

PINE-STRAWBERRY WATER IMPROVEMENT DISTRICT

BOARD OF DIRECTORS MEETING

Thursday, January 15, 2015 at 6:00 pm

PSWID Administrative Office

6306 W. Hardscrabble Road

Pine, AZ 85544

I. CALL TO ORDER

Tom Weeks called the meeting to order at 6:07 p.m.

II. PLEDGE OF ALLEGIANCE

Led by Tom Weeks

III. ROLL CALL OF BOARD MEMBERS

Conducted by Tom Weeks. Board members present: Tom Weeks, Rus Brock, Trent McNeeley, Richard James, Maher Hazine, Paul Randall and Larry Bagshaw. A quorum was present.

IV. ELECTION OF OFFICERS

Richard James moved that Tom Weeks be elected as Chairman. Larry Bagshaw seconded the motion. The vote was unanimous. Paul Randall moved that Rus Brock be elected as Treasurer. Trent McNeeley seconded the motion. The vote was unanimous. Tom Weeks moved that Larry Bagshaw be elected as Secretary. Rus Brock seconded the motion. The vote was unanimous. Tom Weeks moved that Paul Randall be elected as Vice Chairman. Maher Hazine seconded the motion. The vote was unanimous.

V. 2015 MEETING TIMES AND PLACES

Meetings will be held the third Thursday of each month at 6:00 p.m. at the PSWID office. Pam Mason remarked that the PSWID website has an incorrect date for the Sept. 2015 meeting. It was also mentioned that the schedule for executive sessions be removed from the website as there is no set schedule for them. Rus Brock moved that the meetings be held the third Thursday of each month at 6:00 p.m. with the change to the correct September date and the removal of the executive sessions from the schedule. Richard James seconded. The vote was unanimous.

VI. APPROVAL OF MINUTES

December 18, 2014 Meeting Minutes: Richard James moved that the minutes be approved. Trent McNeeley seconded the motion. The motion passed with Maher Hazine abstaining since he was not on the board when the meeting took place.

VII. TREASURER'S REPORT

Presented by Rus Brock. The report will be posted on the PSWID website. Estimated completion dates have been added to the Capital Projects Report, along with the total project cost of completed items.

VIII. BOARD MEMBERS REPORTS

- A. Support Services Committee Report: Rus Brock reported that the committee had not met.
- B. Water Enhancement Committee Report: Maher Hazine was nominated by Larry Bagshaw to be the new chairperson. Richard James seconded. The committee had no meeting in the past month. It will need to meet to consider the offer Mark Fumusa is making about the Solitude Trails new well drilling, and the purchase of two of his wells. There is also an offer Albert Hunt made to sell his Ponderosa Water Company to the district.
- C. Customer Service Committee Report: Richard James said that in his review of service orders, he is finding a large amount of meter rereads and wanted to know how we can improve the meter reads. Brad Cole said that the devices they record the meter readings in should beep if the reading is over or under the normal usage so it could be rechecked on the spot. Beckie Sigeti said she checked the devices and that the beep function had been disabled on them, and that she had turned the function on. Richard also asked why meters were not locked when they should have been. There was also an incident of a meter not being removed that was supposed to be for nonpayment. Brad responded that with the change in the lead operator and with his being in the field more, that the meter issues should be resolved. Richard also reported that 21 new meters had been installed in December and Brad said that only a handful still needed to be replaced.

IX. CH2M HILL MONTHLY REPORTS Presented by Brad Cole

- A. Repair Order Status: Customer orders totaled 107 for 138 work hours. Maintenance orders totaled 160 for 360.5 hours. Tom Weeks questioned the number of hours it takes to replace water meters. Richard James also questioned timely entry of the final service order status into the computer system. Also questioned was the brand of locks. They are all Master locks with the same key number. Brad also said that inventory reports and minimum reorder levels will be forthcoming. The board will need to approve the inventory levels.
- B. Well and Tank Report: 6,520,143 gallons of water was produced in December. No gallons were sent to Strawberry. Maher Hazine asked that the estimate of water usage for the year and monthly figures be provided to the public as well as the board members.

- C. Vehicle Report: One of the vehicles had maintenance costs in December totaling \$1437.86. Total fuel cost was \$1092.94. The total number of miles on each vehicle has been added to the report. Maintenance is done in Payson.
- D. Well Test Report: The total coliform testing for December showed that all samples were absent of coliform and e. coli. The January tests due were the monthly coliform tests.
- E. Future Projects Report:
 - 1. Water Tank Replacements – Agenda Item A
 - 2. Brookview Terrace Electrical – Agenda Item B
 - 3. Pine Creek Road – Water Main Replacement. The design is ready for ADEQ approval 2-4 week time frame. Bids will take 4-6 weeks. Construction will take 4-8 weeks. Hopefully it will be done by April or May.
 - 4. Chlorinators – 5th contact has been made with ADEQ concerning approval.
 - 5. Water Level Monitors – Monitors are being ordered from LevelCon as the overall cost will be less than using a new vendor who also submitted a bid.

X. CUSTOMER CORRESPONDENCE

None was received.

XI. CALL TO THE PUBLIC

There were no public comments.

XII. REGULAR AGENDA ITEMS

- A. Information/Discussion/Action regarding the progress of Verde Engineering on the tank replacements. Also approval of the costs for Approval to Construct permits from ADEQ for \$800 per tank for 5 tanks for a total of \$4000. Presented by Brad Cole. Engineering drawings are done for the Tank Farm and now need ADEQ approval. Richard James asked about whether the permits have an expiration date. Brad thought they were good for a year. Both Maher Hazine and Rus Brock thought that we should go ahead and get permits for 5 instead of the 4 that would be installed first. Pam Mason commented that the tanks could be procured in 3-4 weeks. After a brief discussion, Maher moved that the board approve the expenditure for the permits for 5 tanks. Paul Randall seconded the motion. It passed unanimously.
- B. Information/Discussion/Action regarding the bids for the Brookview Terrace Electrical improvement. The lowest bid is above the approved budgeted cost. Presented by Brad Cole. Brad held a pre-bid meeting which 5 contractors attended. Only 2 submitted bids by the deadline. Both were above the \$6000.00 budgeted amount. The lowest bid was for just under \$20,000. The other was around \$26,000. The specific information on the bid was in the board members packets. Pam Mason wanted to know why Brad did not try to get more contractors interested in the project by going through the AZ Board of Contractors website. The required tree trimming was also discussed and Brad had included a \$1000 cost estimate in the costs. It is possible that CH2M Hill could do the trimming themselves with the rental of a chain saw. After further discussion, Rus Brock moved to accept the bid from Sky Construction and change the budget to \$20,000 to cover the cost of the job. Larry Bagshaw seconded the motion. It passed unanimously.

- C. Information/Discussion/Action regarding the request from Beckie Sigeti to approve the request from El Dorado to upgrade the billing software module. She was to request that the new maintenance fee be removed. Beckie reported that there would be a 15 cent per customer fee to sign up for the new service and the same fee monthly for each customer. El Dorado agreed to reduce the maintenance fee to \$99 per month. She suggested that she was hesitant to be a “test baby” for the new service and would like to wait until the next fiscal year to look at it again after it had been used by others. She suggested it wait for the next fiscal year so the costs could be budgeted. Action on the item was tabled until June.

- D. Information/Discussion/Action regarding the Solitude Trails new well drilling and storage capacity requested by Mark Fumusa. Mark reported that Solitude Trails is only using 10% of the water produced by his wells in Portals 3 and Brookview Terrace. The water travels through PSWID lines to the Solitude Trails subdivision. He says that PSWID could use 90% of the water. He is proposing that the district buy the two wells from him for \$150,000.00 and cancel the water sharing agreement currently in place. He will be recoating the 100,000 gallon storage tank in Solitude Trails for a cost of \$60,000, half paid by him and half by his 50 customers on the 78 lots in the subdivision. He would like to drill a deep well in Solitude Trails and install another storage tank. He is asking for PSWID to provide \$250,000 to share in the \$500,000 drilling costs in exchange for a new water sharing agreement. He had Mike Plough attend the meeting to verify that the new well had a good chance of hitting water within 1000 feet. Richard James asked for the depth of the current wells. The Portals 3 well is 500 feet deep, but the pump is set at 240 feet and produces 5 gpm. The Brookview Terrace well is about 260 feet deep with the pump at 240 feet and produces 30 gpm. Tom Weeks thanked Mark for his presentation and said the Water Enhancement Committee would review the offer.

- E. Information/Discussion/Action regarding PSWID receiving the deed for Lot 71. Tom Weeks reported that he has heard nothing from the property owner who only needs to sign the easement papers. He will attempt to contact the owner one more time, and then will have our attorney, Doug Brown, of Brown and Brown, pursue the matter. Tom thought that at least one of the lots was to have a house built on it this spring. Richard asked how long would it be to get the tank, lines, and booster station hooked up and ready and any needed repairs made. Brad was not sure how soon it could be done after receiving the easement.

- F. Information/Discussion/Action regarding obtaining WIFA grants for the engineering costs for the Pine water main replacement and other capital projects. Brad Cole had emailed the board that the grants were available. Evidently the grant process is lengthy with a detailed written proposal. Brad did not have a timeline for when they would be available, but there is probably two grant cycles. Larry Bagshaw wondered if an application had to be submitted by the end of February. Sam Schwalm suggested using the Master Plan to select what to apply for. Maher Hazine said that the cost of hiring a grant writer might be worthwhile, but not necessarily the one that contacted Brad offering to do so. Larry Bagshaw said Gila County uses one that seems fairly successful and Brad might want to contact them to see who they use.

- G. Information/Discussion/Action regarding the final version of the Water Master Plan. Most of the board had not reviewed the finished version. Beckie Sigeti was asked if it had been posted on the PSWID website. It had not, and she thought it was too lengthy to post. Brad suggested posting the digital version. She will check to see if it can be posted. There is a copy available to

review at the district office. Maher Hazine suggested that the board approve the final version in the February meeting as that will help in any WIFA grant requests.

- H. Information/Discussion/Action regarding refinancing the loan. Presented by Beckie Sigeti. Beckie, Tom Weeks , and Rus Brock met with two banks this week. Both are willing to renegotiate our loan terms and loan us more money. There are several options with differing interest rates. Beckie should have those completed options to present to the board by the March meeting. Maher Hazine suggested the board look at incurring more debt, but Tom does not want any more right now. Larry Bagshaw asked what the current interest rate we were paying was. It is 4.5%. It was also suggested that a board member could work with Sam Schwalm on creating a capital project plan, so the actual financial needs could be calculated.
- I. Information/Discussion/Action regarding progress by Rus Brock, Paul Randall and Maher Hazine on revising the PSWID contract with CH2M Hill based on Prescott Valley's contract. They met with Gary Young and Brad Cole on January 8. Rus reported that it was a productive meeting with both sides moving toward new clarity, better inventory control, and more accountability. Gary was very amenable to improving things and making some changes. There was lots of action items discussed in the very positive meeting. The target date to have the contract amendments completed is the end of March.
- J. Information/Discussion/Action regarding an update of CH2M Hill's safety training program. Presented by Brad Cole. Brad gave a power point presentation of their safety program, emphasizing "Target Zero" and the training programs that the staff is required to participate in. Most of the training programs are due to be repeated this year. Maher Hazine asked if Brad tracked accidents and wanted to know the number of days without incident. Brad says he does track accidents and the number of days w/o incident is posted on the wall in the office. The last incident was a lower back injury in October.
- K. Information/Discussion/Action regarding items for the February agenda. Rus Brock will do an update on the contract negotiations. The final Master Plan needs official approval. Brad will give an update on WIFA grants. A budget committee needs to be formed to prepare the 2015/2016 budget. Beckie will give more information on the bank refinancing. The Support Services Committee needs to look at doing an RFQ for a new auditor for the end of the fiscal year. A budget needs to be approved for the Tank Farm and Strawberry View I tank replacements. Brad wants to do a review of the out of service wells and propose ideas for their disposition. Rus will pull a capital projects list from the Master Plan.

XIII. ADJOURNMENT

Maher Hazine moved to adjourn. Richard James seconded. The motion carried unanimously.