

**PINE-STRAWBERRY WATER IMPROVEMENT DISTRICT**

**BOARD OF DIRECTORS MEETING**

**Thursday, July 16, 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 6:19 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, Richard James, Maher Hazine, Trent McNeeley, Paul Randall, and Larry Bagshaw. A quorum was present.

**IV. APPROVAL OF MINUTES**

June 18, 2015 Meeting Minutes: Rus Brock moved that the minutes be accepted as is. Larry Bagshaw seconded the motion. It passed with 5 votes for. Trent McNeeley and Paul Randall abstained as they were not in attendance at the meeting.

**V. CUSTOMER CORRESPONDENCE**

Larry Bagshaw read a letter received from Sandra Tower commending Jay Wilkins for his assistance in a medical emergency that her husband had at their home in Strawberry. Jay, who was nearby reading meters, heard her husband calling for help after he had fallen and came to his assistance.

**VI. CALL TO THE PUBLIC**

Kathy Lenard, who is a first time attendee at the meetings, had some questions about repairs on Holly and Whispering Pines. She was briefed on the repair process and the long range plans for capital improvements.

**VII. TREASURER'S REPORT**

Presented by Rus Brock. Rus gave us the financial information through the end of June. He gave the board members a summary which included the cash position, the budget vs actual expenditures, and capital projects. He also included data from administration expense variance, unanticipated expenses, and 2014/2015 carryover.

**VIII. BOARD MEMBERS REPORTS**

- A. Support Services Committee Report: Rus Brock reported that the committee had not met.
- B. Water Enhancement Committee Report: Maher Hazine reported that the committee had not met.
- C. Customer Service Committee Report: Richard James said that the meter reading errors were still decreasing. There was one customer who had a bill that showed they had used 10 times their normal usage. The reading was correct. The customer had worked out a payment plan with the office. It could not be determined why the usage increased so dramatically. It was proposed that the board look at setting up guidelines for hardship cases.
- D. Human Resources Committee Report: Rus Brock said the committee had met several times. They had worked on revising the employee handbook and formulating employee expectations.

**IX. CH2M HILL MONTHLY REPORTS** Presented by Danny Zamora .

- a. Repair Order Status: Customer orders totaled 89 for 1137 work hours. Maintenance orders totaled 199 for 741 hours.
- b. Well and Tank Report: 11,516,393 gallons of water was produced in June. 648,000 gallons were sent to Strawberry. 71% of the water was produced from district wells, with the rest from water sharing agreements.
- c. Well Test Report: All the measurable wells had nearly the same available water levels as last month. Strawberry Hollow 3 is inactive as it needs a permit from ADEQ.
- d. Water Loss Report: 347,500 gallons of water were lost due to leaks, flushing, or filling and reinstall start-ups.
- e. Vehicle Report: 553 gallons of gas was purchased for the cost of \$1807.
- f. Improvement Projects Report:
  - In-Line Chlorination – The board approved this and a \$2000 budget for each location in September 2014. Verde Engineering submitted a proposal for engineering for the change of chlorination from tablets to liquid. The engineering cost is \$10,560.00, with the total cost of changing over 13 wells being estimated at \$155,869.00. Since this is nearly 10 times what was estimated by the previous district manager, and is more than a third of the capital budget, the board decided not to act on this at this time. It will be reviewed by the committee working on allocating projects for this fiscal year.
- g. Project Recommendations:
  - Construction Equipment: It was recommended that the district purchase a mini excavator with a trailer and a dump truck or a dump trailer. It currently costs \$1000 per month to rent the mini excavator and it is not always available to rent. The mini excavator has been rented for a month. A dump truck or trailer would reduce the cost of hiring a 3<sup>rd</sup> party contractor which currently costs the district about \$46,500 a year. These recommendations will also be considered by the capital project committee. Paul Randall also suggested that the district purchase a compactor.

h. Inquiry Follow-up: Water loss Improvements:

- 1) The fire hydrants will now be flushed semi- annually, with the fire department doing every other one in conjunction with CH2M Hill. It will save the district 50,000 gallons of water annually. A meeting with the fire department will occur toward the end of July.
- 2) Rim Woods automation communication between Rim Woods and K2. Adding this automation will prevent the tank overflow. The cost will be \$12,400 with a life expectancy of 5 years and it includes a land line phone connection. The labor savings would be about 520 hours annually. Maher Hazine suggested that CH2M Hill pay the cost of installation and PSWID pay the monthly fees for this. Rus Brock suggested CH2M hill paying 80% and the district 20%. Maher stated that the discussion on this be held with CH2M Hill before the next board meeting. Tom Weeks also suggested that it would be wise to look into doing this for the Milk Ranch and K2 tanks. CH2M Hill suggested to do a trial on the Rim Woods and K2 being implementing the other.
- 3) Hydro pneumatic tank removal: The Strawberry View I tank has been removed and the MR1 and Tank Farm tanks will be removed in July.
- 4) Storage container: PSWID purchased a 40 foot long container for the field office to store pipes and equipment.
- 5) Vehicle maintenance log: A new maintenance log has been created and will used immediately. Each employee has been assigned to a vehicle and the checks will be done every Monday. The actual maintenance costs will be computerized.

**X. REGULAR AGENDA ITEMS**

- A. Information/Discussion/Action regarding the new bank loan. Requested by Beckie Sigeti. The loan papers had been reviewed by the attorney and were ready to sign, but the bank had done them for a 7 year refinance, instead of a 10 year. Since they did not agree with the ten year period the board has approved, Beckie needs to take them back to the bank and have them redo them for the correct time period. Maher Hazine moved that the board approve Tom Weeks and Larry Bagshaw signing the loan papers once they are redone for a 10 year refinance period with the interest rate not to exceed 3.85%. Larry Bagshaw seconded the motion. It was approved unanimously.
- B. Information/Discussion/Action regarding the One Call System. Presented by Beckie Sigeti. The office gets an email from the field specifying the time, date, and area to be affected. The location codes are then pulled and put in alpha order. The customer data base is then sorted and the customers not at the location are deleted. Next the One Call System is accessed and the list of customers is imported. The customer information to use is selected (phone #, etc.) Any errors must be corrected. A message is entered, a time to make the calls is selected, and then the calls are made. The process takes about 35 minutes to do. There are written instructions and all the current staff has done this.

- C. Information/Discussion/Action regarding tank telemetry and automation. Requested by Tom Weeks. This was covered in the CH2M Hill report on inquiry follow ups above.
- D. Information/Discussion/Action regarding the use of district vehicles by CH2M Hill. Requested by Tom Weeks. Tom saw the same vehicle on a Saturday north of Strawberry and coming from Payson. He was questioning if the vehicle was being used for personal uses instead of district uses. CH2M Hill pointed out that since the emergency response time was now 1 hour, the on call person takes the vehicle home. The on call employee lives in Happy Jack. (Of the 5 employees, 3 live in Payson, 1 in Pine, and 1 in Happy Jack) Maher Hazine asked if the on call person could leave the district vehicle in the yard and use their personal vehicle to go to the yard first. CH2M Hill was concerned that it would delay the repair. Both Maher and Tom Weeks asked a three month trial period of leaving the district vehicle in the yard and the on call person use their own vehicle to go to the yard first before responding to the call.
- E. Information/Discussion/Action regarding an update on the progress of the capital projects for the Tank Farm tanks, SV 1 tanks, and Pine Creek Road. Requested by Larry Bagshaw. Two of the Tank Farm tanks have been removed and new slabs have been poured. Four new tanks will be delivered this weekend. There has been a change order on this since restrictions on the easement only allow for 4 tanks, not 5. The fifth tank will be stored until it can be used for SV1. The Pine Creek Road line replacement is currently stalled because ADOT has to issue a permit for us to connect the temporary line to the water main in the SR87 right of way. It may take another 3 -4 weeks to get this permit.
- F. Information/Discussion/Action regarding an update on the district's backhoe and its maintenance. Requested by Larry Bagshaw. The backhoe has been repaired and the bill has been submitted to CH2M Hill. CH2M Hill said that the invoice is not itemized and does not specify what was repaired. It was pointed out that the repair was done before the current contract and was ordered done by their employee. The Denver office is handling this matter and we have to wait for their response.
- G. Information/Discussion/Action regarding the revised Employee Handbook. Requested by Maher Hazine. The payroll period has been changed from weekly to biweekly. Also a section about changes to the handbook must be approved by the board has been changed to approved by the board, except for minor issues (spelling/grammer) which can be changed by the HR committee. Paul Randall stated that there was an issue about wages being confidential in one section, and not being confidential in another. Maher will look at that. Wages should be public information. Richard James asked for page numbers. Richard James moved that the employee handbook be approved with the changes above. Larry Bagshaw seconded the motion. It passed unanimously.
- H. Information/Discussion/Action regarding the hiring of an outside accounting firm. Requested by Rus Brock. Maher Hazine suggested that we hire an outside accounting firm for on call services and emergencies. There is a firm in Payson called Accounting for

You that charges \$40 per hour. Rus Brock moved that on call accounting services be approved. Maher seconded the motion. The motion passed unanimously.

- I. Information/Discussion/Action regarding formulating a plan to pay off the bank loan. Requested by Maher Hazine. Maher suggested forming a subcommittee to come up with alternatives and preparing them to take to the public for feedback to pay off the loan in 10 years. The committee will consist of Maher as chair and Paul Randall and Trent McNeeley as members.
- J. Information/Discussion/Action regarding selecting the 2015/2016 capital projects. The repeated leaks in Strawberry should be addressed as one of the projects. Requested by Rus Brock and Larry Bagshaw. Tom Weeks suggested a work session with CH2M Hill to prioritize projects taken from the master plan and also from the lists Rus provided the board in January. Trent McNeeley also asked that system wide valve installations be included. Beckie Sigeti asked if computer upgrades would be included. Rus Brock and Sam Schwalm will meet with CH2M Hill to formulate the project list.
- K. Information/Discussion/Action regarding Agenda Items for the August Meeting. (Rus Brock will be out of town prior to the meeting, but might be back. Larry Bagshaw will most likely be out of town.)
  - 1. Beckie Sigeti requested the board review her letter on the shut off valve. Rus and Danny Zamora will meet with her to review it so it can go out.
  - 2. Reconsider adopting MAG standards.

**XI. ADJOURNMENT**

Rus Brock moved to adjourn the meeting. Paul Randall seconded the motion. The vote was unanimous in favor of the motion.