

**PINE-STRAWBERRY WATER IMPROVEMENT DISTRICT**

**Regular Meeting**

**Thursday, July 20, 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 6:02 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, Sharon Hillman, Mahe Hazine, Bob Arbuthnot, Rus Brock, and Larry Bagshaw. A quorum was present.

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

June 15, 2017: Sharon Hillman moved that the minutes be approved. Rus Brock seconded the motion. The motion carried unanimously.

**5. REPORTS TO THE BOARD**

- A.** Chairman's report– Mahe Hazine and Greg Smith met with Danny Zamora, Chris Maines, and Gary Young of CH2M on July 13, 2017. They discussed PSWID's decision to end the contract with CH2M and whether CH2M would be amenable to PSWID hiring the existing field staff. CH2M will have their legal department review the matter, but they are willing to discontinue the contract. Mahe, Greg Smith, Sharon Hillman, Bob Arbuthnot, Larry Bagshaw, and Forrest McCoy were in attendance at a public meeting on July 15 at the Senior Center Dining Room. Mahe discussed the decision to discontinue the CH2M contract with approximately 50 PSWID customers. The customers were agreeable to the action after it had been explained and applauded the board's well thought out decision.
- B.** Treasurer's report – As posted to the website.
- C.** Secretary's report – None
- D.** District Manager's Report –The customer service manager is still working with El Dorado on meter reading. She has also been working with APS on the new rates for the well sites. The new rate goes into effect the first full billing cycle after July 1. She has also updated the aging report. Greg Smith has received 9 applications for the Customer Service Rep position and has made an initial review of them. Smart Systems has updated the firewall at both offices. Twelve customer service issues were referred to the District Manager for resolution, and 9 of those have been closed. The FY 16 Audit recommended that since the district's Rules and Regulations require that all full-time, part-time, and contract employees are considered employees for the purposes of the conflict of interest laws, so they all need to sign the conflict of interest forms with no exceptions.

## 6. CONSENT AGENDA

- a. Support Services Committee – Met on June 29 and made a recommendation for a new audit firm. The recommendation is action item 9i below.
- b. Water Enhancement Committee – Volunteers needed.
- c. Customer Service Issues Update - None
- d. Contract Field Manager's Report –As posted to the website.

Tom Weeks moved that the above items in the consent agenda be approved. Sharon Hillman seconded the motion. The motion carried unanimously.

## 7. CALL TO THE PUBLIC

There were no comments.

## 8. OLD BUSINESS

- I. **DISCUSS AND TAKE POSSIBLE ACTION REGARDING EUSI PROJECT PERFORMANCE PARTNERSHIP NOTICE.** Maher Hazine. EUSI is seeking 20% of APS rebates the district receives during the next year for installation costs for replacing constant speed motors with Variable Frequency Drive units and installation costs for replacing low efficiency pumps and motors. EUSI is willing to waive the 20% for 50% rebate the district will receive for Efficiency Testing of Motors and Pumps. After some discussion, Tom Weeks moved to approve the 20% payments to EUSI for the installation rebates. Larry Bagshaw seconded the motion. The motion carried 5 to 2 with Rus Brock and Sharon Hillman dissenting.
- II. **DISCUSS AND TAKE POSSIBLE ACTION REGARDING PSWID'S POSITION AND OPTIONS RELATIVE TO EXERCISING THEIR RIGHT TO DISCONTINUE THE AMENDED AND RESTATED AGREEMENT FOR OPERATIONS, MAINTENANCE AND MANAGEMENT SERVICES WITH CH2M.** Maher Hazine. No action was taken on this item as the district is waiting on a letter from CH2M. It was noted that the overtime costs for the field staff might possibly be higher than was previously estimated.

**NOTE: At this point, the board discussed the new business, items 9 III, 9II, 9 IV, 9V, and 9VI.**

- III. **DISCUSS AND TAKE POSSIBLE ACTION REGARDING THE STATUS, PRIORITIZATION AND FUNDING OF CAPITAL PROJECTS.** Greg Smith.

Due to the lack of time, this was not discussed. A handout with the information was provided. The permit for testing Milk Ranch wells 2 and 3 was received from ADEQ. The testing will be delayed until after the high demand period. The Circle Drive plans were resubmitted to ADEQ last week. ADOT is still reviewing the Ralls/Magnolia extension plans. Plans for Strawberry View I tank replacement were resubmitted to ADEQ last week.

## 9. NEW BUSINESS

- I. **DISCUSS AND TAKE POSSIBLE ACTION REGARDING SELECTION OF AUDITOR FOR FY17 ANNUAL REPORT.** Forrest McCoy. There were four responses to the RFP. The Support Services Committee met and reviewed the applications. They recommend that the district accept the offer from Hinton Burdick of \$17,500.00. Forrest McCoy moved that the board chairman execute the agreement with Hinton Burdick for \$17,500.00. Larry Bagshaw seconded the motion. The motion carried unanimously.
- II. **DISCUSS AND TAKE POSSIBLE ACTION REGARDING SUBMITTING A RESOLUTION TO “WIFA” FOR A *DRINKING WATER STATE REVOLVING FUND LOAN* TO ASSIST THE DISTRICT MAKE NECESSARY REPAIRS AND OTHER IMPROVEMENTS TO THE DISTRICT’S INFRASTRUCTURE.** Maher Hazine / Greg Smith. A resolution is required before any applications for WIFA funds can be submitted. After a short discussion, Larry Bagshaw moved that the board chairman be authorized to sign a resolution to authorize an application for WIFA funds. Sharon Hillman seconded the motion. The motion carried unanimously.
- III. **DISCUSS AND TAKE POSSIBLE ACTION REGARDING APPROVAL OF A PROPOSAL FROM EPS GROUP TO ASSIST THE DISTRICT IN THE PREPARATION OF A *PRELIMINARY ENGINEERING REPORT* WHICH WILL PROVIDE SUPPORT OF THE DISTRICT’S WIFA LOAN APPLICATION AND AUTHORIZATION TO PROCEED.** Maher Hazine / Greg Smith. Brandon Squire from EPS was present at the meeting to answer questions. The preliminary engineering report is required to apply for any funding for rural water districts from all sources. This report will cost \$68,500.00. If the district receives a Technical Assistance Grant from WIFA, it will pay as much as \$35,000.00 of the cost of the report. If the grant is not received, the district will have to pay the entire cost of the report. The report will not be prepared until EPS receives notice from the district to proceed. The report will partially draw from the Master Plan, and also will come from EPS’ own evaluation of the

district. Tom Weeks moved that the proposal be approved. Larry Bagshaw seconded the motion. The motion carried unanimously.

**IV. DISCUSS AND TAKE POSSIBLE ACTION REGARDING SUBMITTING AN APPLICATION TO WIFA FOR A TECHNICAL ASSISTANCE GRANT TO ASSIST THE DISTRICT IN THE PREPARATION OF A PRELIMINARY ENGINEERING REPORT WHICH WILL PROVIDE SUPPORT FOR THE DISTRICT'S WIFA LOAN APPLICATION.** Maher Hazine / Greg Smith.

Larry Bagshaw moved that the district apply for a technical assistance grant from WIFA. Bob Arbuthnot seconded the motion. The motion carried unanimously.

**V. DISCUSS AND TAKE POSSIBLE ACTION REGARDING POSSIBLE STAFF REORGANIZATION OF OFFICE FUNCTIONS OF THE DISTRICT.** Greg Smith.

Greg presented the board with a proposal that would create a new position of Accountant/Management Assistant which would replace one of the full time customer service rep positions. He thought that the person could do the accounting functions, but also co-ordinate procurement, assist with the financial aspects of the capital improvement projects, and assist with customer service. Carol Quigley from Accounting for You was present and stated her objections to the accountant wearing multiple hats, and recommended that the district keep her employee, Jodi, as the district accountant. Sharon Hillman stated that the district needed more accounting hours than we were presently getting from Jodi, but that we also couldn't afford more hours at the rate we are paying Accounting for You. She also stated that she thought that the proposal needed more consideration and that this was not a good time to make the change. Greg replied that there was no good time to make the change. Maher asked each board member for their opinion on the issue. Most of the board members thought that an outside accounting firm made the most sense in view of the recent events regarding the former accountant, but that the district needed more accounting hours but with less expense. Bob Arbuthnot stated that the district needed controls and processes for the position written down. Maher asked for a motion. Sharon moved that the district manager be authorized to search for a full-time accountant and modify the position to accounting only. Tom Weeks seconded the motion. The motion carried 5 to 2 with Rus Brock and Bob Arbuthnot dissenting.

**VI. DISCUSS AND TAKE POSSIBLE ACTION REGARDING JOB DESCRIPTIONS FOR VARIOUS STAFF POSITIONS.**

Greg Smith. Greg wrote formal job descriptions for the PSWID staff positions so that he could proceed with posting the new field services staff positions to assist in recruiting the current CH2M employees before posting the positions externally. The CH2M employees will be given priority in hiring and will have two weeks to apply before any public postings are made. The board agreed with the job descriptions for the field services manager, the field services foreman, the water system operator lead (with revision), the water system operator, and the meter reader/utility worker. They also decided that the office staff position descriptions be changed as to titles and some duties, but that since they were existing positions, to bring the changed job descriptions up at the next meeting. Maher moved that the field services positions with the discussed revisions be posted internally for two weeks, and then be posted publicly with the district lawyer's approval and notice to CH2M of the internal postings. Larry Bagshaw seconded the motion. The motion carried unanimously.

**VII. DISCUSS AND TAKE POSSIBLE ACTION REGARDING UPDATES TO THE DISTRICT'S EMPLOYEE HANDBOOK.**

Sharon Hillman. Sharon moved that paragraph 5 of section 6.4 which reads "To the extent permitted by state and local laws, employees must use their earned time prior to December 31 of the calendar year; otherwise the time will be forfeited." be deleted as it is no longer applicable since PTO can be carried over to the next calendar year per sections 6.12 and 6.13. Larry Bagshaw seconded the motion. The motion carried unanimously. Sharon then moved that in section 6.13 the line "maximum hours for employees working less than 40 hours /week shall be proportionately reduced" be removed and replaced with a new paragraph to comply with Arizona law effective July 1, 2017. The new paragraph reads: "Sick leave can be accumulated over multiple calendar years to the maximum of 10 days (i.e. 80 hours for a full time, 40 hour/week employee). For part time employees, beginning July 1, 2017, employees are entitled to earned paid sick time and accrue a minimum of 1 hour of earned paid sick time for every 30 hours worked. Part time employees may only accrue or use 24 hours of earned paid sick time per year." Larry Bagshaw seconded the motion. The motion carried unanimously.

**10. IDENTIFY POTENTIAL AGENDA ITEMS FOR THE NEXT SCHEDULED BOARD OF DIRECTORS MEETING ON AUGUST 17, 2017.**

- a. More changes need to be made to the employee handbook regarding

- employees reporting to the District Manager instead of the HR committee.
- b. Greg will do the agenda.

**11. MOTION TO ADJOURN.** Maher Hazine adjourned the meeting at 9:30 p.m.

APPROVED