

## **PINE-STRAWBERRY WATER IMPROVEMENT DISTRICT**

### **Regular Meeting**

**Thursday, January 18, 2018 at 6:00 p.m.**

**PSWID Administrative Office**

**6306 W Hardscrabble Rd.**

**Pine, AZ 85544**

#### **1. CALL TO ORDER**

Maher Hazine called the meeting to order at 6:01 p.m.

#### **2. PLEDGE OF ALLEGIANCE**

Led by Maher Hazine

#### **3. ROLL CALL OF BOARD MEMBERS**

Conducted by Maher Hazine: Board members present: Tom Weeks, Forrest McCoy, Sharon Hillman, Bob Arbuthnot, Maher Hazine, Alan Kleinman, and Larry Bagshaw. A quorum was present.

#### **4. CALL FOR MOTION TO APPROVE MINUTES OF THE FOLLOWING MEETINGS:**

December 21, 2017: Alan Kleinman moved that the minutes be approved. Sharon Hillman seconded the motion. The motion was approved unanimously.

#### **5. REPORTS TO THE BOARD**

- A.** Chairman's report– Maher still has not heard anything from CH2M's attorney despite several attempts by our attorney to contact them. Maher also worked with EUSI to come up with a draft language and pricing related to the Program Manager and Construction Services. The details of the agreement have been coordinated with our attorney and he has approved the language of the agreement should the Board approve the matter. The agreement is item 10.V.
- B.** Treasurer's report – As posted to the website.
- C.** Secretary's report –Larry Bagshaw commented on the emails and letter received requesting Maher Hazine's resignation from the board. They will be part of the Call to the Public.
- D.** District Manager's Report –An Amazon Prime account was opened to save money on certain office/field items. Jodee Smith is unable to interact with QuickBooks as she is not the Primary Contact. Ads have been placed for a new customer service rep, with mid Feb. with the anticipated start date. The AZ unemployment rate radically increased nearly 10% due to the need to increase the general reserve account to cover the new employees and the depletion of the account due to two claims being filed against it. There was also an inconsistency in the Life Insurance rates and those are being clarified. A three year maintenance agreement was purchased from Chapman Auto so we could continue to receive regular maintenance on the 5 trucks.

Greg Smith has had a total of 36 customer service issues that were referred to the District Manager for resolution since 3/16/17, and 34 of those have been closed. A temporary employee, Steve Tackett, is acting as an interim field supervisor until the position can be filled. Jim Baldwin is acting as the crew lead. Mr. Tackett will be developing a safety program for the

district. The CMMS software implementation is behind schedule due to CH2M's delay in turning over data. Meanwhile staff is using spreadsheets to perform the necessary procedures. The WIFA Water Loss Program training is scheduled for Jan 24-25 in Prescott.

**6. ELECTION OF 2018 BOARD OFFICERS:** Chairman: Maher Hazine nominated himself. Sharon Hillman nominated Bob Arbuthnot. A secret ballot was voted. Bob Arbuthnot won the vote for chairman. Vice Chairman: Maher nominated Forrest McCoy who turned down the nomination. Tom Weeks was nominated by Larry Bagshaw. An open vote was taken and Tom won 6 to 1 with him dissenting. Treasurer: Sharon Hillman was asked to continue and she accepted. Secretary: Larry Bagshaw was asked to continue and he accepted. Maher Hazine moved that the new Chairman, Secretary, and Treasurer be given signatory authority on the BBVA Compass Bank account. Tom Weeks seconded the motion. The motion was approved unanimously.

**7. CONSENT AGENDA** None

**8. CALL TO THE PUBLIC**

Mitzi Paul had a problem with her December bill, since it was read 37 days after the last billing period, it put them into the next higher rate schedule. She requested that it be looked at for reduction and also for the billing cycles to be more equitable. Greg Smith responded that there were three billing cycles of four weeks and then one of 5 weeks. He would be glad to meet with her on the issue. She also thanked the board for their hard work.

Deb Ulrich requested that Maher Hazine resign from the board, that she had no confidence in him. Jane Wilcox also requested that Maher resign and threatened a recall for him. Maher responded that his business dealings regarding Sidewinders should have no impact on his ability to serve on the board and that he was working on paying his outstanding liabilities for Sidewinders and that all the employees had been paid in full.

**9. OLD BUSINESS**

**I. DISCUSS AND TAKE POSSIBLE ACTION REGARDING THE STATUS, PRIORITIZATION, AND FUNDING OF CAPITAL PROJECTS.** Presented by Greg Smith. The WIFA loan final documentation should be received next Wednesday with the interest rate set. If the board approves the final interest rate, the chair will need to execute the loan documents and the originals will need to be delivered to WIFA. Sharon Hillman volunteered to take the documents to WIFA on Thursday. EPS group is working on the preparation of the engineering report for 60% WIFA Technical Assistance Grant. PSWID staff will be attending the two day training in Prescott on the 24<sup>th</sup> and 25<sup>th</sup> for the WIFA Water Loss Pilot Program. A draft contract for the Water Energy/Nexus Grant has been received, but Greg is waiting on the final draft of the agreement. The Circle Drive project will be given notice to proceed after the WIFA loan has closed. The Magnolia Ralls project notice to proceed was given to Buck Mountain. The SV 1 Tank replacement contract is on this agenda. The

300K VFD RFP is being reworked with several vendors interested. All other projects will proceed after the WIFA loan is finalized.

## **10. NEW BUSINESS**

- I. DISCUSS AND TAKE POSSIBLE ACTION REGARDING JOB DESCRIPTIONS FOR VARIOUS STAFF POSITIONS.** Greg Smith. This was pulled as the job descriptions were not ready.
- II. DISCUSS AND TAKE POSSIBLE ACTION REGARDING AN AGREEMENT WITH THE STATE OF ARIZONA FOR ACCEPTANCE AND EXECUTION OF A GRANT IN THE AMOUNT OF \$75,000 FOR WATER RELATED ENERGY SAVINGS.** Greg Smith. Greg has not received the final agreement, but hopefully will have it for the special meeting next week. If not, there will be a question as to whether the funds can be expended and reimbursed by the June 30, 2018 deadline. Forrest McCoy moved that this be tabled until the 24<sup>th</sup>. Maher Hazine seconded the motion. It was approved.
- III. DISCUSS AND TAKE POSSIBLE ACTION REGARDING SETTING UP REQUIRED RESERVE BANK ACCOUNTS AS REQUIRE WIFA LOAN DOCUMENTS EXHIBITS.** Sharon Hillman. The treasurer needs to be authorized to set up two bank accounts for the WIFA funds. One is a \$500,000 reserve account and the seconds is an operations account. These accounts will be established after the WIFA loan is finalized. Larry Bagshaw moved that the treasurer be authorized to set up the two required bank accounts with BBVA Compass after the WIFA loan documents are signed and the loan is closed. Alan Kleinman seconded the motion. The motion was approved unanimously.
- IV. DISCUSS AND TAKE POSSIBLE ACTION REGARDING AWARDING A CONSTRUCTION CONTRACT FOR THE REMOVAL AND REPLACEMENT OF THE EXISTING STRAWBERRY VIEW 1 TANK AND BOOSTER STATION, STRAWBERRY.** Greg Smith. The project was put out to bid and only one bid was received from Schofield Civil Construction. The bid is for \$237,696.00. Sharon Hillman asked if the bid amount included the required Federal wages under the WIFA regulations and was assured that it did. WIFA also looked at the bid and gave their approval. Larry Bagshaw moved that the bid be accepted. Tom Weeks seconded the motion. The motion was approved unanimously.
- V. DISCUSS AND TAKE POSSIBLE ACTION REGARDING AN AGREEMENT FOR PROGRAM MANAGEMENT SERVICES WITH EUSI FOR PROGRAM MANAGEMENT SERVICES OF THE WIFA CAPITAL PROGRAM AND AUTHORIZE A NOTICE TO PROCEED AFTER ACCEPTANCE OF THE LOAN/GRANT FROM WIFA.** Maher Hazine. Maher stated that to do an RFQ for this would eat up to three months and would take away time from being

able to start WIFA funded projects. The cooperative purchase agreement is authorized by the ARS. Also EPS was asked to give a quote on this, but it was higher the EUSI's quote. Sam would prefer the district do an RFQ and maybe the district would find someone with more experience and more back-up than EUSI has. Sharon Hillman would like more background information. Greg Smith said he would supply that information. Pam Mason stated that Globe did their RFQ in 9 weeks and would really like the district to do their own RFQ. It was asked how much it would cost to contract with EUSI for this and the answer was \$376,000 which will come out of the WIFA funds. Forrest McCoy moved that this be tabled until the Jan. 24<sup>th</sup> meeting. Sharon Hillman seconded the motion. The motion was approved 4 to 2 with Larry Bagshaw and Tom Weeks dissenting.

**VI. DISCUSS AND TAKE POSSIBLE ACTION REGARDING AN AGREEMENT WITH EPS GROUP (DISTRICT ENGINEERS) FOR PREPARATION OF PLANS, SPECIFICATIONS, ESTIMATES, AND PERMITS FOR WIFA CAPITAL PROGRAM PHASE 2.1 AND AUTHORIZE A NOTICE TO PROCEED AFTER ACCEPTANCE OF THE LOAN/GRANT FROM WIFA.** Greg Smith. This was in the CIP report update and will only happen if the board approves the WIFA loan.

**VII. DISCUSS AND TAKE POSSIBLE ACTION REGARDING SOLICITATION FOR A NEW ATTORNEY FOR THE DISTRICT.** Maher Hazine. The current attorney for the district will be retiring on May 30, 2018, so the district will need to look for a new one. We will need to post an RFQ. It was discussed if we needed two attorneys, one for the district and one for action against CH2M. It was recommended that we look for recommendations from our current attorney and the Support Services Committee Chair, Forrest McCoy, have his committee prepare a new RFQ to be posted.

**VIII. DISCUSS AND TAKE POSSIBLE ACTION REGARDING NEGOTIATIONS FOR A CONTRACT FOR DISTRICT MANAGER.** Maher Hazine. This was discussed tonight in executive session and Maher, Sharon Hillman, and Alan Kleinman will be working on the contract.

# **11. IDENTIFY POTENTIAL AGENDA ITEMS FOR THE NEXT SCHEDULED BOARD OF DIRECTORS MEETING ON FEBRUARY 15, 2018.**

- I. Special meeting 1/24 at 3:00 p.m.
  - a. WIFA Loan
  - b. Nexus Grant
  - c. EUSI Agreement
  - d. Item designating Jodee Smith as the new primary contact for QuickBooks, so

she can interact with them.

II. Nothing yet for 2/15/18.

**12. MOTION TO ADJOURN.** Bob Arbuthnot moved the meeting be adjourned. Sharon Hillman seconded the motion. The motion carried unanimously.

APPROVED