



PINE-STRAWBERRY WATER IMPROVEMENT DISTRICT

Pine-Strawberry Water Improvement District

Minutes

Water Enhancement Committee Meeting

Thursday, August 31, 2017 at 5:00 p.m.

6306 W. Hardscrabble Rd.

Pine, AZ 85544

1. CALL TO ORDER

- Chairman McCoy called the meeting to order at 5:00 p.m.

2. ROLL CALL OF COMMITTEE MEMBERS

- Conducted by Chairman McCoy: Committee members present: Forrest McCoy, Sam Schwalm, Alan Kleinman, and Steve Meyer. A quorum was present.
- Staff: Gregory Smith, District Manager, Jodee Smith, Accountant

3. CALL FOR MOTION TO APPROVE MINUTES OF THE FOLLOWING MEETING(S):

None

4. CONSIDER AND DISCUSS COMMENTS FROM THE PUBLIC

- There was no public present.

5. OLD BUSINESS

- None

6. NEW BUSINESS

- a. DISCUSS AND TAKE POSSIBLE ACTION REGARDING THE RECOMMENDATION TO THE BOARD OF DIRECTORS FOR RATES FOR 3RD PARTY WATER SUPPLIERS, ESPECIALLY THOSE RELATED TO THE DISTRICT'S WATER SHARE AGREEMENTS (WSA).**

The committee reviewed the background to the current situation – WSA rates are regulated by the district's Rules & Regulations. In particular, Article VII Section 1.2 #1. The rate per 1,000 gallons had fluctuated over the past several years. Most recently being set at \$1.00. After discussion, it was moved by Sam Schwalm to raise the water share pay-out rate from \$1.00 per 1,000 gallons to \$1.02 per 1,000 gallons effective January 1st, 2018; seconded by Alan Kleinman. The motion carried unanimously.

It was agreed that it would be beneficial for the WSA well owners and for the district to have the WSA's on a staggered renewal period. To that effect a motion was made by Sam Schwalm to

approve the contracts for Melissa Day Johnson and Solitude Trails Water Improvement District to be effective from January 01, 2018 through December 31st, 2022 and to approve contracts for Wilkie McNight and Travis Stodgehill effective from January 01, 2018 through December 31st 2021, seconded by Steve Meyer. The motion carried unanimously.

Until last year the rate was set based on the Consumer Price Index, per the Rules & Regulations. Most “western” economies, including the USA, have converted to the Producer Price Index. Based on this information a motion was made by Sam Schwalm to change the language of the **Rules & Regulations, Article VII Section 1.2 #1** to read:

*Prices will be based on the rate established by the ~~Consumer Price Index for Utilities~~ **Producer Price Index for Utilities**. Price will be based per 1,000 gallons of water. This rate will be reviewed ~~every two years~~ **annually**;* seconded by Alan Kleinman. The motion carried unanimously.

b. DISCUSS THE CURRENT WATER PRODUCTION AND USAGE BY WELL SITE, AND POSSIBLE EFFECT OF LOWERING OR INCREASING SELECTED WELL'S PRODUCTION, AS WELL AS, BETTER USE OF CURRENT AND PLANNED STORAGE TANKS WITHIN THE DISTRICT.

The committee requested staff provide information for the following questions:

- i. What wells are pumped – when and for how long? What factors influence these decisions? Is there a computer program that is used to assist in making this decision?
- ii. Transferring Water from Pine to Strawberry:
 - Quantities monthly?
 - Factors influencing decision to do so?
 - Costs associated in doing so? (\$/1000-gal)
 - What impact does storage tank location(s) and unused capacity have in making such decisions?
- iii. In current CIP is **new** storage planned to balance demand between Pine & Strawberry?

Staff will research these questions and report back at the next committee meeting. When answers are available staff will forward a response back to the committee.

c. DISCUSS THE COST OF PRODUCING WATER (PER 1000 GALLON) FROM DISTRICT OWNED WELLS, AS COMPARED TO THE SAME 1000 GALLON OF WATER BEING PURCHASED FROM THIRD PARTIES WITHIN THE DISTRICT?

Staff will research this question and report back at the next committee meeting. When answers are available staff will forward a response back to the committee.

7. MOTION TO ADJOURN

- Alan Kleinman made a motion to adjourn the meeting at 6:15 p.m. Sam Schwalm seconded the motion. The motion carried unanimously.