in the quote and that the District should return the tractor and look into purchasing a cheaper one.

MOTION Secretary Brett Harrison *made a motion to pay sales tax for the John Deer Tractor in the amount of \$3,113.45.* President Kay Lorenzen seconded the motion. Treasurer Eldon Graber opposed. **Motion Passed.**

Discussion ensued between Treasurer Eldon Graber, President Kay Lorenzen and Homeowner Renee Breeden regarding a future Committee and to have them look into purchasing vehicles and heavy equipment. Eldon volunteered to chair the Committee.

C. Discuss and possible action to pay rental fees during the replacement of Line 5 on excavator and tractor from A to Z rentals in the amount of \$5,805.22:

Treasurer Eldon Graber stated that this was discussed at the last Regular Board Meeting and the Board was told there were no incurred fees. Discussion ensued between President Kay Lorenzen, Secretary Brett Harrison, Treasurer Eldon Graber and Irrigation Manager Richard Mitten regarding additional rental fees, attending auctions, and that the line replacement was delayed for two (2) months. Eldon stated that it's wasted money on rental fees.

MOTION

Secretary Brett Harrison *made a motion to pay rental fees during the replacement of Line 5 on excavator and tractor from A to Z rentals in the amount of \$5,805.22.* President Kay Lorenzen seconded the motion. Treasurer Eldon Graber opposed. **Motion Passed.**

D. Discuss and possible action on overhead costs on District vehicles:

Treasurer Eldon Graber stated that he's recommending that the District save money on the maintenance of our vehicles. Eldon also stated that there is no use in taking a used vehicle to a dealership to be serviced when there are other opportunities to take advantage of, and can do a good job. Discussion ensued between President Kay Lorenzen, Secretary Brett Harrison, Treasurer Eldon Graber, Irrigation Manager Richard Mitten, Homeowners Larry Hudson and Courtland Rouse regarding warranties, cost per hour for labor, past Board Members directed Richard to use dealerships, current condition of the Dodge, vehicle maintenance, five (5) year replacement plan, depreciation schedule, dealership fees, lemon law, finding a different location, reduce maintenance fees and possibly replacing the Dodge. Kay directed Richard to get estimates and check references. Homeowner Chad Chase made a recommendation to the District.

No Action Taken

E. Discuss and possible action on written agreement between the District and HOA:

Discussion ensued between President Kay Lorenzen, Secretary Brett Harrison, Treasurer Eldon Graber, Irrigation Manager Richard Mitten, Homeowners Larry Hudson, Renee Breeden, Courtland Rouse, Karen Mills regarding the violation of the agreement, metal shed that was placed on District property, access to the newsletter, upgrading to 8x20 sea container, no rent currently being charged, current rental rates according to square footage of dwelling, HOA not meeting agreement, newsletter not being sent to all homeowners, District items not being advertised, the possibility the HOA will come back with an offer, amending current agreement and to remove the reinstatement of the newsletter, liability, items in the sea container and Hold Harmless agreement to be signed by both parties. President Kay Lorenzen stated that we should give them an opportunity to reinstate the paper because it could be cheaper.

President Kay Lorenzen states that the agreement reads as follows:

There has been a long-standing agreement between the Sunburst Farms Irrigation District and the Sunburst Farms Homeowners Association for the shed placed on District property in exchange for the placement of any and all manager's reports, meeting notices, election notices and campaign letters in the Sunburst Farms News, a paper newsletter delivered to all homes in the District. The District is required by law to publish legal notices (election notices), and the Sunburst Farms News and its delivery to all residences in the District, has been used to satisfy this requirement.

If the Homeowners Association no longer delivers the newsletter/information to each and every homeowner, that would be considered a breach of the long standing agreement. Options at that point include:

1. Reinstate the paper Sunburst Farms News for delivery to every homeowner in the District
2. Pay rent at a rate determined by the Irrigation District Board for the container to be placed on District property, including a Hold Harmless agreement to be signed by both parties. See separate document.
3. Remove container from District property

MOTION

Treasurer Eldon Graber *made a motion that the HOA sign the agreement and either pay rent in the amount of \$150 per month or removes the container from District property.* Secretary Brett Harrison seconded the motion. President Kay Lorenzen abstained. **Motion Passed.**

F. Discuss and possible action on complaint from Lot #722 regarding pump time vs. runoff time:

Discussion ensued between President Kay Lorenzen, Secretary Brett Harrison, Treasurer Eldon Graber, Irrigation Manager Richard Mitten, Homeowners Courtland Rouse, Chad Chase, Anthony Arrandale, Larry Hudson and Renee Breeden regarding pump time, runoff water dropping in volume, runoff water not compensating for pump time, supplying documentation to homeowners who live at the end of the line, future legal issues, long standing practice with runoff, start time vs. charge time, residual water left in lines, inconsistency of runoff, District's obligation, Standard Operating Procedures, surplus of water, cost of doing business, runoff water varies 20% to 60%, runoff being inconsistent, variation of the water table, adjusting runoff with other homeowners, cost of installing meters and changing the technology. Homeowner Courtland Rouse stated that conversations have taken place with Richard and that he was to no longer practice this habit on his property. Homeowner Chad Chase stated that they no longer want runoff and they want pump time only.

No Action Taken

G. Discuss and possible action to ratify one (1) vacation day for Irrigation Manager:

Irrigation Manager Richard Mitten stated that he had worked his forty (40) hours Monday through Thursday and the Friday that he took off shouldn't count against him. Richard also stated that he was on the phone early that particular Friday morning discussing work issues with the employees. Discussion ensued that since the forty (40) hours were worked that no vacation day will be charged against Richard.

No Action Taken

H. Discuss and possible action to pay ET Fabrications LLC for fence damage during the replacement of Line 6 in the amount of \$763.11:

Discussion ensued between President Kay Lorenzen, Secretary Brett Harrison, Treasurer Eldon Graber and Irrigation Manager Richard Mitten regarding damaged fences to two (2) properties on Line 06 during the replacement of Line 06.

MOTION Secretary Brett Harrison *made a motion to approve payment to ET Fabrications LLC for repair of fence damage during the replacement of Line 06 in the amount of \$763.11.* Treasurer Eldon Graber seconded the motion. **Motion Passed**, unanimously.

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

MOTION Secretary Brett Harrison *made a motion to approve two (2) vacation days for Office Manager Brenda Brown.* Treasurer Eldon Graber seconded the motion. **Motion Passed**, unanimously.

J. Discuss and possible action to capitalize payroll taxes for Line 6 Phase 3 in the amount of \$344.63:

MOTION Secretary Brett Harrison *made a motion to capitalize payroll taxes for Line 6 Phase 3 in the amount of \$344.63.* Treasurer Eldon Graber seconded the motion. **Motion Passed**, unanimously

K. Discuss and possible action to capitalize payroll taxes for Line 5 Phase 1 in the amount of \$651.13:

MOTION Secretary Brett Harrison *made a motion to capitalize payroll taxes for Line 5 Phase 1 in the amount of \$651.13.* Treasurer Eldon Graber seconded the motion. **Motion Passed**, unanimously

L. Discuss and possible action to capitalize payroll taxes for Line 5 Phase 2 in the amount of \$792.56:

MOTION Secretary Brett Harrison *made a motion to capitalize payroll taxes for Line 5 Phase 2 in the amount of \$792.56.* Treasurer Eldon Graber seconded the motion. **Motion Passed**, unanimously

M. Discuss and possible action on future agenda items:

- 1. Establish Committee

7. ADJOURNMENT:

Without objection, meeting adjourned at 8:50 PM

Dated this _____ day of _____, 2017

Submitted by: _____
Office Manager

Minutes accepted on: _____, 2017 by Secretary_____.

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