

**PINE-STRAWBERRY WATER IMPROVEMENT DISTRICT**

**Regular Meeting**

**Thursday, August 17, 2017 at 6:55 p.m.**

**PSWID Administrative Office**

**6306 W Hardscrabble Rd.**

**Pine, AZ 85544**

**1. CALL TO ORDER**

Maher Hazine called the meeting to order at 6:55 p.m.

**2. PLEDGE OF ALLEGIANCE**

Led by Maher Hazine

**3. ROLL CALL OF BOARD MEMBERS**

Conducted by Maher Hazine: Board members present: Tom Weeks, Forrest McCoy, Sharon Hillman, Maher Hazine, Rus Brock, and Larry Bagshaw. A quorum was present.

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

July 20, 2017: Approval of the minutes was delayed until the next meeting.

**5. REPORTS TO THE BOARD**

- A.** Chairman's report— Maher Hazine received a letter from CH2M regarding the transition of operation to the District for self- performance. Certain of the terms were deemed unacceptable and not in the best interest of the district. A draft response was given to the board members for feedback by Monday, August 21 and a copy will be supplied to the District's Attorney for review. The WIFA meeting that was scheduled for today was postponed until next Thursday due to a new Project Manager coming on board at WIFA. EUSI Task 2 is proceeding, but some data that CH2M needs to provide has not been submitted to the district and is causing a delay. No billing will be received on this except for authorized reimbursements. Maher and Greg Smith met with a customer, Bud Olson regarding sediment in his water lines that was claimed to have been caused by the district. Mr. Olson was requesting about a \$200 reimbursement, but it was determined that the district was not responsible for the sediment. Maher also transferred his administrative rights to ADP to the District Manager and no longer has access to the account. Also a used truck previously owned by the Northern Gila County Sanitary District was purchased from Chapman for \$16,072.96. This will be used to replace the truck owned by CH2M.
- B.** Treasurer's report – As posted to the website.
- C.** Secretary's report – Larry Bagshaw mentioned that Jim Hill is selling his properties and moving and that this might be a good time for the district Water Enhancement committee to reconsider buying his Portal's well.
- 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.

Standard Operating Procedures have been developed for the Customer Service Division and are being used for training new staff.

Greg Smith has had a total of 23 customer service issues were referred to the District Manager for resolution since 3/16/17, and 16 of those have been closed. The district staff has completed the conflict of interest forms and they are on file. The accountant position has been posted and published. Three applications have been received. Those will be reviewed after August 31. The posting will remain open until filled. The field staff openings were posted internally and 4 applications were received. The qualifying candidates will be given offer letters tomorrow. Unfilled positions will be published and posted. The level of "supervision" was revised in the senior operators and senior customer service representative job descriptions.

## 6. CONSENT AGENDA

- a. Support Services Committee – None
- 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 THE SUBMITAL OF APPLICATIONS TO "WIFA" FOR A DRINKING WATER STATE REVOLVING FUND LOAN AND FOR A TECHNICAL ASSISTANCE GRANT, POSSIBLE CHANGES TO THE IMPLEMENTATION SCHEDULE INCLUDING WHEN TO ISSUE A NOTICE TO PROCEED WITH THE PREPARATION OF A PRELIMINARY ENGINEERING REPORT.** Maher Hazine / Greg Smith. Greg filed a project priority list with WIFA along with the other documents approved by the board in the last meeting. WIFA says it will have money available this fall and is encouraging the district to apply for a grant now instead of waiting to see if we get the Technical Assistance Grant which we will not know until November. So that will mean the Preliminary Engineering Report which will take 3-4 four months to prepare cannot be started until at least December. If we do not file for WIFA grants now, we will not be able to until next year due to not having the PER until April or May. He is recommending that the district file the WIFA loan paperwork next week. Some discussion centered about how much we actually wanted to file for, but it was pointed out that the less

we filed for, the less forgivable principal we would receive. There was also concern about the district spending the money unwisely. It was pointed out that the district could not spend more than the approximately \$1.5 million budgeted for capital improvements in the 2017-2018 budget and that the money would be applied to the already approved capital improvement project list. The WIFA grants would be able to be spread over more than three years as long as the district could demonstrate that it was making significant advances in its capital improvement projects. Sharon Hillman moved that the district apply for an \$8 million WIFA grant that will be awarded in October. Larry Bagshaw seconded the motion. The motion carried unanimously.

- II. **DISCUSS AND TAKE POSSIBLE ACTION REGARDING THE STATUS, PRIORITIZATION AND FUNDING OF CAPITAL PROJECTS.** Greg Smith. This was omitted. A list of the capital projects was provided to the board and audience.

## 9. NEW BUSINESS

- I. **DISCUSS AND TAKE POSSIBLE ACTION REGARDING OFFER LETTERS TO POTENTIAL DISTRICT EMPLOYEES IN THE FIELD SERVICES DIVISION.** Maher Hazine/Greg Smith. 5 current field staff members have applied. The District Manager will extend offer letters to those five outlining the salary and benefits. Sharon Hillman moved that the board authorize the District Manager to send offer letters to the field staff candidates with the pay range and benefits consistent with the budget. Larry Bagshaw seconded the motion. The motion carried unanimously.
- II. **DISCUSS AND TAKE POSSIBLE ACTION REGARDING THE SETUP OF A IRC 15B SECTION 125 CAFETERIA PLAN FOR CURRENT AND FUTURE EMPLOYEES OF THE DISTRICT.** Greg Smith. Greg provided the board with information about cafeteria plans. ADP will be able to manage the plan for the district for \$350 per year. Sharon Hillman noted that the plan had a 90 day waiting period marked as the option and said that it needed to be changed to the option where the coverage started the first day of the following month of hire. Larry Bagshaw moved that the District Manager be authorized to set up the cafeteria plan with the change in the start date of coverage. Sharon Hillman seconded the motion. The motion carried unanimously.
- III. **DISCUSS AND TAKE POSSIBLE ACTION REGARDING INTENDED USE OF FY2017 ADJUSTMENTS TO TAX AND WATER USE RATES.** Tom Weeks. Tom expressed concern that any excess money the district collects from the property tax rate approved last year and that any excess money received from water use and base rate fees would not be used to retire the loan. Most of the board members conceded that action needs to be taken each year to ensure that all monies received from the property tax rate and the extra money received from the increased water rate usage and base rate fees adopted in 2016 be used

to pay down the loan with Compass Bank. Rus Brock moved that the property tax monies and increased water rate usage and base rate monies be used to pay down the loan. Larry Bagshaw seconded the motion. The motion carried unanimously.

**IV. DISCUSS AND TAKE POSSIBLE ACTION ON THE CREATION OF A TRANSITION ADVISORY COMMITTEE TO GUIDE AND ASSIST THE DISTRICT MANAGER WITH THE NUMEROUS TASKS THAT NEED TO BE COMPLETED FOR A SUCCESSFUL TRANSITION FROM CH2M TO PSWID PERFORMANCE OF THE DISTRICT'S FIELD OPERATIONS. THE COMMITTEE WOULD PROVIDE RECOMMENDATIONS TO THE FULL BOARD WHERE NEEDED OR REQUESTED.**

Rus Brock. Rus proposed that a three member board committee be formed to help with the transition so that things would not be overlooked as the district moves forward with this transition. The committee meetings would be public open meetings with posted meeting announcements, agendas, and minutes. He offered to hold the position of secretary. Sharon Hillman was more concerned with coming up with the safety programs and training that would be required and having an actual written transition plan. Greg thought that the formal board committee meetings would not be flexible enough for the transition and would actually detract from his time to get the things done that he needs to do. Most of the board thought that Greg could call on individual board members for assistance as needed and that a committee was not necessary. Greg will include a transition plan update in his monthly report to the board.

**10. IDENTIFY POTENTIAL AGENDA ITEMS FOR THE NEXT SCHEDULED BOARD OF DIRECTORS MEETING ON SEPTEMBER 21, 2017.**

- a. Board members will need to prepare for a meeting with a facilitator in November for long term planning and to establish a vision for the district.
- b. Greg will do the agenda.

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