

PINE-STRAWBERRY WATER IMPROVEMENT DISTRICT

Regular Board Meeting

Thursday, January 19, 2017 at 6:00 p.m.

PSWID Administrative Office

6306 W Hardscrabble Rd.

Pine, AZ 85544

1. CALL TO ORDER

Mahe Hazine called the meeting to order at 6:00 p.m.

2. PLEDGE OF ALLEGIANCE

Led by Mahe Hazine

3. ROLL CALL OF BOARD MEMBERS

Conducted by Mahe Hazine: Board members present: Forrest McCoy, Bob Arbuthnot, Tom Weeks, Sharon Hillman, Mahe Hazine, Rus Brock and Larry Bagshaw. A quorum was present.

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

December 15, 2016 and January 5, 2017 Postponed until the next meeting.

5. REPORTS TO THE BOARD

- A.** Chairman's report – Mahe reported that he had talked to the Payson Roundup about the Milk Ranch wells. He is setting up a Facebook page and a twitter account for the district. He and Rus Brock met with USI regarding a district manager. A former employee had filed for unemployment, even though she was fired.
- B.** Treasurer's report – Sharon Hillman presented the December report which is posted to the website. Rus Brock requested that the next report have a detailed break out of the capital improvement projects costs. Forrest McCoy asked about the wondered about the Bluebook expense which was for equipment. Tom Weeks requested that the report include when the extra tax revenue is applied to the loan payoff.
- C.** Secretary's report – Larry Bagshaw had not received any correspondence that was not on the agenda.

6. CONSENT AGENDA

All items listed on the Consent Agenda are considered to be routine or have been previously reviewed by the PSWID Board, and will be enacted by one motion. There will be no separate discussion of these items unless a Board Member so requests; in which such event the item will be removed from the General Order of Business, and considered separately immediately following the consent agenda.

- Support Services Committee – no activity to report
- Water Enhancement Committee – no activity to report
- Customer Service Issues Update – no activity to report

Forrest McCoy moved that the consent agenda be approved with the exception of the Contract Field Manager's Report which was pulled at his request. The motion was seconded by Rus Brock. The motion carried unanimously.

- Contract Field Manager's Report – Pulled per Forrest McCoy He had questions about the water loss report and asked if the well production and tank volume less the monthly sales by water volume could be included.

Forrest McCoy moved that the Contract Field Manager's Report be approved. Sharon Hillman seconded the motion. The motion carried unanimously.

7. CALL TO THE PUBLIC

There were no comments from the public.

8. DISCUSS AND TAKE POSSIBLE ACTION RELATED TO "CALL TO THE PUBLIC FOR NON-AGENDA ITEMS"

Presented by Maher Hazine. Maher proposed new wording on the Call to the Public that will allow for short responses from the board members, but no action on the issues raised by the public. He had the attorney review the new verbiage and the attorney had no problem with it. Maher will forward the board members the new verbiage. Forrest McCoy moved that the new verbiage be accepted. Bob Arbuthnot seconded the motion. The motion carried unanimously.

9. DISCUSS AND TAKE POSSIBLE ACTION RELATED TO THE ASSIGNMENT OF BOARD MEMBERS TO VARIOUS COMMITTEES.

Presented by Maher Hazine. Maher asked Rus Brock to continue as the chairman of the Support Services Committee. Forrest McCoy was asked to be the chairman of the Water Enhancement Committee. Karen Killen, the office manager will address Customer Service issues and can escalate issues to the board. The Field liaison positions dealing with CH2M, EPS, and the District Manager will be Tom Weeks and Bob Arbuthnot. Maher also asked Bob and Sharon Hillman to maintain the Capital Project Procurement files that the auditor requested to be kept.

10. DISCUSS AND TAKE POSSIBLE ACTION RELATED TO REVISIONS TO THE DISTRICT'S RULES AND REGULATIONS.

Presented by Rus Brock. Rus gave the board members a summary page of the changes that were being made to the Rules and Regulations. Most of them were being changed at the request of the Auditor General; some were spelling corrections, minor wording and grammar changes. The Roberts Rules of Order were being incorporated per the prior board's action on 8/18/2016. A definition of residential and commercial accounts was added. And the allowance for informal bidding on projects under \$100,000 was changed to formal bidding being required on all projects exceeding \$25,000. Forrest McCoy moved that the changes to the Rules and Regulations be approved with the addition of a deletion on page 12 AIV Section 2.3 of a sentence that included "Additional fees will be charged for water used in excess of the of the amount covered by the Monthly base fee"

since the base fee is now based on zero usage instead of 3000 gallons. Larry Bagshaw seconded the motion. The motion carried unanimously.

11. DISCUSS AND TAKE POSSIBLE ACTION RELATED TO THE ANNUAL REVIEW OF CH2M'S PERFORMANCE RELATIVE TO CONTRACTUAL REQUIREMENTS. Presented by Maher Hazine. Maher is sending a copy of the review to CH2M by next Tuesday. Maher, Tom Weeks, and Bob Arbuthnot will meet with CH2M.

12. DISCUSS AND TAKE POSSIBLE ACTION RELATED HIRING A DISTRICT MANAGER. This item was covered in the board chairman's report above.

Note: Rus Brock left after this item at 7:05 p.m. as he had to go to the valley.

13. DISCUSS AND TAKE POSSIBLE ACTION RELATED TO REVISING THE OFFICE MANAGER'S HIRING AGREEMENT RELATED TO HOLIDAY PAY. Presented by Maher Hazine. The Employee Handbook allows for prorated holiday pay for employees working less than 40 hours per week. There will be an amendment made to Karen's employment offer to include holiday pay for weeks when she is working full time. There was a discussion about adding wording to the Handbook about the period of time worked in order to earn holiday pay. Tom Weeks moved that the wording be added and Bob Arbuthnot seconded the motion. It was pointed out that the handbook does not include some of the recent holidays, such as President's Day (when the office was closed) and that it includes days that the office should be open such as Christmas Eve and New Year's Eve. Tom withdrew his original motion and moved that changes to the Handbook be tabled for further review. Sharon Hillman seconded the new motion. It was approved unanimously.

14. DISCUSS AND TAKE POSSIBLE ACTION RELATED TO DISPOSING OF THE TWO SURPLUS VEHICLES. Presented by Maher Hazine. The two trucks that were replaced have been sitting at the office. One has no transmission and the other has over 200,000 miles. It was discussed whether the district wanted to put the vehicles up for sale or have them taken to the auction in the valley. It was suggested we would make more by selling them ourselves with the KBB values to be the minimum bid. Maher wanted to post them in the newspaper and on the website. Tom Weeks moved that the district put the vehicles up for sale with the minimum bid be the KBB value. Forrest McCoy seconded the motion. The motion carried unanimously.

15. DISCUSS AND TAKE POSSIBLE ACTION RELATED TO STATUS, PRIORITIZATION AND FUNDING OF CAPITAL PROJECTS . Presented by Bob Arbuthnot.

A. The valve project is progressing with 20 valves installed. The back charge for the CH2M repairs on two of the valves needs to be resolved. Traffic control problems were also brought to the board's attention for the repair at Dan's Hwy and Lufkin.

B. The Strawberry View 1 tank is leaking more than ever and an alternative fix has been proposed until ADEQ approves the project. The Magnolia line is relatively close to the tank and it is proposed that the district connect to the Magnolia line to supply

water to the area for a cost of approximately \$9000 without labor. This would avoid the \$12,000 cost of a temporary tank and also provide redundancy to the system when the permanent tanks are installed.

- C. The Milk Ranch wells sedimentation problem is presenting expensive options. EPS is hiring a hydrologist to determine where the sand is coming from in the wells. There will be three steps. First, data collection and review will cost \$6124. The board will have Harry Jones sign the work order to proceed with this. Second the video study of the wells will cost \$46,171. Third, the technical review will cost \$9000. Flagstaff also has wells with sedimentation problems and Maher and EPS will contact them to see how they resolved their problems.

16. IDENTIFY POTENTIAL AGENDA ITEMS FOR THE NEXT SCHEDULED BOARD OF DIRECTOR'S MEETING ON FEBRUARY 16, 2017.

An executive session will be scheduled for 2/2/2017 to interview district manager candidates. A short special session will be held afterward.

- A. Review the Employee Handbook and the Employee/Office holidays.
- B. Cover the break out of payment of tax monies – regular payment and extra payment to the loan from increased taxes.

19. MOTION TO ADJOURN. Tom Weeks moved that the meeting be adjourned. Bob Arbuthnot seconded the motion. The motion carried unanimously.