

PINE-STRAWBERRY WATER IMPROVEMENT DISTRICT

BOARD OF DIRECTORS MEETING

Thursday, April 16, 2015 at 5:00 pm

PSWID Administrative Office

6306 W. Hardscrabble Road

Pine, AZ 85544

I. CALL TO ORDER

Tom Weeks called the meeting to order at 5:00 p.m.

II. PLEDGE OF ALLEGIANCE

Led by Tom Weeks

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

April 2, 2015 Meeting Minutes: Rus Brock moved that the minutes be approved. Richard James seconded the motion. The motion passed unanimously.

V. CUSTOMER CORRESPONDENCE

Larry Bagshaw read a letter received from Peggy Randall. She wrote about her pasture fence not being repaired after district work along her fence line. She was worried about her horses being able to get loose and being injured, which would lead to the district's liability for the injuries. Tom Weeks said he walked the fence and that there were several places where it was in poor shape. It was suggested that the district take before and after pictures when we do repairs, so we can substantiate if the damage existed before our work. CH2M Hill employees will repair any damage they caused.

VI. CALL TO THE PUBLIC

Sam Schwalm said he was asked by customers, why the district did not send out email notices to the customers of board meetings. Per Beckie Sigeti, the district pays \$56 per 500 emails. It was suggested by Sam that we investigate using a free email service such as email chimp.

VII. TREASURER'S REPORT

Presented by Rus Brock. Rus gave us the financial information through the end of March. He gave the board members a summary which included the cash position, the budget vs actual expenditures, and capital projects. The financials are all close to 75% of the annual budget at the end of March, as they should be.

VIII. BOARD MEMBERS REPORTS

- A. Support Services Committee Report: Rus Brock reported that the committee had not met, but that the RFQ for an auditor had been posted and the responses were due on April 30.
- B. Water Enhancement Committee Report: The committee had not had any meetings.
- C. Customer Service Committee Report: Richard James said that the water meter rereads were down from last month. He also said the number of service orders were down.

IX. CH2M HILL MONTHLY REPORTS Presented by Matt Kear .

- a. Repair Order Status: Customer orders totaled 108 for 119 work hours. Maintenance orders totaled 210 for 443 hours.
- b. Well and Tank Report: 5,979,775 gallons of water was produced in March. No gallons were sent to Strawberry. 66.6% of the water was produced from district wells, with the rest from water sharing agreements.
- c. Vehicle Report: 357 gallons of gas was purchased for the cost of \$792. No repairs were made.
- d. Vehicle Inspection and Repair Assessment: All the vehicles were inspected and estimates of the repair costs were given. The 2005 Chevy 1500 has front end body damage after a collision with an elk. The repair costs for that are estimated at \$2151. There is also need for a new engine and transmission which will cost \$8362. The KBB value of the vehicle is \$3477. The 2005 Dodge Dakota also has body damage due to negligence by an employee of the company contracted to replace the water meters. It will cost \$2419 to repair. The KBB value of the vehicle is \$3883. One of the 2002 Ford F250s needs a new bed as it was backed into a tree by a CH2M Hill employee. A new utility bed will cost \$5675. The KBB value of the truck is \$4025. It is a possibility that there is not a need for a second utility truck bed, and that a regular bed could be installed for less money. Members of the board suggested that if the damage was due to employee negligence, that the district should be reimbursed for the repair costs. Also the contractor should be approached for reimbursement of the damage to the Dodge.
- e. Well Test Report: Starting April 23, CH2M Hill will start reading the water static levels, water pumping levels, and pump set level for all wells (except for those that have a cap) monthly. It was suggested by Trent McNeeley that a metal access cap be added to those so they can also be sounded.
- f. Improvement Projects Report:
 - 1. Portals II Midway Booster Building – Needs exterior repairs to the roof flashing, fascia, doors, and paint. One of the board members also stated that the electrical panel is not secured to the building and is not locked.
 - 2. Portals II Hydro Pneumatic Building – Needs to be demolished and rebuilt. The roof is beyond repair, the door needs to be replaced, and the entire structure is an eyesore.
 - 3. Milk Ranch Sine Wave Filter – The filter is causing noise pollution and there are two options for alleviating the problem. The current fans are not adequate to cool the filter. An adjustment has been made which cut the noise by 30 decibels. Maher

Hazine asked if there was a warranty on the filters. Since they are about 4-5 years old, the warranty might not be still in effect. CH2M Hill will retest the decibel levels by the end of next month. The first option is replacing the filter and cooling fans, install a larger enclosure, and constructing a shade structure over the panel. (It was noted that the filter was working correctly.) Cost would be \$3224. The second option is installing an enclosure with air conditioning, reinstalling the existing filter with addition supports, and interlock existing VFD with a thermostat for safety. Cost would be \$7650. The well would need to be shut down during repairs for either option.

X. REGULAR AGENDA ITEMS

- A. Information/Discussion/Action regarding the status of Compass Bank refinancing the loan. Requested by Beckie Sigeti. The loan is in underwriting. She gets weekly reports each Friday. Closing date is May 15.
- B. Information/Discussion/Action regarding the new contract with CH2M Hill. Requested by Rus Brock and Maher Hazine. Maher requested the board discuss this in an executive session. It was agreed to move into an executive session after the regular board meeting.
- C. Information/Discussion/Action regarding additional information about vehicle inspection and repairs. Requested by Maher Hazine. This was covered in item IX d.
- D. Information/Discussion/Action regarding formulating a plan of action for coming up with an RFQ for an engineering firm to design a WIFA grant for us. Requested by Maher Hazine. The next deadline for grants is in August, so our time frame for getting a grant request is dwindling. We can use our Master Plan priority list for design projects. It was suggested that our Support Services committee come up with an RFQ for an engineering firm. Beckie Sigeti said she may have samples they could use for an RFQ. Maher Hazine also suggested that CH2M Hill could write the grant application. Rus Brock said he will have the support services committee meet and Maher will contract CH2M Hill to see what it would take for them to do it.
- E. Information/Discussion/Action regarding redoing the water share agreements which are due in July. Requested by Beckie Sigeti. Beckie will have the CPI costs tomorrow so she will know the cost. The renewals need to be done by June first. It was stated that the Solitude Trails agreement needs to have a wheeling fee added to it. It was suggested that the Water Enhancement committee work on the agreements. Beckie will provide the board members with a sample agreement.
- F. Information/Discussion/Action regarding a utility CPI which expired March 31. Requested by Beckie Sigeti. Beckie will have the figures tomorrow morning. Sam Schwalm suggested that an electric utility CPI may be not the best to base the water rates on.

- G. Information/Discussion/Action regarding a request by customer Bonewell for reimbursement of some costs. Requested by Beckie Sigeti. Tom gave the board the background on this. The customer lives on Eagle Drive in Strawberry. He built a retaining wall to divert water leakage from a hill around his foundation. A company tested the leakage and said it was not from a water line. It was later found that there were leaks in the water line which were repaired. There is no longer any leakage. The customer wants reimbursement for the \$5600 he spent on the retaining wall. Richard James said that we need to make a site inspection and get a hard copy of the expenses. Paul Cornejo of CH2M Hill said that part of the costs included a water capture system and additional improvements. Larry Bagshaw said some of the refund should come from the company that told the customer it was not a leak from water pipes, but a spring. Richard James and CH2M Hill will do a site investigation.
- H. Information/Discussion/Action regarding a request by customer Kramer for an appeal of locked meter fee and security deposit. Requested by Beckie Sigeti. The customer does not want to pay the \$150 locked meter fee and a \$100 security deposit. The customer has a long history of late payments and shut off notices. The customer paid his past due balance, but has paid to get the meter unlocked. He did admit that he forgot to pay his bills. The board agreed that they should not alter their policy and that the customer needs to pay the unlock fee and the security deposit.
- I. Information/Discussion/Action regarding the rental/lease agreement on the Admin bldg. will be up 7-1-2015. Do we want to renew it for another 5 years? Requested by Beckie Sigeti. Maher Hazine stated that the last lease agreement was signed in 2011, so that it does not actually expire until 2016. The item was tabled for another year.
- J. Information/Discussion/Action regarding the district's Rules and Regulations about the collection policy and what customers are disputing. Requested by Beckie Sigeti. There are a couple of sections in the Rules and Regulations that were not changed from 90 days to 70 days when the board changed the meter lock day to 70 days. Customers are using those sections that say 90 days when they are disputing having their meters locked at day 71 and having to pay the unlock fee. Larry Bagshaw moved that the verbiage in those 2 sections be changed from 90 to 70 days. Rus Brock seconded the motion. Rus expressed concern about our consistency in applying the rules and regulations and how we could be fair to those that were billed the fees. Concern was also expressed that the rules and regulations should be redone in the near future. Trent McNeeley also suggested that the change in days should include both the locked and pulled meters. Larry amended his motion to include locked and pulled meters. The board approved the motion unanimously.
- K. Information/Discussion/Action regarding an update on the SVR2 tanks and Pine Creek Road capital projects. Requested by Beckie Sigeti. The RFPs will be posted and published on April 17. The pre-bid meeting will be on 5/11 and the bids will be due

on 5/18. Ralph Bossert of Verde Engineering gave us an update on the approvals by ADEQ. Richard James expressed concern that in the future, the ADEQ approval time would again be as lengthy as these two. He wanted to know how we could shorten the process. Ralph thought that now the ADEQ person was more familiar with the Pine Strawberry area that it would not take as long.

- L. Information/Discussion/Action regarding meter rereads and fees to be charged. Should we be charging the go back fee listed on the pricing schedule? Requested by Beckie Sigeti. The charge for meter rereads is \$40. It should only be charged to those customers who had their meter read correctly the first time, not to those who had misread meters. Sam Schwalm and Rus Brock agreed that the rules must be applied to all customers. The board was in consensus that the fee should be charged to those whose original meter read was accurate.
- M. Information/Discussion/Action regarding fees to customers with no water, but on customer's side. Should we be charging the after- hours fees on the pricing schedule? Requested by Beckie Sigeti. Beckie said that the field employees do have a script stating that the customers will be charged \$125 for an after- hours service call to turn on the water on the properties. She said in a lot of cases, the property owner has turned off his water and loaned or rented the property to someone, but neglected to tell the person that the water is turned off. The tenants then get here at night, find they have no water and call us without checking to see if they can turn the water on themselves. The board was in consensus that the person requesting the service should be billed the fee.

XI. ADJOURNMENT

Maher Hazine moved to adjourn the meeting. Rus Brock seconded the motion. It passed unanimously. Tom Weeks gave the board a 5 minute break before the start of the executive session.