

PINE-STRAWBERRY WATER IMPROVEMENT DISTRICT

BOARD OF DIRECTORS MEETING

Thursday, August 21, 2014 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 6:04 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, Trent McNeeley, Paul Randall, Rus Brock, Richard James, Don Smith, and Larry Bagshaw

IV. APPROVAL OF MINUTES

July 17, 2014 Meeting: Don Smith commented that one word needed to be changed due to a grammatical error. Rus moved that the minutes be accepted with the change. Don seconded. Motion carried unanimously.

V. TREASURER'S REPORT

Presented by Rus Brock. Tom, Richard, Don, and Sam Schwalm all commented on the budget accruals. Rus also presented a jobsite damage report for repair of electrical lines that were damaged during a nighttime repair. Brad Cole commented that CH2M Hill was responsible for the repairs, so the cost would not come out of the PSWID budget.

VI. BOARD MEMBERS REPORTS

- A. Support Services Committee Report: Rus Brock had clarified the RFQ requirements with the county and the RFQ had been posted to the website and sent to prospective attorneys. The submissions are due Friday, August 22 at 5:00 p.m.
- B. Other Committee Reports: Don Smith reported that his Water Enhancement Committee now has 4 voting members besides himself and one ex-officio member, Brad Cole. He now needs one more member.

VII. CH2M HILL MONTHLY REPORTS: Presented by Brad Cole

A. Repair Order Status: Repairs are now current and being completed within 5 days.

B. Well and Tank Report:

- 1. The Portal I well failed and Aero Drilling was called in to pull and evaluate it. The pump, motor, and wiring were replaced. Also 168 feet of casing had rusted out and was replaced. An additional 21 feet of casing fell to the bottom of the hole, leaving the pump 21 feet higher than originally. CH2M Hill is conducting an investigation to determine whether downhole

chlorination is causing the problem and if it would be more efficient to move the chlorination outside the wellbore. Richard, Don, and Paul had questions.

2. The Milk Ranch 3 well is awaiting pipe completion and meter installation. Then it will be pressure tested, chlorinated, and bacteriologically tested. Then we will need an Approval of Construction from ADEQ. Sam Schwalm asked how long after approval could it be brought on-line. Brad said 2-3 weeks.
- C. Vehicle Report: Ric Hawthorne asked why the mileage was so high for two of the vehicles. Brad Cole responded that there was mileage to Chandler and back for supplies.

VIII. CALL TO THE PUBLIC

- a. Pam Mason commented on Agenda item H that Mr. Hill had been looking how to get water to his property for some time. The south extension of the PSWID along highway 87 actually should have been at his expense, instead of the district's. The well he wants to trade for water only pumps 5 gpm.
- b. Ric Hawthorne commented on Agenda item L. Milk Ranch I never had an appraisal. PSWID put in an investment of \$100,000 to the well that was never paid back before we purchased it. He thinks that PSWID should not install the tap for Pugel and Randall until that amount has been paid back.

IX. REGULAR AGENDA ITEMS

- A.** Information/Discussion/Action regarding scheduling a work session to review the Master Plan draft: Richard James said that the plan is now a lot better and other board members agreed. Don Smith appreciated the categorization and prioritization. Tom Weeks asked Brad Cole how long a work session would take and Brad Cole responded 2-3 hours. Board members discussed their availability. The next board meeting is September 18. Tom Weeks asked Brad to find out about scheduling a meeting after September 15 with the involved members of CH2M Hill staff. Pam Mason asked if it would be a public meeting. Tom Weeks responded that it would be.
- B.** Information/Discussion/Action regarding whether the board should adopt MAG standards as suggested by Trent McNeeley: Brad Cole remarked that it was a good idea as the district has only adopted the Uniform Plumbing code which only applies from the meter to the house. Rus Brock asked why the plumbing code was used instead of the MAG standards. Brad responded that he uses AWWA standards. Trent McNeeley and Paul Randall expressed concern that adopting the MAG standards would increase the costs to the district. Rus Brock commented that most entities amend the MAG standards to fit their needs. Larry Bagshaw asked for a comparison report of the different standards for the next board meeting. Tom Weeks agreed that the issue should be tabled for next month after Brad presents the comparison report.
- C.** Information/Discussion/Action regarding the suggestion that we advertise for committee members. Beckie Signeti reported that Windy Dravillas found out that mailing a flyer in the bills would cost in the range of \$260 to \$300. We could email the flyer or post it to the website for free. Rus Brock suggested we use the lower cost method for distribution. Sam Schwalm suggested that the flyers be available for

walk in customers also. Tom Weeks wanted the email and counter flyers. Pete Aleshire also commented that it could be sent as an announcement to the Payson Roundup.

- D.** . Information/Discussion/Action regarding a CH2M Hill presentation (with written handout) on testing of wells for discussion and possible action. Brad Cole had Power Point slides about the water quality test reports on the Tank Farm well and the McKnight well. Russ Brock asked if we need a running list of well tests. Tom suggested it become a monthly CH2M Hill report item. Don Smith only wants to see red flag tests emailed. Richard James wants an email about each test and the results. Brad Cole has a test schedule by well site and will add it to his report items. Tom Weeks asked about toluene in the water. Larry Bagshaw responded that toluene is an industrial solvent used to clean parts. Pete Aleshire had a question if the reported contaminants were currently in the water. Brad Cole responded that they were, but by the time they reached the main water supply, they were so diluted that they did not present a hazard and that none of the contaminants were at a health risk level at the well sites.
- E.** Information/Discussion/Action regarding the evaluation of the RFQ's for attorney services. Specifically what RFQ evaluation tasks the Board will want to (review RFQ's, short list, interviews, etc.) and what tasks, if any, the Board wants the Support Services Committee to perform. Russ Brock asked the board how active they wanted to be in the attorney selection process. Tom Weeks, Richard James, and Don Smith commented that the board only needed to see the top two or three candidate information after the Support Services Committee had reviewed the RFQs. Tom would like the board to interview the top candidates, personally or by phone. Don Smith agreed. Russ said the committee will meet early next week so the selection could take place as soon as possible as suggested by Tom.
- F.** Information/Discussion/Action regarding the evaluation of the RFQ's for attorney services. Specifically what RFQ evaluation tasks the Board will want to (review RFQ's, short list, interviews, etc.) and what tasks, if any, the Board wants the Support Services Committee to perform. See item E.
- G.** Information/Discussion/Action regarding attorney work assignments. Russ Brock has noticed that a number of tasks on the attorney's monthly invoice are in response to requests made by CH2M Hill staff. While that may be completely appropriate the Board should perhaps discuss how and through whom work assignments should be given to the attorney as a means to control expenses. Russ Brock suggested that the board needs to clarify where work assignments come from once we get the new attorney. Tom thought it was a good idea to cover this with the attorney.
- H.** Information/Discussion/Action regarding the request by Jim Hill regarding trading his 320 foot deep Portals IV well in exchange for future hook-up fees on his property on

the east side of highway 87 at Bradshaw Drive for 40 one acre lots. Tom Weeks commented that the other Portals IV well had reduced the output of Hills well. Brad Cole stated that Chris Miller could give the board advice on the well. Sam Schwalm asked about the cost of hook-ups. Don Smith's Water Enhancement Committee will look into this.

- I. Information/Discussion/Action regarding the complaint to ADEQ about the 300K tank refurbishing project and the results of ADEQ's investigation to be presented by Brad Cole. Brad reported that ADEQ has reported that their investigation found that there were no hazardous substances, particularly lead, found on the site. The complaint was dismissed.
- J. Information/Discussion/Action regarding Strawberry Creek Foothills Lot 71 booster and tank site. The board needs to consider either the purchase of the lot or an easement on the lot from the owners. Brad Cole will be going to ADEQ next week to review and copy their files about the site. Richard James asked if Brad knew anybody that had worked on it when the tank and booster pump were installed other than Verde Engineering. Tom Weeks said he would have a meeting with the lot owner. Beckie Signeti said that the lot is up for sale since she had a broker inquire about it.
- K. Information/Discussion/Action regarding alternatives for the water sharing agreement with Mark Fumusa. We currently deliver water to the Solitude Trails development for free, but the district is paying for all the operations and maintenance costs. CH2M Hill has suggested we charge a "wheeling fee" or buy Mark Fumusa's two wells. Sam Schwalm said that there was supposed to be a wheeling fee already in place, but that it never was added to the agreement. Beckie Signeti reported that all the water sharing agreements were standardized after the district bought out Brook Utilities, and that the wheeling fee was removed. Brad Cole said that it shouldn't be a standard agreement for Solitude Trails. Don and Rus asked about when the agreement renews. Beckie said they just renewed in July, so they are not up again until 2016. Pam Mason stated that the original agreement with Solitude Trails was that when the last lot sold, that their water system would revert to PSWID. Don Smith remarked that when the last lot sold, the former water board turned the system back to Solitude Trails. Tom and Rus said this should also be taken on by the Water Enhancement Committee. Brad Cole also remarked that Solitude Trails is now an official water utility and is subject to all the reporting required of water utilities.
- L. Information/Discussion/Action regarding the request from Ray Pugel and Robert Randall to supply their development of the RV Resort with a 2 inch hook-up for free per the Milk Ranch Well #1 purchase agreement. Brad Cole expressed his concern that the hook-up will cost the district about \$5500. Don Smith said that the value of the well was more than the district paid. Ric Hawthorne said that the well was never appraised. Richard James asked about the final contract. Sam Schwalm said he thought PSWID should charge the deposit and impact fees. Tom Weeks said that the "free" in the contract went a long ways. Tom also stated it would be an RV park with Park models being sold. Richard James wanted to know if the 2 inch hook-up would be adequate. Rus Brock wanted to know how fast they wanted to move on the

development and if we should involve the attorney. Tom said we can't win if we fight the contract terms and that we have to honor it. Virginia Smith wanted to know if PSWID had the capacity to supply them water with the drought. Ric Hawthorne said he was working with Bill Haney about the contract. Richard wanted to wait for the attorney. Tom said they will fight and that the board should cut its losses. Rus Brock wants to review the contract. After further discussion, Tom called for a vote. and polled the board. Paul Randall, Tom Weeks, Don Smith, and Larry Bagshaw voted aye. Russ Brock and Richard James voted nay. Kay James commented that the contract is legal and binding.

- M.** Information/Discussion/Action regarding the request from Carmen Wailes for \$705.00 in reimbursement for her loss of business over the July 4th weekend. Brad Cole had told Carmen that she would not be reimbursed. She then emailed the board members asking for reimbursement. Tom Weeks commented that she had chosen not to rent the property and the board was not responsible for the loss. Several of the board members agreed and that reimbursement for lack of water should only be made in a case of negligence. The board also did not want to set a precedent and no other utility reimburses for outages. Rus Brock moved that in the light of precedence setting and that since other utilities do not reimburse, that PSWID does not pay for her loss of business. Richard James seconded. The motion passed 5 to 1 with Don Smith abstaining.
- N.** Information/Discussion/Action regarding agenda items for the next Board Meeting.
 - 1) Richard James wants to discuss moving chlorination to outside the well and what it would cost.
 - 2) Brad Cole will present a comparison of the MAG and AWWA standards.

X. ADJOURNMENT

Rus Brock moved to adjourn. Don Smith seconded. The motion carried unanimously.