

## **PINE-STRAWBERRY WATER IMPROVEMENT DISTRICT**

### **Regular Meeting**

**Thursday, June 21, 2018 at 6:00 p.m.**

**PSWID Administrative Office**

**6306 W Hardscrabble Rd.**

**Pine, AZ 85544**

#### **1. CALL TO ORDER**

Tom Weeks called the meeting to order at 6:00 p.m.

#### **2. PLEDGE OF ALLEGIANCE**

Led by Tom Weeks

#### **3. ROLL CALL OF BOARD MEMBERS**

Conducted by Tom Weeks: Board members present: Forrest McCoy, Sharon Hillman, Alan Kleinman, Maher Hazine, Tom Weeks and Larry Bagshaw. A quorum was present. Riley Snow, the district's attorney also was present via phone.

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

May 17, 2018: Sharon Hillman Asked that Item 5A be changed from Mary to May. Also May 5 should be changed to May 9. Maher Hazine moved that the minutes be approved with the change. Sharon Hillman seconded the motion. The motion was approved unanimously.

#### **5. REPORTS TO THE BOARD**

**A.** Chairman's report– None. Maher Hazine stated that he did have a draft of the press release regarding the district's lawsuit against CH2M, but that it was pending legal approval before it was released.

**B.** Treasurer's report – As posted to the website.

**C.** Secretary's report –None

- 6.** District Manager's Report –Cato Esquivel reported that the district had had a couple of rough weeks with well problems. The quarter section mapping from the aerial photography is almost complete. The Request for Statement of Interest for the tank projects is finalized and is being reviewed by the district attorney. It will be posted on the website and in the Roundup after approval. The Strawberry View I tank project is waiting on Gila County to issue a permit to complete the installation of the meter panel and sub panels. The propane tank and electrical meter are awaiting the permit. The Pine Creek Drive water line project can start as early as mid-July. The owner of the road has contacted Gila County regarding assuming ownership and maintenance of the road south of Hardscrabble Mesa road. The Portals 3 Fire Department connection project was on hold since May 17 due to a gas line that was exposed above the water line. That work should have proceeded this week. The district is seeking Statements of Qualifications from experienced contractors to provide waterline replacement and water facilities improvements on an as needed basis utilizing Job Order Contracting project delivery method. The district will select up to five contractors for the contract award and the JOC will be for one year and may be renewed up to four

additional one year terms. The SOQ will be advertised in the Payson Roundup June 22 and 29 and will be posted to the website. The Mandatory Level 1 Water Conservation Restriction was implemented on June 11 at which time the district's tanks were at 20-30% full. Four wells had pumps above the aquifer level. Pump savers were installed on some wells to prevent them from pumping air. VFDs are being installed. It is anticipated that the restrictions will be removed on June 22.

**7. CONSENT AGENDA**

None

**8. CALL TO THE PUBLIC**

None

**9. OLD BUSINESS**

- I. DISCUSS AND TAKE POSSIBLE ACTION REGARDING THE STATUS, PRIORITIZATION, AND FUNDING OF CAPITAL PROJECTS.** Presented by Paul Hendricks, EUSI. The district has nearly spent the first \$500,000 of the WIFA funds which is the forgivable portion. The Preliminary Engineering Report is almost at the final draft stage. The VFD's have been ordered and should all be installed by June 30. Rebates are being requested from APS as the VFDs are installed. The Strawberry Ranch 2 and Strawberry Knolls 2 water line replacement projects will be going out to bid shortly. The Pine Creek Road waterline replacement contract is on the agenda to approve tonight. The project will start mid-July and will take about 30 days. Three tank projects are having Requests for Statements of Interest advertised. The contract with EPS needs to be extended and is on the agenda for action tonight.
- II. UPDATE ON THE WEBSITE REDESIGN.** Sharon Hillman. The new website is 98% complete. The board needs to review the new site before it goes live. We need to do a contract with YAP for managing the website so that Smart Systems no longer needs to do the new postings.
- III. PUBLIC HEARING FOR FISCAL YEAR 2018/2019 WATER RATES.** Tom Weeks, Sharon Hillman. Tom opened the public hearing. There will be no changes to the water rates. Tom closed the public hearing. Larry Bagshaw moved that the present water rates be accepted for 2018/2019. Maher Hazine seconded the motion. The motion carried unanimously.
- IV. PUBLIC HEARING FOR FISCAL YEAR 2018/2019 TAX LEVY.** Tom Weeks, Sharon Hillman. Tom opened the public hearing. The tax rate is not changing. It will stay at 1.3981 % and is expected to generate \$768,531.53 which will all be dedicated to loan principal and interest payments. Ron Calderon voiced his opposition to the tax levy saying it was unfair to property owners and thought that the costs should be added to the base rate. Maher Hazine responded that that would add more than \$20 to the base rate and most of the district's customers could not afford that. Tom closed the public hearing. Larry Bagshaw moved that the tax rate of 1.3981% for 2018/2019 be approved. Forrest McCoy seconded the motion. The motion carried

unanimously.

- V. **PUBLIC HEARING FOR FISCAL YEAR 2018/2019 BUDGET.** Tom Weeks, Sharon Hillman. Tom Weeks opened the public hearing. The budget will be the one published in the Payson Roundup and will be posted to the website. Tom Weeks closed the public hearing.
- VI. **DISCUSS AND TAKE POSSIBLE ACTION REGARDING THE 2018/2019 BUDGET.** Sharon Hillman. Maher Hazine moved that the 2018/2019 budget be approved as published. Forrest McCoy seconded the motion. The motion carried unanimously.
- VII. **UPDATE ON THE SIGETI/GREER CASES.** Tom Weeks/Riley Snow. Both cases are still slowly moving through the system. The Sigeti case has a status conference scheduled for July 9 in the Superior Court. She is on her second attorney and it is expected a plea offer will be submitted. The Greer case is scheduled for a settlement conference on July 29 in Payson.
- VIII. **UPDATE ON THE POSSIBLE LAW SUIT AGAINST CH2M.** Tom Weeks/Riley Snow. Mr. Snow is working on documentation to put the suit together.

## 10. NEW BUSINESS

- I. **DISCUSS AND TAKE POSSIBLE ACTION REGARDING AWARDING A CONTRACT TO APACHE UNDERGROUND TO INSTALL A 4 INCH WATER MAIN IN THE PINE CREEK DRIVE UTILIZING THE TOWN OF GLOBE COOPERATIVE AGREEMENTS CONTRACT IN THE AMOUNT OF \$110,654.00 UTILIZING WIFA FUNDS, BUT ALSO INCLUDE A 20% OWNER'S CONTINGENCY FOR SYSTEM REPAIRS FROM THE INFRASTRUCTURE REPAIR BUDGET. THIS WILL BE FOR A TOTAL OF \$132,784.00.** Paul Hendricks. This will be the line south of Hardscrabble Road. Globe approved us using the contract on June 9. The amount will be about \$70 per foot which will be less than the \$100 per foot estimate. The installation will be at a municipal level status with top of the line pipe. Maher Hazine moved that the contract be awarded to Apache Underground as stated in the action item above. Larry Bagshaw seconded the motion. The motion carried unanimously.
- II. **DISCUSS AND TAKE POSSIBLE ACTION REGARDING THE EXTENSION OF THE GENERAL ENGINEERING AGREEMENT WITH THE EPS GROUP.** Sharon Hillman. This will be the second year of extension and we will have to do a new contract next year. The complaints we had with EPS have been resolved. It would not be in the district's best interest to change engineering firms at this time. The contract renewal will be from July 1, 2018 to June 30, 2019. Larry Bagshaw moved that the district extend the contract with EPS for one year. Maher Hazine seconded the motion. The motion carried with Alan Kleinman abstaining since his son-in-law is employed by EPS.
- III. **DISCUSS AND TAKE POSSIBLE ACTION REGARDING WATER LOSS**

**ACCOUNTABILITY, PROVIDING CHOICE FOR UTILITY CUSTOMERS.**

Mahe Hazine. Mahe attended a meeting sponsored by the Rural Water Association of Arizona yesterday regarding "ServLine". Servline provides an insurance program that will cover water lost with no deductible, and will repair or replace a customer's water and sewer line in a timely fashion. This program is backed by Hanover Insurance Company. It is designed for water systems and protects both the utility and customers from financial water loss. It is expected to cost about \$1-2 per month and will be added to the water bill. The customers can opt in or out at any time. Sharon Hillman thought it would be a nightmare for the billing and create additional customer service issues. Scott Grandis voiced that depending on the policy restrictions that it might benefit the district and offset leak problems on the customer side of our lines. The board was in agreement that they needed more information on the program before it could be approved. It was proposed that this be presented at the public meeting in July.

**10. IDENTIFY POTENTIAL AGENDA ITEMS FOR THE NEXT SCHEDULED BOARD OF DIRECTORS MEETING ON JULY 19, 2018.**

1. WIFA update
2. Website maintenance contract with Yap
3. Sigeti/Greer update
4. Lawsuit against CH2
5. Update on Servline
6. Board Conference session two hours before board meeting.

**11. MOTION TO ADJOURN.** Mahe Hazine moved the meeting be adjourned. Forrest McCoy seconded the motion. The motion carried unanimously.