

PINE-STRAWBERRY WATER IMPROVEMENT DISTRICT

Regular Board Meeting

Thursday, March 16, 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: Tom Weeks, Forrest McCoy, Bob Arbuthnot, Mahe Hazine, Rus Brock and Larry Bagshaw. A quorum was present.

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

February 16, 2016: Tom Weeks moved to approve the minutes. Rus Brock seconded the motion. The motion carried with Forrest McCoy abstaining since he was not at the meeting.

March 2, 2017: Rus Brock moved to approve the minutes. Tom Weeks seconded the motion. The motion carried unanimously.

5. REPORTS TO THE BOARD

A. Chairman's report / Office Manager's report – Mahe reported that he had signed the contract with EUSI for district manager services after the district's lawyer had approved it with a few minor changes. He also issued the NTP for EUSI's tasks 1 and 3. He met with Greg Smith and Paul Hendricks of EUSI to coordinate the start of work. Mahe also authorized the purchase of a laptop for the Office Manager as her current one will be allocated to the District Manager. There was only one bid received for each of the surplus vehicles and that was from a CH2M employee. Since that was a perceived conflict of interest, the vehicles will be sold at auction in Phoenix. Mahe also worked with the field staff to draft a written easement for property owned by the Fuller Family Trust which was impacted by the McClendon water line replacement project. The language and terms of the easement are still being worked on.

B. Treasurer's report – Rus Brock presented the February report which is posted to the website.

C. Secretary's report – Larry Bagshaw reported that he had had a call from Mr. Muir who has a property next to the Strawberry View 1 tank. The chlorination shed is over the easement and is partly on Muir's property. A pine tree was also slightly damaged. The shed is there temporarily while the well is hooked up to the Magnolia line and the ground dries. The district manager and office manager will draft a letter to Mr. Muir informing him of the situation. He had not been previously notified.

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
- Contract Field Manager’s Report – As posted on the PSWID website.

Forrest McCoy moved that the consent agenda be approved. Bob Arbuthnot seconded the motion. The motion carried unanimously.

7. CALL TO THE PUBLIC

Paul Hendricks of EUSI addressed the board and said that EUSI was glad to be aboard and that additional EUSI personnel will be in Pine on Monday to start working on task 1.

8. INTRODUCE THE NEW DISTRICT MANAGER. Presented by Maher Hazine.

Maher introduced Gregory Smith. He has an extensive utility background and is a registered engineer. He will oversee both the office and field staff. He will be working on goals for the district and coordinating with EUSI to get tasks 1 and 2 completed. Greg has moved to Payson from the valley.

9. DISCUSS AND TAKE POSSIBLE ACTION REGARDING THE REQUEST FROM GARY EGGERT WHO HAS ADJOINING PROPERTIES IN BOTH PSWID AND THE PINE WATER SYSTEM TO WITHDRAW FROM PSWID. Presented by Maher Hazine.

Mr. Eggert purchased a small parcel of land to add to the other two parcels he owns. Both of the other parcels, including the one with his home on it are in the Pine Water System. The small parcel is in the PSWID and he would like to consolidate two of his properties under one tax ID #, but cannot without withdrawing the small parcel from the district. He does not have any intention of putting any buildings or utilities on the parcel, as it is on a steep slope. The Pine water district has already approved adding the small parcel to their district. After a short discussion, the board agreed to the withdrawal. The district manager will draw up a document for the county and Mr. Eggert will have to agree to cover any costs that the withdrawal will entail. Larry Bagshaw moved that the parcel be deannexed from the district with the stipulation that Mr. Eggert bear any costs associated with the deannexation. Bob Arbuthnot seconded the motion. The motion carried 5 to 1 with Forrest McCoy dissenting.

10. DISCUSS AND TAKE POSSIBLE ACTION REGARDING STEPS FOR CHANGING EXISTING COMMERCIAL PROPERTIES FROM CURRENT RESIDENTIAL RATE TO COMMERCIAL RATE.

Presented by Rus Brock. The January 2017 revision of the district’s Rules and Regulations defined residential and commercial accounts. The district now needs to see which

customers need to be moved from residential to commercial based on the new definitions. Effected customers need to be notified that their account status will be changed and be given a chance to respond to the district, possibly in a public forum in May before the changes go into effect in June. Greg Smith will look into this and give the board an update on how many customers will be affected at the April meeting.

- 11. DISCUSS AND TAKE POSSIBLE ACTION REGARDING HIRING TEMPORARY CUSTOMER SERVICE EMPLOYEE DURING ANOTHER EMPLOYEE'S MATERNITY LEAVE.** Presented by Maher Hazine. There will be one of the office staff going on maternity leave in May or June. Maher is requesting that the board approve a temporary part time position paid at minimum wage to help cover the office during that time. Larry Bagshaw moved that the district manager hire a temporary customer service staff member as needed. Forrest McCoy seconded the motion. The motion carried unanimously.
- 12. DISCUSS AND TAKE POSSIBLE ACTION REGARDING BUDGET ADOPTION PROCESS AND GOALS FOR FY2017/2018.** Presented by Maher Hazine. The new budget and rates need to be set by June 30, 2017. Maher suggested that the district maintain the same water rate and tax rate as set in June 2016. Tom Weeks asked that the growth trend be looked at and included as part of the process. Greg Smith will set up time frames for the budget meetings by the April board meeting.
- 13. DISCUSS AND TAKE POSSIBLE ACTION RELATED TO STATUS, PRIORITIZATION AND FUNDING OF CAPITAL PROJECTS .** Presented by Bob Arbuthnot.
 - a. The valve project is 90% complete. The moisture content of the ground is delaying the final compaction of the sites. Hopefully next week, the moisture will have dropped enough to complete the project.
 - b. The McClendon Drive project is nearly complete, but there was a change order made to add 310 feet of water line so that Prince Drive could also be done at the same time.
 - c. The Circle Drive project is still on hold. Maher and our engineers will try to meet with ADEQ to contest the size of the line ADEQ is requesting.
 - d. The Strawberry View 1 interconnect to the Magnolia line is waiting on parts and should be about 3 weeks out to start. The project should be done in 45 days.
 - e. The Wye Strainer project is progressing. The three strainers have been installed and need to be put on line. The project should be finished next week.
 - f. The chlorination project is done except for the Portals 2 and Strawberry View 1 tanks.
 - g. The report on the Milk Ranch Wells should be done by the April meeting.
- 14. IDENTIFY POTENTIAL AGENDA ITEMS FOR THE NEXT SCHEDULED BOARD OF DIRECTOR'S MEETING ON APRIL 20, 2017**
 - a. The Milk Ranch Well Report
 - b. Capital Projects Update
 - c. EUSI Task 1 update
 - d. District Manager's report will be added to the agenda.

- e. Update on change of customers from residential to commercial
- f. Budget meetings schedule

15. MOTION TO ADJOURN. Tom Weeks moved that the meeting be adjourned. Forrest McCoy seconded the motion. The motion carried unanimously.

APPROVED