

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

MINUTES

Regular Board Meeting – September 15, 2011

1) CALL TO ORDER

Pine-Strawberry Water Improvement District meeting was called to order at 7:29PM by Gary Lovetro - Chair

2) PLEDGE OF ALLEGIANCE

3) ROLL CALL

Board Members Present:

Gary Lovetro
Ron Calderon
Mike Greer
Richard Dickinson

Tom Weeks
Don Smith
Mike Claxton

There was a Quorum – 7 Board Members present.

Also Present:

Dan Torrens – Legal Counsel
Brad Cole – CH2MHill District Manager
Ralph Bossart – District Engineer
Number of public attendees not noted.

4) APPROVAL OF MINUTES

- a. Regular Meeting June 23, 2011

Motion to approve Regular Meeting minutes – Don
Second – Mike Greer

Vote 6 – 0 Motion passed. (Tom Weeks abstained he was absent at the June 23 meeting.)

5) FINANCIAL REPORT

Mike Greer, Treasurer, presented two financial reports. He first reported on the financial report for the period ending July 31, 2011. The District cash flow in (revenue) was \$148,232.31. Capital Funds Dispersed from Compass Bank amounted to \$1,573,470.40. Funds taken from tax levy were \$527.80. Total cash in for the period was \$1,722,280.51. Total cash out for operating expenses for the period equaled \$880,253.49. This resulted in a net cash flow of \$842,027.02 for the period ending July 31, 2011.

The next financial report was from accrual statements for the period ending August 31, 2011. Cash in from revenues for the period were \$147,100.90, there were no funds disbursed from Compass Bank, and \$698.02 was received from the tax levy account. This resulted in total cash in for the period of \$147,798.92. Total expenditures (cash out) for the period were \$271,712.16. This resulted in a net cash flow of (-\$123,913.24) for the period. Mike explained that the negative cash flow for August was due to the fact the District used cash on hand for capital projects and did not take cash from the Capital Funds account at Compass Bank.

Total Cash In year to date amounted to \$1,862,701.43, and Total Cash Out Y-T-D equaled \$1,151,965.65 resulting in a Net Cash Flow Y-T-D of \$710,735.78. Total Bank Balances Y-T-D in the Restricted Accounts were \$568,482.98. The Non-Restricted Accounts were \$1,439,994.92 resulting in Total Bank Balance of \$2,008,477.90 Y-T-D. The entire financial report will be posted on the District web site.

6) DISTRICT MANAGER UPDATE

District Manager Brad Cole updated attendees on progress of various District projects via a power point presentation that included pictures of several sites. Attendees were updated on the following District Projects:

1. Milk Ranch Well #1

The water tank painted green is in place and will allow storage and distribution of approximately 20,000 gallons of water. A new pad was built and the elevation was raised to stay above the 100 year flood plain. Brad showed pictures of the distribution pipe being laid 13 feet under and crossing Pine Creek. He mentioned that he was able to work with the Cable TV company by allowing PSWID to use their trench crossing Hardscrabble Road which saved the District approximately 75% of the anticipated cost of getting the MRW distribution pipe across Hardscrabble.

2. Milk Ranch Well #2

Brad reported that new Easements had been negotiated with the home owner at the MRW #2 site that will facilitate the drilling of MRW #2, and provide access to future potential well sites on PSWID property. Ralph Bossert, District Engineer was instrumental in the success of the easement negotiations. Brad reported that the District has a 10 inch bore hole down to 426 feet, and the contractor is in the process of installing 8 inch well casing down to that level. When that is completed the plan is to drill and install 6 inch well casing down to about 800 to 850 feet. The District has received the Deminimus Discharge Permit from ADEQ which will allow pumping of water into the creek bed during well testing.

3. Pine Creek Canyon Road Widening Project

Work is still scheduled for Spring of 2012. The District continues to work with Gila County to minimize costs of relocating the PSWID main water line to the opposite side of the road.

4. Generators

Thirteen generators have been purchased from Home Depot and will be installed at strategic locations to enhance water supply during power outages. Brad reported that he took advantage of a procurement rule exception as outlined in the District Procurement Rules that allows the District Manager to go outside the competitive bidding process. The generators were purchased from Home Depot to take advantage of a time sensitive factory direct below market cost not available to anyone else in the community. By doing so, the District saved about \$14,000.00 on the purchase of the generators. Two contractors have bid for the labor only portion of the generator installation. The winning contractor was Hat Creek Electric owned by Dale Barnes who was present at the meeting.

5. Meter Replacement Program

The Meter Replacement Program has been started, and meters for aged replacement have been purchased. However higher priority capital programs have demanded District time away from the Meter Replacement Program. Meter replacements will be addressed as time permits and once the other capital projects are caught up.

6. WIFA Grants

The application period for WIFA 2012 Cycle Two is currently open. The period is from September 1, 2011 to October 31, 2011. Brad is currently working on wording for PSWID Grant requests. The process is highly competitive with all water utilities competing for \$175,000.00 in grant money.

7) BOARD MEMBER REPORTS

Mike Greer reported that while fixing District Booster Pumps he learned that the District was eligible to receive rebates from APS. Mike will consult with Brad Cole, District Manager to submit applications for rebates for the District.

Ron Calderon expressed his desire to start meetings earlier in the evening. Previous meetings were started earlier due to Executive Sessions of Board Members.

Motion to start future meetings at 6:00PM – Ron Calderon
Second – Gary
Vote 7 – 0 Motion passed.

8) CALL TO PUBLIC FOR NON-AGENDA ITEMS (3 minutes per speaker)

Blue Cards were submitted by John Elliott and H. Spinck. Those submitting cards acknowledged that their questions and comments had been addressed by the District Manager Update by Brad Cole.

John Elliott did complement and thank the Board Members for their hard work and the current status of water service in Pine and Strawberry. He mentioned the problems and issues the residents of Mesa Del were having with their current utility, and expressed his “thanks” and satisfaction to the Board for the current status of available water and utility service.

9) NEW BUSINESS

- a. Discuss and take possible action related to the request of water for a project at Pine Elementary School by Nick Schneider and the National Eagle Scout Committee.

Don Smith introduced Nick Schneider an Eagle Scout candidate who described his project of installing new sod on the ball field and creating an all-weather track around the field at Pine Elementary School. Nick had requested a donation of approximately 300,000 gallons of water from PSWID to establish the new sod. Nick's father was present to help address questions from Board Members. Nick's request had been submitted to PSWID in July for an anticipated start date in August. Brad Cole, PSWID District Manager authorized the donation of water for Nick's community project under the procurement guidelines of the District, and therefore no vote was needed by the Board. It was agreed to delay the start of the project until after the Labor Day weekend to allow the PSWID water tanks and wells time to recharge.

10) CALL TO ADJOURN

Motion to adjourn – Don
Second – Tom Weeks
Vote 7 – 0 Meeting adjourned at 8:05PM.

Reports Available directly from PSWID by request for May 19, 2011

1. File # PSWID – Financial Report(s)- PSWID– 07/31/2011 and 08/31/2011
2. File # PSWID – District Manager Update – Brad Cole – 08/15/2011

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