

**BOARD OF DIRECTORS**  
**PINE/STRAWBERRY WATER IMPROVEMENT DISTRICT**  
P.O. Box 134 - Pine, Arizona 85544-0134

**MINUTES**

Regular Board Meeting, Thursday, September 12, 2013

**1) CALL TO ORDER**

Pine-Strawberry Water Improvement District meeting was called to order at 6:00PM by  
Ray Pugel – Chairman

**2) PLEDGE OF ALLEGIANCE**

**3) ROLL CALL**

**Board Members Present:**

Gary Lovetro  
Ron Calderon  
Sam Schwalm

Tom Weeks  
Mike Claxton  
Richard Dickinson

Ray Pugel

There was a Quorum – 7 Board Members present.

Also Present:

Brad Cole – CH2MHill District Manager  
Beckie Sigeti – (absent)  
Dan Torrens – District Legal Counsel

**4) APPROVAL OF MINUTES**

- a. Regular Meeting July 18, 2013
- b. Special Meeting August 14, 2013

Motion to approve Regular Meeting and Special Meeting minutes – Ron

Second – Gary

Vote – 7 to 0 Minutes approved.

**5) FINANCIAL REPORT**

Ron Calderon presented the financial report (cash flow statement) for the period ending July 31, 2013. The report for August was not final and not available to report until Beckie Sigeti returns to work.

For July cash flow in was \$98,512. In from the Tax Levy was \$948 for total cash in of \$99,461. Cash out for the period was \$168,663. This resulted in a net cash flow of (-)\$69,202 for the period.

Total Bank Balance(s) as of July 31, 2013 in the Restricted Account was \$608,358. The Non-Restricted Account was \$164,572 resulting in Total Bank Balance of \$772,931. The entire financial report including August and Fiscal Year end will be posted on the District web site when Beckie Sigeti returns and auditor review is complete.

## 6) **DISTRICT MANAGER UPDATE**

Brad Cole updated the Board and attendees on the progress of District Priority Capital Projects and Operations.

- Review Priority Capital Projects
  - Meter Replacement Program
    - September 10 - 1559/3200 – 49% (FY2013)
    - Second batch of meters received, crews in Pine
  - Milk Ranch Wells
    - Milk Ranch Well No. 3
      - Drilling completed; installation of 6-inch casing to 800 feet underway, clearing out bottom 200 feet of bore hole
      - Contract awarded for site development work – SKY Construction & Engineering (Flagstaff/Phoenix) - \$12,952
- Other Priority Capital Projects
  - Leak Detection Survey
    - Utility Service Associates – Started September 3; \$23,654
  - Water Master Plan
    - Statement of Qualifications Received from 5 vendors
    - District Attorney to present the results of Board evaluations tonight
  - Next: Rehab/Repair 300K Tank – estimated at \$200k
- Operations
  - New Field Supervisor, Patrick Trevino, started with CH2M HILL on September 3, 2013.
  - WSA: Johnson Well No. 1 – complete failure due to corrosion. Replace pump/motor; 18 joints of 1-1/4" column pipe (378 ft); 3 ph/3 hp/18 gpm; est. \$3,280
  - Chlorination activities: need to consider replacing current system of calcium hypochlorite pellet drops to a sodium hypochlorite solution injection system.
    - Calcium hypochlorite is more corrosive
    - Current methods drops pellets into well; unable to get untreated source water samples. Change injection points to some point after the water comes out of the well.
  - Magnolia Booster (at 300k Tank) – installation of second/redundant pump nearly complete. Need to pull wires and complete piping.
  - Miller Drive/Pine (Pine Cone Homes off of Fuller Dr.) – County installing new storm drain v-ditches and our 2" water main in conflict. We need to move it. Received 1 bid to replace – labor: \$17k; parts: \$2k. CH2M HILL can relocate that line for \$5k including rental of a ditch-witch.

This update will be posted to District website.

Sam had questions related to turbidity events and progress on installation of filtration system. Brad reported that Chuck Dickens was in contact with testing lab in California to determine method of sending them water samples. When determined work on filtration will proceed.

Work to repair Johnson Well on Miller Drive will be paid out of contingency fund replenished by Board from recently approved FY 2013-14 Budget.

## **7) BOARD MEMBER REPORTS**

Sam suggested that the November Regular Board meeting be moved up a week to November 14 from November 21 to accommodate Thanksgiving Holiday. There were no objections from the Board, and it was agreed to move the November Board Meeting to November 14, 2013.

Tom asked questions related to repair of a damaged District service vehicle, and Brad reported that we were in the process of getting bids.

Ray reported that a new video by Chuck Dickens will soon be posted and added to the video collection on the District website. In the video Chuck describes the process of drilling and well development for deep wells in our area.

Ray also reported on an article recently published in the Arizona Republic indicating the anticipated high expense of repairing and improving the water system in Tucson. He indicated the cost could amount to nearly \$100,000 per household.

## **8) OLD BUSINESS**

- a. Discuss and take possible action related to developing a Master Plan for the District.

Dan Torrens was assigned by the Board to compile and evaluate the scores from the recent Board Member evaluations of the five companies submitting RFQ's for the District Master Plan. Dan explained the process and how scoring was evaluated. Ron Calderon's tabulation had to be corrected and Ron signed and dated his submission. (Dan indicated this did not change the scoring results). Dan reported the results of the Board's evaluation.

1. CH2MHill
2. Entellus
3. Sunrise
4. Widget
5. Emery

The next step in the process will be for the Board Chairman and Board Treasurer to negotiate a cost price from CH2MHill to determine a cost within the approved Master Plan Budget. If agreement can't be reached the Board will contact the next highest company until a company is selected to develop the Master Plan.

- b. Discuss and take possible action related to obtaining project financing from Water Infrastructure Financing Authority (WIFA) and/or Rural Community Assistance Corporation (RCAC).

Sam presented two slides briefly discussing the loan and refinance policy and potential of WIFA and RCAC. RCAC does not provide refinancing loans, and refinancing through WIFA is not likely. Sam indicated he felt the District should evaluate the potential of loans from these agencies.

Motion – to have Brad identify a capital project less than \$100,000 suitable for WIFA financing and bring that to the next Board Meeting for consideration of whether to pursue a loan from WIFA for the project – Sam

Second – Tom

Board discussion followed. It was suggested that we wait until the Master Plan was developed in order to identify an appropriate project. In addition it was pointed out that selected projects of importance were already identified and included in the new FY Budget. There was also concern voiced related to potentially increasing District expenses when the public had already voiced their concern related to increased taxes and rates.

Vote – 4 yes and 3 no – motion passed.

c. Discuss and take possible action related to initiation of an ADEQ System Evaluation.

Sam indicated that ADEQ would pay for an independent contractor to provide a cursory evaluation of the Pine/Strawberry water system. None of the representatives from ADEQ have been available to attend a Board meeting to explain the program. However, Sam indicated that from his conversations there would be no “downside” from ADEQ.

Gary suggested “this would be similar to inviting the IRS to assist you in preparing your taxes.” When asked for input, Brad indicated he saw no harm in the program, and that it would be an independent evaluation.

Motion – to arrange a system evaluation by ADEQ – Sam

Second – Tom

Vote 7 – 0 motion passed.

d. Ratify the most recent edited version of District Rules, Resolution 09122013.

Ray discussed the process and the work the Board had been doing to edit and update the District Rules and Regulations.

Richard indicated he found two omissions when reviewing the final document. Dan Torrens who was assigned the task of formulation of the new Rules document indicated he had already caught the two omissions and they were already corrected.

Motion – to approve and adopt the new version of District Rules, Resolution 09122013 – Gary

Second – Mike

Vote 7 – 0 motion passed.

## **9) CALL TO PUBLIC FOR NON-AGENDA ITEMS (3 minutes per speaker)**

No Blue Cards were submitted by public attendees.

## **10) CALL TO ADJOURN**

Motion to adjourn – Ron

Second – Gary

Vote 7 – 0 Meeting adjourned at 6:55PM.

### **Reports Available directly from PSWID by request for September 12, 2013**

1. *File # PSWID – Financial Report - PSWID– 09/12/2013*
2. *File # PSWID – District Manager Update – Brad Cole – 09/12/2013*
3. *File # PSWID – District Rules Resolution 09122013 – 09/12/2013*

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