

BOARD OF DIRECTORS
PINE/STRAWBERRY WATER IMPROVEMENT DISTRICT
P.O. Box 134 - Pine, Arizona 85544-0134

MINUTES

Regular Board Meeting – March 17, 2011

1) CALL TO ORDER

Pine-Strawberry Water Improvement District meeting was called to order at 7:30PM by Gary Lovetro - Chair

2) PLEDGE OF ALLEGIANCE

3) ROLL CALL

Board Members Present:

Gary Lovetro
Ron Calderon
Mike Greer
Richard Dickinson

Tom Weeks
Don Smith
Mike Claxton

There was a Quorum – 7 Board Members present.

Also Present:

Dan Torrens – Legal Counsel
Danny Stephens – CH2MHill District Manager
Ralph Bossert – District Engineer
Number of public attendees not noted.

4) APPROVAL OF MINUTES

- a. Regular Meeting January 20, 2011

Motion to approve Regular Meeting minutes – Mike Greer

Second – Mike Claxton

Vote 7 – 0 Motion passed.

5) FINANCIAL REPORT

Mike Greer, Treasurer, presented the financial report for the period ending February 28, 2011. The District cash flow in (revenue) was \$164,802.76. Total cash out for operating expenses was \$149,636.18 resulting in a net cash flow of \$15,166.58 for the period. The Bank balance in the Restricted account was \$522,849.94 and the Non-Restricted account balance was \$133,726.48 resulting in a total Bank Balance of \$656,576.42. The entire financial report will be posted on the District web site.

6) DISTRICT MANAGER UPDATE

Danny Stephens updated the Board and attendees regarding progress on the MRW. We are in the final engineering stages now. He indicated it is about 80% completed, and we are a couple of weeks away. When we receive final engineering documents, they will be submitted along with proper application to the state regulatory body. Upon submission of engineering documents, it may take a few weeks to receive final approval. When received, we will begin the construction and connection phase.

Danny also discussed issues related to the Gila County project to widen Pine Creek Road. He pointed out we might be required to protect and/or move our 6 inch water main that runs along the road. We may have to adjust service meters in the area as work progresses also.

Gary Lovetro pointed out that the District Engineer and District Hydro-geologist had previously met with ADEQ and state regulatory people to discuss the MRW project. ADEQ observed the potential location of the project was within 500 feet of the creek which would require additional testing and submission of reports from the District. Chuck Dickens, District Hydro-geologist submitted a letter to ADEQ to address the issue. Gary reported that the District had received word that ADEQ had waived additional testing and reporting largely based on Chuck Dickens reputation in the state and the letter he sent to ADEQ addressing the issue.

7) BOARD MEMBER REPORTS

Don Smith, Supplemental Water Committee, indicated a committee meeting was held in February, and the minutes of the meeting have been posted. No Supplemental Water Committee meeting is scheduled for March.

8) CALL TO PUBLIC FOR NON-AGENDA ITEMS (3 minutes per speaker)

No "blue cards" presented. No non-agenda item speakers.

9) OLD BUSINESS

- a. Discuss and take possible action related to the District Rules and Regulations document.

Gary opened the discussion by reminding attendees that the District Rules and Regulations document is a "living" document and as such may be edited and/or amended as needed by the Board. He recommended the following changes to the existing document:

1. Edit Title Page Heading to reflect "adoption as of October 21, 2010" by Resolution 31711.
2. Page 6 All Section 5.1 "Committees". Change "must" to "may."
.....Committees shall meet as frequently as necessary to carry out their purposes and assigned work. At a minimum, the Board **may** maintain the following committees:
3. Remove AX all Employee Sections.
(The Board no longer employs staff, they are employees of CH2MHill).
4. All, Section 7. Financial Activities and Records...add the word "annual."
.....As directed by the Board, the **annual** financial statements of the District shall be compiled by a Certified Public Accountant (CPA).
5. Change "10 business days" to "3 business days." All, Section 3.6 Board meeting minutes.
.....posted in the officially agreed upon locations within the legally required time limits.
Within **3 business days** after a meeting, the formal preliminary minutes.....

Motion to edit the District Rules and Regulations as recommended – Gary

Second – Don

Vote 7 – 0 Motion approved unanimously.

Sam Schwalm asked the chair "What about other problems with Rules and Regulations?" Mr. Lovetro indicated that Sam's interpretation of the document was not correct, and the District did not recognize additional issues with the Rules and Regulations at this time.

- b. Discuss and take possible action related to PSWID Board Committees.

Gary reminded Board Members that the Board has a responsibility to follow OML which includes activity of Board Committees. Therefore, when acting as Chairman of a Board Committee you are responsible to follow the Arizona Open Meeting law regarding posting of agenda, minutes, and conduction of meetings.

Gary asked Mike Greer to accept assignment as Chairman of the PSWID Budget Committee to work on developing the next FY District Budget. Mike accepted the assignment, and will be selecting other Board members to work on the committee in the near future.

Gary also pointed out that several issues addressed by the Supplemental Water Committee recently were repetitive of issues discussed by the Board, and could be confusing to the public. He thanked Don Smith for all his work as Chairman of the Supplemental Water Committee, and asked that the committee be suspended for now.

10) **NEW BUSINESS**

- a. Discuss and take possible action related to new well development.

Gary opened discussion related to drilling a new well adjacent to the Milk Ranch Well. He explained that when developing the engineering and plans for development of MRW, a parcel owned by the District that could be an additional drilling site was discovered. He emphasized that this site could only be developed as a result of work done for and in conjunction with development of the Milk Ranch Well. The potential drilling site is located behind the Prudential building about 700 feet away from MRW.

Ralph Bossert, Verde Engineering, gave a presentation "Second Well Development and Connection to Milk Ranch Well Project." Ralph described the location of the drilling site, discussed various issues to be addressed such as proximity to MRW, easements, location of existing septic systems, and the fact that the site is within the Floodway of Pine Creek. The site is feasible based on the ability to connect it to the 20,000 gallon storage tank planned for the MRW site.

Ralph indicated that in discussions with ADEQ the regulatory body supported the idea and development of the well site. Ralph proposed a cost estimate of \$164,530 which includes design engineering, quality control, construction staking, permitting fees, and a 15% contingency.

The Board discussed impact on the aquifer anticipating potential compromise of either well's production. In addition support of ADEQ the regulatory body and cost were discussed.

Motion to allocate \$165,000 of the available MRW funds to move forward to develop Well Site Number 2 –
Mike Greer
Second – Gary Lovetro
Vote 7 for – 0 against motion passed unanimously.

Chairman Gary Lovetro directed Danny Stephens, District Manager to move forward and get project started.

11) **CALL TO ADJOURN**

Motion to adjourn – Mike Greer
Second – Tom Weeks
Vote 7 – 0 Meeting adjourned.

Reports Available directly from PSWID by request for January 20, 2011

1. *File # PSWID – Financial Report- PSWID– 03/17/2011*
2. *File # PSWID – PSWID Rules and Regulations Document – PSWID – 03/17/2011*
3. *File # PSWID- Second Well Development and Connection to MRW Project -Verde Engineering-03/17/2011*