

PINE-STRAWBERRY WATER IMPROVEMENT DISTRICT

BOARD OF DIRECTORS MEETING

Thursday, August 13, 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 6:00 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, Maher Hazine, Trent McNeeley, and Paul Randall. A quorum was present.

IV. APPROVAL OF MINUTES

July 16, 2015 Meeting Minutes: Maher Hazine suggested that this be postponed until next month when more board members are present.

V. CUSTOMER CORRESPONDENCE

No correspondence was received.

VI. CALL TO THE PUBLIC

Kent Chandler, representing the HOA for the homes on top of Hardscrabble who are on district water, but not in the taxing district had questions about the letter the homeowners received from our attorney. He and the other homeowners (according to calls Tom Weeks received) would like a better explanation. Maher Hazine suggested that the district follow up with a letter sent to each homeowner with a clear explanation of them being added to the tax rolls.

VII. TREASURER'S REPORT

Rus Brock was on vacation, so no treasurer's report was available.

VIII. BOARD MEMBERS REPORTS

A. Support Services Committee Report: 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 was not present to present any report. Maher Hazine suggested that the district set up a Facebook page. Pam Mason requested that the emailed newsletter have the district's logo added and also have a link to the meeting agenda.
- D. Human Resources Committee Report: Maher reported that the only thing members had discussed was the retirement plan which is agenda item A.

IX. CH2M HILL MONTHLY REPORTS Presented by Danny Zamora .

- a. Repair Order Status: Customer orders totaled 90 for 103 work hours. Maintenance orders totaled 185 for 609 hours.
- b. Well and Tank Report: 11,214,263 gallons of water was produced in July. 1,038,000 gallons were sent to Strawberry. 65% 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.
- d. Water Loss Report: 314,200 gallons of water were lost due to leaks, flushing, or filling and reinstall start-ups. 70% of the loss was due to line leak repair flushing.
- e. Vehicle Report: 455 gallons of gas was purchased for the cost of \$1254.
- f. Project Recommendations:
Construction Equipment: A new mini excavator is available for \$22,293.60 and a 14' new dump trailer is available for \$13,269.88 through a vendor in Flagstaff. Other quotes were received from vendors in Phoenix, but they were considerably higher. There is a long term lease plan available from the vendor. Financing options were discussed. The Flagstaff vendor also has on-site service available. The motion on this purchase was delayed until agenda item F.
- g. 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. It will save the district 50,000 gallons of water annually.
 - 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. CH2M will help with the costs and their commitment will be presented in a letter shortly. A quote for doing this for the Milk Ranch and K2 tanks is being obtained.
 - 3) Hydro pneumatic tank removal: The Strawberry View I and MR1 tanks have been removed and the Tank Farm tank will be removed when the tank replacement project is completed.

X. REGULAR AGENDA ITEMS

- A. Information/Discussion/Action regarding the PSWID retirement account (401K). Requested by Maher Hazine. Maher and a representative from Crabtree Insurance discussed a 457 retirement plan. The plan will entail a \$500 one time set up fee and a \$500 annual fee. It is recommended that new employees have a 90 day eligibility

period, 5 year vesting period, and PSWID do a 3% match up to \$6000 in employee contribution, with the match being done annually. The plan year will match the PSWID fiscal year. The current employees will not have any waiting period to participate and the vesting period will be waived for the current employees if the third party administrator Crabtree uses approves. Each employee will meet with Crabtree to select a customized investment plan. Maher moved this be approved as presented. Trent McNeeley seconded the motion. The motion passed unanimously.

- B. Information/Discussion/Action regarding PSWID buying the Ponderosa (Hunt) Water Company. Requested by Tom Weeks. Albert Hunt had more information for the district, but he did not give it to Tom and was not at the meeting. Maher Hazine said that we need a list of the customers for our district to consider either including them in the district or for the district to eliminate them from the tax levy for the district.
- C. Information/Discussion/Action regarding PSWID adopting the MAG Standards. Suggested at last board meeting. Maher Hazine suggested we adopt the standards used by Yavapai county. He suggested we have Rus Brock review them and present them at next month's meeting.
- D. Information/Discussion/Action regarding an update on the progress of the capital projects for the Tank Farm tanks, and Pine Creek Road. Requested by Larry Bagshaw. The final two tanks are set at Tank Farm, but the contractor is waiting for an ADEQ permit to remove the two old tanks. Pine Creek Road is nearing completion. Both projects should be completed about the same time.
- E. Information/Discussion/Action regarding formulating a plan to pay off the bank loan. Requested by Maher Hazine. The committee has not yet met.
- F. Information/Discussion/Action regarding selecting the 2015-2016 capital projects. Requested by Rus Brock. Maher moved that the board authorize the chairman, Tom Weeks, to purchase the mini excavator and dump trailer from the Flagstaff vendor for the prices presented in the CH2M monthly report item f, after we get written quotes from other vendors and also see if we can finance the purchase if possible. Paul Randall seconded the motion. The motion passed unanimously.

It was also discussed that when Rus and Sam Schwalm do meet with CH2M to identify and prioritize the projects that the change in chlorinization, installation of valves, and replacement of the line on Circle Drive in Strawberry be included.

- G. Information/Discussion/Action regarding Agenda Items for the September Meeting.

Maher Hazine requested that the board initiate the performance tracking for CH2M and that the board consider adopting a self- assessment/accreditation program for best management practices. He will present the program next month.

XI. ADJOURNMENT

Maher Hazine moved to adjourn the meeting. Trent McNeeley seconded the motion. The vote was unanimous in favor of the motion.

DRAFT