**MINUTES**

**ACADEMY WATER AND SANITATION DISTRICT**

**October 19, 2022**

All participation in this public meeting, including public participation, will be held via SKYPE. For sign on please go to AWSD website.

ATTENDEES VIA SKYPE:

(X) Steve Callicott President

(X) Mike Nero Vice President

(X) Brian Houghtaling Treasurer

(X) Loring Wirbel Secretary

(X) Ronald Curry Director/Webmaster

(X) Anthony Pastorello Manager

( ) Neil Nalepa Operator

Other Attendees:

(X) Dave Frisch GMS Engineering

**CALL TO ORDER: 6:02 p.m.**

**MINUTES**: Motion for Sept. approval – unanimous. Oct. 12 2022 – move for approval. unanimous

**REPORTS:**

 **SECRETARY**: Nothing to report

 **TREASURER**:

 **BANK ACCOUNTS:**

 August September

Checking: US Bank $ 34,660.52 $ 42,119.16

Colotrust: Water $252,588.13 $253,132.71

Colotrust: Wastewater $497,686.57 $498,759.58

 **AGENDA ITEMS:**

 \* 2022 Amended Budget – No reason to go into amended budget, Brian said. Quote from Semocor and the resignation of Anthony indicated we are unlikely to exceed expenses. This could change later in 4Q. Can be amended through Nov. 2022. Keep track of how much Neil’s services are used. Ron pointed out that, if Neil runs the plant, he can only do so under Semocor’s certification.

 \* 2023 Budget Discussion – All current trends suggest inflation may be higher than 5%, maybe 10%, so Brian changed new spreadsheet to 8%. Brian increased Donala fees, due to their prediction of raising rates by 25%, or $51.44. Brian estimated audit expenses to be around $10,000. Forecast is for one operations employee with salary of $87,000. If there is need for more than one employee, will have to revise. Brian added new line item called “Contracted Services” for Semocor etc. – many unknowns, currently estimated at $55,000. Ron said everything should change by next month, but will Semocor under agreement cover lab work, etc? Some line items may be covered under Semocor contract. Salaries and benefits may be over-estimated, because there may be a turn to contracted part-timers without benefits. Under construction estimate, may get new items under automation in the next few days.

We must stay within rate covenant for our debt – revenue must cover expenses minus depreciation, and the ratio must be 1.1. Also must keep money in reserve. But Brian said he is not concerned about reserve, rather he is concerned about revenue meeting requirements of rate covenant. Water and sanitation fees might both have to increase, possibly by 20%.

Brian will take the initiative to check to see if filter replacement can be capitalized. Anthony pointed out that Donala is increasing rates by 25% due to inflation, and AWSD would be well advised to keep this under consideration.

Two additional Treasurer items – Brian signed consultancy agreement with Anthony. Brian also is working with Ginger to see if she could send out Past Due letters – but not shut-off notices. Steve pointed out that past-due numbers grew in the last month, and any rate increases will only worsen the problem.

 **OPERATOR:** See operator resignation under New Business. Steve gave Anthony well-wishing, and said the board would miss him. Anthony said he is reading the meters early, to get the bulk done before he leaves. He is working with Steve Turner to show the process, marked out where radio-reads are, and Anthony will leave the reader with a visual and an address for radio-reads. Anthony said Semocor as a whole seems very competent and has done this for a long time. Anthony is willing to come on weekend or end of workday in November to double-check. Joan, AWSD attorney, will draw up independent contractor agreement for Steve. Remind Semocor that lead and copper samples will be needed by December. Anthony asked, what about alarms? Each operator, when on call, should receive alarms. AWSD IT person, Paul, with Five Star, can set up alarms. Anthony will talk to Ginger about sending all meter-reads to manager@awsd.org email. Semocor should probably be in charge of AWSD laptop. Five Star has a project to add PLC to Filter #2. They were in 10/19 finishing up lightning strike work, then they can begin PLC. Keith at Five Star will send invoice to Steve. Letter of resignation tendered Sept. 30, last day Oct. 21.

**POTABLE WATER SYSTEM**:

**WASTE WATER SYSTEM**:

**OLD BUSINESS**:

* HB21-110 Compliance – nothing new.
* Application for Due Diligence – finalized last month, so it will be dropped.

**NEW BUSINESS:**

Disclosure of Board Member Conflict of Interest: None.

* Resignation of manager/operator – Discussed earlier
* Management and Operations transition – Semocor already touring facilities, learning protocols.
* Semocor, Inc. Agreement – They have given estimates for charging us, roughly $3000 a month in support, $85/hr for non-emergencies, and $125/hr for emergencies. They will be available to work on emergencies etc. as soon as agreement is signed. Dave mentioned that Will from Semocor said he liked working with small districts and that this was likely a deal. **Ron moves to authorize the president to sign such an agreement if the money is in the ballpark, and obligate the district to the contract. Unanimous approval.**
* Ads for Water Plant Operator – This is on hold. Ron pointed out that we are searching for one or two part-time independent contractors, and not a full-time operator. He said Will wants to work with District to examine whether FT operator will be necessary. Operator issue will be kept as Old Business item.
* Meter Reading discussion – Steve Turner is being hired for reading, and it does not appear to be in conflict with any aspect of Semocor agreement. ICA will need to be completed in due haste. Anthony recommended a fair rate would be minimum wage to $20/hr, but Ron and Mike thought a flat fee would be better, which might be between $300 and $500. Brian said this may be dependent on using own car (which would mean a mileage charge), etc. **Ron makes motion to authorize president or treasurer to negotiate and sign an Independent Contractor Agreement with Steve Turner specifying meter reading. Unanimous approval.**
* Pastorello Independent Contractor Agreement – Has been approved and signed. Ron advised Anthony to keep track of hours. Brian said it is in the invoice.

**FAMLI:** Opened public hearing from 7:25 p.m. to 7:26 p.m. on FAMLI program – no comments. Meeting closed. Board decided two months ago it would opt out of FAMLI. Brian said that if we move forward with independent contractors, it makes the FAMLI discussion moot. Loring brought up issue of part-time employees in the future, and whether they would be FAMLI covered – not clear at this time. Joan told Steve almost all special districts are opting out of FAMLI. After closing public hearing, **Ron shared the attorney-prepared resolution to opt out of FAMLI, and moved that we accept that resolution. Motion was approved unanimously.**

**Insurance:** Brian said we may want to wait until talking with Semocor. Steve said go ahead and talk to SDA, let them know we will be shifting to independent contractors. Ron said Joan pushed AWSD to talk to SDA, as they might be significantly less expensive.

**Notification of Customers on Operations:** Ron suggested we get a newsletter out, no later than next meeting. Ron will work with Loring on preparing this. Steve asked if we could make a notice on our postcards for customers to check the web site. Mike added we should get some kind of credentials for meter reader. Ron said he felt strongly about doing direct mailing.

**Anthony’s Departure:** Truck, keys, laptop, phones – Anthony said he will provide all items to Steve unless otherwise instructed. Anthony will give tablet to Ron for now, for meter-read uploadings etc. Ron said a board member should have a tablet temporarily, but maybe this will be turned over to Steve T. Anthony also suggested that Steve talk to the IT guy at Five Star (and John, the EE) about SCADA operation. As for the truck, Anthony would park at the plant, lock it up, and give set of keys to Steve (spare set of keys inside the plant). Steve will take over mail pickup and dropoff, Anthony has keys to box. Operator phone? Ron said this should be discussed with Semocor, and to see if number should be changed. Anthony said Century Link can re-direct plant calls to Semocor. The AWSD smartphone can be used as a backup meter-reading device. Ron said that protocols may change over next couple months, and an operator phone may not be needed. Brian pointed out that name on District credit card is Anthony’s, so we will need a new one. Anthony said the existing card has some recurring charges to vendors, so it may be easier to keep it.

**Budget:** Budget Notice was published in The Gazette 10/06/2022

Ron concluded by thanking Brian and Dave Frisch for connecting district with Semocor, and for doing other work. Dave said that Semocor must be signed up as the ORC. Will told Anthony Semocor will take care of it. The board also will have to change the contingency plan document, and change Anthony to Semocor.

**ADJOURNMENT: 8:04 p.m.**

Atch: Resolution on FAMLI