

**Blue Hills Environmental Association, Inc. Meeting
Minutes
July 8, 2013**

In Attendance:

Paul Ramsey
Delwin Wengert
James Nelson
Barry Weller
Spence Udall
Ferrin Crosby
Ray Davis
Shawn Nau (showed up at Item #5)

Paul Ramsey welcomed everyone and recognized the new members of the board Spence Udall and Barry Weller.

Item #1

Paul Ramsey asked if there were any questions regarding the minutes of December 10, 2012 and April 10, 2013, there were none. Delwin Wengert made a motion to approve the minutes. Paul Ramsey seconded the motion. Voting was unanimous with Barry Weller abstaining from voting.

Item #2

The item discussed from the agenda was a lease between Blue Hills Environmental and the Alpine Sanitary District. Ray Davis reported that this has been in the works for quite awhile and need to get something in writing. Ray Davis had one concern with the date of the free clean up, but it is something that can be worked out. Barry Weller had three concerns with the lease. The first issue is the lease needed a legal description and map of the property being leased. The second issue is how much liability insurance would be needed. Ray Davis reported that the amount Blue Hills Environmental currently carries is more than sufficient. The third issue was some of the grammar/spelling on the lease. Ray Davis stated he would add the legal description and the liability amount to the lease and get the spelling corrected. Delwin Wengert made a motion to sign the lease. Spence Udall seconded the motion. Voting was unanimous with Barry Weller abstaining.

Item #3

The item discussed and questioned on the agenda was the 2012 Audit. Ray Davis reported that the audit had been completed and the three findings that the audit highlighted were 1) internal cash flow weakness from the transfer sites, 2) having the office manager as signer on the checking accounts as well as doing the monthly bank reconciliations, and 3) a missing receipt.

Ray Davis reported the first issue has been an ongoing issue since day one at Blue Hills Environmental because of the locations of the transfer sites. Ray Davis reported on the second issue that he is now reviewing and initialing the financials monthly. The third issue was a missing receipt and Ray Davis will make sure all receipts are turned into the office. Paul Ramsey asked if there were any questions about the audit. Barry Weller asked about the post closure amount. Ray Davis reported it was for the landfill and that the landfill was split into two phases. Blue Hills Environmental was still in Phase 1 and that the money was set aside to take care of Phase 1 at the completion of it. Ray Davis reported that Blue Hills Environmental closes each cell as they are finished with it to help reduce the amount needed for post closure care. The next issue on the audit to discuss was under property and equipment. The audit states there is a significant amount of equipment used by Blue Hills Environmental that is owned by Apache County. Ray Davis reported that this statement is false and is not sure why it is in the audit. Blue Hills Environmental has purchased all of the equipment that it is using. He will discuss and report why that was in the audit. Paul Ramsey asked for any further questions relating to the audit. No vote was taken.

Item #4

Discussion from the agenda customer review. Ray Davis discussed the customers of Blue Hills Environmental was staying about the same, no big increase or decrease. Barry Weller asked why Eagar commercial numbers were decreased by such a large amount compared to the other towns. Ray Davis reported that commercial accounts could be related to construction containers or families deciding to downsize. Ray Davis also reported that ADEQ had been to the landfill and transfer sites. The Round Valley transfer site had just been inspected and received a notice of violation for an oil spill. The other sites are in good standings. Ray Davis reported the issue at the Round Valley site was going to be corrected soon. No action taken

Item #5

Discussion from the agenda was the Budget for 2014. Barry Weller asked why there was no revenue for Tucson Electric Power or Safeway. Ray Davis reported that those to line items were now going into the roll-off/landfill accounts to try to clear up some room on the budget. Barry asked about the line item recycling. Ray Davis reported that the income is from the recycling that Blue Hills Environmental does and the revenue is selling the recycling. Barry Weller questioned why the bank service charge was higher. Ray Davis reported that more people are paying with credit cards/bank cards.

The next item that was discussed was the Round Valley Shop. Ray Davis reported that the place Blue Hills Environmental was renting is to be sold. Blue Hills Environmental has the option to buy, move out and rent somewhere else, or build. There was discussion about the current place, the condition of the shop and location of it. The next option was to find a location and build on it. Delwin Wengert inquired of different locations and possibilities of building at the transfer site. Ray Davis stated he thought it was all state lease land. Shaun Nau reported that the Town of Eagar had some land out there. Delwin Wengert requested Ferrin Crosby to look and see what the options were and Ray Davis was to get with Shaun Nau. Ray Davis was given directions to get with the landlords and see if Blue Hills Environmental can

sign a one-year lease and increase its rent. Ray Davis asked if another board meeting was needed if it can be a conference call with everyone. Everyone was okay with the conference call. A motion was made by Spence Udall and seconded by Delwin Wengert to try and enter a lease for one year with an increase.

The next item discussed was replacing the 1991 Roll-off. Ray Davis reported that it had over one million miles and was due to be replaced. Barry Weller inquired if three roll-offs were sufficient to cover Blue Hills Environmental area. Ray Davis stated it was good to have three trucks. Paul Ramsey asked Ray Davis if the truck was needed, Ray Davis responded yes, correct. A motion was made by Paul Ramsey. Spence Udall seconded the motion. Voting was unanimous with Barry Weller abstaining.

The last item discussed was replacing the 2004 Duramax. Ray Davis reported that this pickup has many issues from transmission to electrical problems. Shaun Nau suggested looking at an ADOT auction. Ray Davis reported that he would look for a good used or new truck. Shaun made a motion to move forward and replace it. Delwin Wengert seconded the motion. Voting was unanimous. Paul Ramsey asked if there were any other questions with the budget. No further questions. Paul Ramsey made a motion to pass the budget for 2014. Spence Udall seconded the motion. Voting was unanimous with Barry Weller abstaining.

Item #6

Ray Davis discussed with the board if he can set four dates for the upcoming year to have board meetings and email the dates so everyone can have the Blue Hills Environmental board dates on their calendars. Everyone agreed it was a good idea. No vote was taken.

Paul Ramsey asked if there was any further discussion needed. Ray Davis asked if the Blue Hills Environmental Board wanted another audit since the last one just ended. Paul Ramsey recommended waiting and doing one every other year. Everyone agreed. No vote was taken.

Shaun Nau stated he had received an email regarding Blue Hills Environmental handing out a stipend based on the last executive board meeting. Shaun Nau asked if that was at the manager's discretion or if the executive committee made that decision. Ray Davis stated that he felt that it was his decision since Blue Hills Environmental was under budget in salaries and no raises were handed out the previous year that his staff needed to be compensated for their hard work. Barry Weller and Shaun Nau thought it would be a good idea in the by laws to clarify the manager's role. Ray Davis stated that it is his understanding that he handles the day-to-day issues and if some issues need to be handled by the board, he is okay with it. Shaun Nau stated that he did not think any changes needed to be made, just clarified. No further actions or discussions.

Motion to adjourn by Shaun Nau. Spence Udall seconded the motion. Voting was unanimous. Meeting adjourned.