

Blue Hills Environmental Association, Inc.
Board Meeting Minutes
January 31, 2017

In Attendance:

Paul Ramsey
Delwin Wengert
Robert Mackenzie
Bruce Ray
Steve West

Spence Udall
James Nelson
Doyel Shamley – Conference Call
Ferrin Crosby
Ray Davis

Item #1 - Welcome

Paul Ramsey welcomed everyone and called the meeting to order at 7:07 a.m. on January 31, 2017.

Item #2 – Approval of Minutes

Paul asked if there were any questions for the minutes dated June 20, 2016 – no questions. Steve West made a motion to approve the minutes from the June 20, 2016, board meeting. Delwin Wengert seconded the motion. Voting was unanimous.

Item #3 – Discussion and Election of Officers

Paul asked for election of officers. Robert made a motion for officers to stay the same with Paul Ramsey as President, Delwin Wengert as Vice President and James Nelson as Secretary. Spence Udall seconded the motion. No further discussion. Voting was unanimous.

Item #4 – Discussion of Current Budget

Paul asked Ray to discuss the current budget. Ray reported through the middle of the year. He wanted to show the board how things were progressing. The new minimum wage law was discussed and how it is affecting Blue Hills Environmental. No further discussion and no vote needed.

Item #5 – Discussion of Equipment

Ray reported the D8N Dozer at the landfill has the convertor near failure and a crack in the frame. It is time to look for an upgrade. Ray has been receiving specs and bids for a new dozer from Cat and South Mountain. Ray reported on some of the work that had occurred on the dozer as far as rebuilds on the major components - such as motor, transmission and finals. The last major project was in 2006. Ray discussed doing a major rebuild on the D8N, but was told

it would not be beneficial due to the hours on the frame. Ray reported the bids and specs he had received were comparable to the D8N that Blue Hills Environmental currently has, just upgrading on the years and hours. The spectrum of hours on the used equipment varied between 2,000-10,000 hours. Ray had discussed the options of getting an extended warranty on the equipment that Blue Hills Environmental chooses to purchase. At the time of the meeting, Ray had not heard back from Cat. There was a discussion on the hours Blue Hills Environmental operates a dozer per year, as well as the issues of newer equipment, and the electrical issues that come along with a newer piece of equipment. There was a discussion of what year and how many hours on a machine should be looked at. Steve asked if we are buying one, he recommends going newer with less hours and more warranty. Delwin asked how Blue Hills Environmental was going to pay for the piece of equipment. Ray stated they would probably put half down and finance the other half. Ferrin asked if Ray had looked into a guarantee buyback program from Cat. There was a discussion on that program that it was not a good fit for Blue Hills Environmental at this time. Spence asked where the machines were located and if we could run them and put eyes on them. Ray stated they were in Eloy and Phoenix. Spence said he would definitely see the equipment run and make sure they are what the reports say. Spence also asked if Ray had looked at different brands like John Deere or Komatsu. Spence stated many people like Komatsu so it would be worthwhile to check out. Ray reported he would find a dealer, check around, and look at comparable models. Steve made a motion to approve \$385,000 and for Ray to find the best deal and warranty possible. Bruce seconded the motion. Voting was unanimous.

Ray reported on the new side load. Blue Hills Environmental still has not purchased a side load; we are waiting for Bridgeport to bring it up so we can demo it again.

Item #6 – Discussion of Arizona Department of Environmental Quality Inspection

Ray reported that Arizona Department of Environmental Quality came up in July and inspected the transfer sites as well as the landfill. The transfer sites were all given a clear inspection. The landfill had some questions raised regarding the methane testing wells as well as the ground monitoring well. Ray reported Blue Hills Environmental has hired an engineering firm to review its records and mapping, so Blue Hills Environmental can comply with Arizona Department of Environmental Quality. SCS is the engineering firm that Blue Hills Environmental has hired. Currently SCS has Blue Hills Environmental records and will report back to Blue Hills Environmental and Blue Hills Environmental will act on the findings. No action needed.

Item #7 – Discussion and Review of Manager and Report

Ray asked for dates for the community clean-ups for the surrounding areas. Paul, Steve and Bruce will get back to Ray and set those dates. Ray asked for ideas on the outlying areas of Vernon, Concho, Sanders, Nutrioso and Alpine. There was a discussion about open dates and punch cards or a system where the Blue Hills Environmental customers are rewarded for use of the transfer sites. A discussion was held on the system and how to distribute the cards and how to track it. Ray will set dates for the outlying sites and St. Johns. Springerville and Eagar will set dates and get back to Ray. Ray reported Blue Hills

Environmental is looking at putting a compactor in Concho, which would require electricity. Ray has been in contact with Navopache, will proceed, and will report on the progress. Paul said January is when Ray's review usually happens. Delwin asked Ray to step out while the review was conducted. Ray came back in. Paul stated that Ray was to receive a 3% cost of living and keep the salary the same as last year. Steve asked if Ray could run a review of salaries for himself as well as the rest of the Blue Hills Environmental employees. There was a discussion about longevity of Ray and employees, and where the salaries fall in line with comparable companies. Steve suggested Arizona Leagues, Delwin talked about the public sector, they may be a good resource to use. No further comments.

Item #8 – Next Board Meeting

Discussion was held, the next board meeting for Blue Hills Environmental would take place in July with a date to follow. No vote or action needed.

Item #9 - Adjournment

Adjournment – Spence made a motion to adjourn. Robert seconded the motion. Voting was unanimous. Meeting adjourned at 7:52 a.m.