

PINE-STRAWBERRY WATER IMPROVEMENT DISTRICT

Regular Meeting

Thursday, March 15, 2018 at 6:00 p.m.

PSWID Administrative Office

6306 W Hardscrabble Rd.

Pine, AZ 85544

1. CALL TO ORDER

Tom Weeks called the meeting to order at 6:00 p.m.

2. PLEDGE OF ALLEGIANCE

Led by Tom Weeks

3. ROLL CALL OF BOARD MEMBERS

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

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

February 15, 2018: Sharon Hillman moved that the minutes be approved. Forrest McCoy seconded the motion. The motion was approved unanimously.

5. REPORTS TO THE BOARD

A. Chairman's report— Bob Arbuthnot welcomed Mr. Catarino Esquivel to PSWID on March 1. He received information on the Ponderosa Water Company and the possibility of getting water from the Pine Creek Canyon Water District from Harry Jones. He and the HR advisory group met regarding insurance issues. He also reviewed staff recommendations for policy changes to the start date for insurance coverage and the credit card policy. He forwarded information on utility benchmarking by AWWA to the district manager.

B. Treasurer's report – As posted to the website.

C. Secretary's report –Larry Bagshaw distributed a copy of the open meeting laws to the board and specifically discussed the ones pertaining to executive sessions, as a request had been made to hold one for an issue that could not be discussed in an executive session. He also requested an updated board contact list to be distributed to the board members.

D. District Manager's Report –Cato Esquivel reported that the Portals 3 well was on line, but that a new breaker panel and conduit needed to be installed. He also discussed the Ralls Magnolia line installation work and had pictures of the installation progress, including the VFD installation at the 300K tank.

6. CONSENT AGENDA

- I.** Support Services Committee: Forrest McCoy reported that the committee met on February 28 and issued an RFQ for a lawyer. The RFQ was mailed to several law firms and posted on the PSWID website.

7. CALL TO THE PUBLIC

- I. Sam Schwalm stated that the lots on Hill’s property were up for sale and that the board make sure that as they sell they each get their own water connection and that the 2” meter there that currently serves six homes should not be used for further connections. Tom Weeks noted that the owners of the Door Stop had purchased Hill’s property and his well.
- II. Windy Quinton asked that committee meetings be held after work hours. She missed two Support Services Committee meetings since she was at work. It is important that the district volunteers are able to participate in meetings. The meeting does not need to be held at the district offices.

8. OLD BUSINESS

- I. **DISCUSS AND TAKE POSSIBLE ACTION REGARDING THE STATUS, PRIORITIZATION, AND FUNDING OF CAPITAL PROJECTS.** Presented by Paul Hendricks, EUSI. Paul had a report prepared that updated the progress on items. The 60% Preliminary Engineering report has been provided to the district and the staff is reviewing it. The Water/Energy Nexus Grant of \$75,000 is being held up by NEEPA. The funding can be used to purchase the VFD’s by June 30, but they do not need to be installed by then. Hopefully, the grant will be available for the district to use next month since the funding does expire on June 30. The district engineering firm, EPS, is designing the phase 2.1 projects for water lines and the work should be done in 6 weeks. There have been difficulties in deciding where to place lines in one area, as they currently run through the back of lots and cannot be easily accessed and structures have been built over them. An option is to run them in the road and redo the connections to the homes. The work on the Strawberry View I tank replacement will start on April 9. The work on the Circle Drive water line replacement starts March 26. The Ralls Magnolia project is mostly finished and will be completed by the start date of the SVI tank replacement. The Milk Ranch I well evaluation received board direction to proceed with pulling the equipment and finding a way to discard the water. It is a possibility that the water can be used in concrete on other projects. Paul will get quotes. The Strawberry Hollow 3 well is getting the pump replaced and should be up and running soon. It will be closely monitored. There has also been a problem of getting permission from property owners in Pine and Strawberry to place the WIFA required signage.
- II. **UPDATE ON THE WEBSITE REDESIGN AND WIFA PAGE LINK.** Sharon Hillman. The website designer needs to meet with Sharon for content clarification. Smart Systems has received the licenses for the WIFA page and needs to meet with the district manager regarding the security for the webpage.

9. NEW BUSINESS

- I. **DISCUSS AND TAKE POSSIBLE ACTION REGARDING CHANGES TO THE DISTRICT CREDIT CARD POLICY AND CREDIT CARD USER AGREEMENT.** Sharon Hillman. Since the district has become self-performing, more usage of the card has been required for office supplies, safety equipment, and

required storage. It is recommended that the limit on the credit card be increased from \$5000 to \$10,000 with the limits on the credit card policy and user agreement also be increased to the same limits. Forrest McCoy moved that the credit card, credit card policy, and user agreement have the limit increased to \$10,000. Alan Kleinman seconded the motion. The motion was approved unanimously.

- II. DISCUSS AND TAKE POSSIBLE ACTION REGARDING AN EMPLOYEE HEALTH INSURANCE BENEFIT PROGRAM INCLUDING EMPLOYEE HANDBOOK CHANGES REGARDING THIS AND OTHER ITEMS AS PROVIDED BY THE HR ADVISORY GROUP.** Sharon Hillman. It was brought to our attention that the current policy also included short and long term disability insurance in addition to health and life. The board needs to determine if it wants to include the disability insurance. BC/BS billed the district for all the months through March for the complete package including disability that had not previously been paid. Disability insurance is not a benefit covered in the Employee Handbook. The HR advisory group is recommending that the board not include disability coverage. It was also discovered that the costs of insurance is rising 30% on June 1. Larry Bagshaw moved that the district let BC/BS know that the district is only willing to pay health and life insurance for its employees and no disability insurance. Forrest McCoy seconded the motion. The motion carried unanimously.
- III. DISCUSS AND TAKE POSSIBLE ACTION REGARDING SETTING UP A PENSION PLAN FOR DISTRICT EMPLOYEES.** Sharon Hillman. The board approved setting up a 457 retirement plan on August 13, 2015 and approved trustees on September 17, 2015, but the plan was never executed, as none of the employees at that time wanted to participate. We now have employees that want a retirement plan. The board needs to authorize the HR advisory group to shop for 457 retirement plans. The board was in agreement to let the HR group do it.
- IV. DISCUSS AND TAKE POSSIBLE ACTION REGARDING PINE CREEK CANYON WATER DISTRICT'S REQUEST FOR A WATER SHARE AGREEMENT SO THE DISTRICT CAN PURCHASE PCCWD'S EXCESS WATER.** Harry Jones. The Pine Creek Canyon Water District (Portals 4) will be providing water to the newly approved 18 lot Elk Rim subdivision which is adjacent just west of the LDS Church on Hwy 87. It is just a short distance to the vault on the corner of 87 and Pine Creek Canyon Road for a hook up to PSWID's water and there are two possible easements that can be used. The PCCWD has excess water which can be provided to PSWID. The PCCWD water is not chlorinated. After a discussion, Mr. Jones needs to put together a proposal with the cost per 1,000 gallons and present to the district.
- V. DISCUSS AND TAKE POSSIBLE ACTION REGARDING PONDEROSA WATER COMPANY'S REQUEST FOR INCLUSION INTO PSWID.** Harry Jones/Albert

Hunt. Albert let Harry present some information about the Ponderosa Water Company and their perceived notion that PSWID should have taken over the Ponderosa Water Company when it took over Brooks Utilities. PSWID has looked at this at least three times in the last couple of years and has always requested more information from Mr. Hunt. We have asked for a customer list several times and have not received one. Several of the tenets Mr. Jones presented were disputed as not being entirely true. It is not known that the Ponderosa Water Company even still has a valid CC&N. We need more information on the well ownership, the lease for the water from the well, the easement, ADOT certificates, and other things in order to assess the costs of taking over the Ponderosa Water Company. Mr. Hunt's customers also need to give input; the one Ponderosa customer at the meeting stated that they wanted more reliability, cleaner (not rusty) water, and better pressure, but that they did not want to pay more for PSWID's water. Several options were given to Mr. Jones and Mr. Hunt including looking for funding for his system. They will also consider giving the district the information it needs.

- VI. DISCUSS AND TAKE POSSIBLE ACTION REGARDING SCHEDULING 2018/2019 BUDGET MEETINGS.** Sharon Hillman. Sharon prepared a 7 year budget projection as part of the WIFA documentation for Compass Bank. She will use it to prepare a budget for FY 18/19 to present at the April meeting.

10. IDENTIFY POTENTIAL AGENDA ITEMS FOR THE NEXT SCHEDULED BOARD OF DIRECTORS MEETING ON APRIL 19, 2018.

- I. WIFA /CIP update
- II. Budget
- III. PCCWD's proposal
- IV. Pension Plan
- V. Medical Insurance Plan information
- VI. Website/WIFA page update
- VII. Ponderosa Water Company?

- 11. MOTION TO ADJOURN.** Maher Hazine moved the meeting be adjourned. Forrest McCoy seconded the motion. The motion carried unanimously.