

**PINE-STRAWBERRY WATER IMPROVEMENT DISTRICT**

**BOARD OF DIRECTORS MEETING**

**Thursday, February 19, 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 6:02 p.m.

**II. PLEDGE OF ALLEGIANCE**

Led by Richard James

**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. APPROVAL OF MINUTES**

January 15, 2015 Meeting Minutes: Maher Hazine pointed out that the word “not” needed to be inserted in the reason he abstained in approving the minutes. Rus Brock moved that the minutes be approved with the change. Richard James seconded the motion. The motion passed unanimously.

**V. TREASURER’S REPORT**

Presented by Rus Brock. Due to Beckie Sigeti having been on vacation, he did not have the final amounts for January yet. He presented a potential budget for the 2015/2016 fiscal year which was similar to the current budget with no increases in borrowing or rate increases.

**VI. BOARD MEMBERS REPORTS**

- A. Support Services Committee Report: Rus Brock reported that the committee had not met.
- B. Water Enhancement Committee Report: Maher Hazine said he added three new committee members and they planned to meet next week. 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 the water meter problems are continuing. Customers have also been told erroneously that water meter leaks on

their side of the meter were their responsibility, not the districts. A lot of the service orders were still missing information. There were also still problems with the meter reads being incorrect. Maher Hazine mentioned that there will be a penalty for non-performance as part of the contract negotiations. Beckie Sigeti mentioned that the error in reading for January was less than 1.5% which is better than the standard error rate. Brad said that with the new training, the meters reads should continue to improve. When questioned about locating the addresses or GPS location for all the meters, Beckie commented that all the meters should be located in the next two months.

**VII. CH2M HILL MONTHLY REPORTS** Presented by Brad Cole

- A. Repair Order Status: Customer orders totaled 110 for 123 work hours. Maintenance orders totaled 194 for 562 hours. The time to place door tags was added to the Customer order status.
- B. Well and Tank Report: 8,030,727 gallons of water was produced in January. No gallons were sent to Strawberry. 61.4% of the water was produced from district wells, with the rest from water sharing agreements.
- C. Vehicle Report: One of the vehicles had maintenance costs in January totaling \$1437.86. (In typing the minutes, the secretary noticed that this is the same exact amount reported the same vehicle for December.) A new battery was installed on the Polaris Ranger for \$103.34. Total fuel cost was \$949.90.
- D. Well Test Report: The total coliform testing for January showed that all samples were absent of coliform and e. coli. The February tests due were the monthly coliform tests, the VOCs at the Tank Farm, and the Radionuclides at the McNight WSA well. If the latter two are clear, we could possibly go back to annual monitoring on these wells.
- E. Future Projects Report:
  - 1. Water Tank Replacements – The replacement request is still under review at ADEQ and will be at least another 30 days before they will get back to us. The Strawberry View 1 site has had the survey completed, and the corners need to be set before contacting the landowner. It is unlikely that we can install two 10,000 gallon plastic tanks on the site without negotiating for more easement. Ralph Bossert from Verde Engineering is still recommending a site built steel tank for the site. Maher Hazine mentioned that if we install a steel tank, we will need to consider cathodic protection for it.
  - 2. Brookview Terrace Electrical – ADEQ approved the construction and a Notice to Proceed was issued to Sky Electrical. The construction should start by the end of February and should be completed in less than 60 days.
  - 3. Pine Creek Road – Water Main Replacement. ADEQ requested that more fire hydrants and more gate valves be installed. There was an issue about the additional fire hydrant being located in an inaccessible place and the fire marshal had been contacted and agreed that it was unnecessary. Information will be sent back to ADEQ about the placement of the hydrant and requesting that the requirement for it be removed. ADEQ should not have the authority to require fire hydrants. There was no problem in the addition of another gate valve.
  - 4. Chlorinators – 6<sup>th</sup> contact has been made with ADEQ concerning approval and more information was being provided to them next week.

5. Water Level Monitors – Five monitors have been installed and are fully operational. The rest will be installed by the end of February. Tom Weeks requested that the wiring be more fully secured on the installations, as some wires were hanging loose and could be vandalized.

#### **VIII. CUSTOMER CORRESPONDENCE**

None was received.

#### **IX. CALL TO THE PUBLIC**

There were no public comments.

#### **X. REGULAR AGENDA ITEMS**

- A. Information/Discussion/Action regarding the progress of Verde Engineering on the tank replacements. This was addressed in the future projects report given by Brad Cole earlier in the meeting.
- B. Information/Discussion/Action regarding the request from Ric Hawthorne to supervise the CH2M Hill field employees as an employee of PSWID. This was disregarded due to the ongoing contract negotiations with CH2M Hill.
- C. Information/Discussion/Action regarding the vendors supplying gasoline to PSWID and if there are preferred vendors for gasoline and contracting. Requested by Rus Brock. Beckie Sigeti stated that the district auditors said that it was a conflict of interest for board members to provide services to either the district or CH2M Hill without a conflict of interest form being filled out, notarized, and filed. It was determined that all the business owners on the board need to fill out the required form. Beckie also has a list of the preferred providers she will provide the board members. Rus Brock said that CH2M Hill should have a bidders list and should provide it to the board.
- D. Information/Discussion/Action regarding WIFA grants for the engineering costs for capital projects. Presented by Brad Cole. Brad had a PowerPoint presentation describing the WIFA grants and their purpose and type of funding. Generally they provide a 40% match for project design unless the project qualified as “green” and then it was 100% match. There is only \$150,000.00 available each six months with all utilities competing for the funding and a limit of \$35,000 per project. The cycle deadlines are the end of February and the end of August. Maher suggested we send out RFQs to engineering firms to write the applications for us with the stipulation of no cost and the firm getting the engineering design contract for the project.

- E. Information/Discussion/Action regarding the approval of the final version of the Water Master Plan. Larry Bagshaw moved that the final version of the Water Master Plan be approved. Maher Hazine seconded. The motion carried unanimously.
- F. Information/Discussion/Action regarding a capital projects list extracted from the Master Plan. Presented by Rus Brock. Rus went through the Master Plan and calculated that the recommended projects would cost about \$7 million. He prioritized the list into high, medium, and low importance. He then used the goal of spending about \$400,000 per year and came up with a plan that would complete all the high and medium projects within the next 5 years. Please see exhibit A for the prioritized list and 5 year project list. The board was pleased with his breakout of the costs and the prospect of being able to do the projects without obtaining any more financing.
- G. Information/Discussion/Action regarding refinancing the loan. Presented by Beckie Sigeti. Beckie had gotten back an offer from one of the banks that was not favorable to the district. She has another bank interested and will give them information. She hopes to have a presentation ready for the April meeting.
- H. Information/Discussion/Action regarding progress on the contract negotiations with CH2M Hill. Presented by Rus Brock. Rus, Maher Hazine, and Paul Randall have made major progress in their negotiations with CH2M Hill. They are having another conference call with them on Feb. 20. The contract will be essentially a new contract (not rewritten) to be more like the Prescott Valley contract with CH2M Hill. It will be a labor only contract with more clarity and move the accounting and customer service functions to PSWID. There will be performance stipulations and more transparency. The time frame for completion of the contract will be April or May. Both Maher and Tom Weeks gave credit and appreciation to CH2M Hill for being willing to work with us in making changes to the contract.
- I. Information/Discussion/Action regarding the formation of a budget committee to prepare the 2015/2016 budget. Tom Weeks suggested that there was no need to form a committee as it seems Rus Brock had the budget well underway already. Rus will work with Beckie Sigeti to have it ready for approval in May.
- J. Information/Discussion/Action regarding the district's out of service wells and proposals for their disposition. Review presented by Brad Cole. Brad gave the board a list of 16 known wells and asked for the board's agreement (in writing) to not maintain the wells (as is presently done). Most need repair or deepening. Brad will monitor their water level monthly. He is not recommending that any be abandoned. The board concurred.
- K. Information/Discussion/Action regarding items for the March agenda. Maher Hazine asked for more information about vehicle inspection and repairs. He also asked for an

update on personnel and staffing. Beckie Sigeti asked for an auditor RFQ. Rus Brock said the Support Services Committee will take care of it. Rus Brock will give more information on the 2015/2016 budget preparation.

**XI. ADJOURNMENT**

Larry Bagshaw moved to adjourn. Richard James seconded. The motion carried unanimously.