

PINE-STRAWBERRY WATER IMPROVEMENT DISTRICT

BOARD OF DIRECTORS MEETING

Thursday, September 17, 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, Richard James, Larry Bagshaw, and Rus Brock. Paul Randall and Trent McNeeley were absent. A quorum was present.

IV. APPROVAL OF MINUTES

July 16, 2015 Meeting Minutes: Richard James moved that the minutes be accepted. Maher Hazine seconded the motion. The motion passed unanimously.

August 13, 2015 Meeting Minutes: Approval was postponed until October as two of four board members that were present at that meeting were absent.

V. IMPORTANT ANNOUNCEMENT TO ALL BOARD MEMBERS: BOARD MEMBERS NEED TO USE THE PSWID.ORG EMAILS THEY HAVE BEEN ASSIGNED. The office will no longer be sending emails to personal email addresses.

VI. CUSTOMER CORRESPONDENCE

No correspondence was received.

VII. CALL TO THE PUBLIC

Four Strawberry residents who reside on Tonto Rim all commented on the frequent water outages they had experienced in the last month. They were Betty and Dean Knudsen, Ann Di Silvestro and Marlene Kubiak. Richard James, Maher Hazine, and Danny Zamora all responded that the outages were due to the tank replacement project going on at the Tank Farm site and that that project should be finished by the end of the month. Periods of high pressure were experienced when the lines were flushed, also causing sediments to enter the Knudsen's home. The water problems in Strawberry will be resolved in the next few years as lines are fixed and valves installed as the capital projects covered in the report in agenda item XII L are completed. The district does not want to incur any additional

indebtedness to do all the projects in the master plan, and will try to schedule most of the major ones in the next 4 years, the budget permitting. The Pine Creek Canyon Road project was mandated by the county and used all the capital improvement budget funds for that year, delaying more important problems until funds were available. The board is not ignoring Strawberry over Pine in doing repair work, but is trying to fix the most immediate problems first. The issue of requiring shut off valves near the PSWID meter was also raised. It is for the protection of the homeowners, primarily the part-timers, to protect them from leaks from frozen pipes, wasted water, and to prevent damage to the PSWID meters.

VIII. TREASURER'S REPORT

Rus Brock presented the treasurer's report.

IX. BOARD MEMBERS REPORTS

- A. Support Services Committee Report: Rus Brock reported that the 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 reported that the number of service orders for August was up. There were only two incorrect meter reads. The time frame in responding to the service orders was up.
- D. Human Resources Committee Report: Maher reported that the committee had not met. The employee handbook needed to be completed.

X. ACCOUNTING MANAGER'S PROJECTS REPORT

Presented by Beckie Sigeti. This will be posted on line under Accounting Manager Updates

XI. CH2M HILL MONTHLY REPORTS Presented by Danny Zamora.

- a. Repair Order Status: Customer orders totaled 102 for 165 work hours. Maintenance orders totaled 181 for 575 hours.
- b. Well and Tank Report: 10,555,767 gallons of water was produced in August. 482,000 gallons were sent to Strawberry. 70% 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: 189,500 gallons of water were lost due to leaks, flushing, or filling and reinstall start-ups. 59% 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 and dump trailer have been approved for purchase, but the purchase is still being reviewed by a board member.
- g. Inquiry Follow-up: Water loss Improvements:

- 1) 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 pay for the costs pending approval from the board based on the letter they received from CH2M. This will be an agenda item for October.
- 2) Personnel issues: Due to the increased number of leaks, staff from Prescott Valley has occasionally been called in to help. There are now 5 full time permanent CH2M employees and one temp working for the district.

XII. REGULAR AGENDA ITEMS

- A. Information/Discussion/Action regarding the 457 retirement plan trustees. Requested by Rus Brock. Presented by Maher Hazine. The retirement plan requires 3 trustees. There is a \$250 cost for each change of trustee, so it was suggested that the most recently elected board members be the trustees. That would be Tom Weeks, Rus Brock, and Maher Hazine. Rus Brock moved that those three be appointed the trustees. Larry Bagshaw seconded the motion. The motion was approved by a 4 to one margin, with Richard James casting the dissenting vote.
- B. Information/Discussion/Action regarding initiating the performance tracking (Key Performance Indicators). Appendix H. Requested by Maher Hazine and Rus Brock. Rus requested that the board determine who prepares this tracking, how often, and how it is reported. He presented a sample report. Hopefully with the upgrade to the El Dorado computer system, there will be a report function added which will make this task easier.
- C. Information/Discussion/Action regarding a self-assessments/accreditation program (Best Management Practices). Requested by Maher Hazine. Discussion tabled until October.
- D. Information/Discussion/Action regarding PSWID buying the Ponderosa (Hunt) Water Company. Requested by Tom Weeks. Discussion tabled until October.
- E. Information/Discussion/Action regarding PSWID adopting the Yavapai MAG Standards. Maher Hazine suggested Rus Brock present this during the August meeting. Discussion tabled until October.
- F. Information/Discussion/Action regarding the status of the customer service survey. Requested by Beckie Sigeti. Beckie has not received any feedback from the board members about the survey she emailed to them. Survey Monkey costs are \$750. The surveys can be sent with the billings and also be available on line. She needs additional questions and feedback from the board members by September 30.

- G. 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 Pine Creek Road project is essentially complete, with two more isolation valves to be installed, and ADEQ approval. The Tank Farm tanks have all been replaced, and ADEQ approval is pending on the last two tanks. New valves and supply lines are being installed at the building.
- H. Information/Discussion/Action regarding the status of the bid for the SV1 tank replacement project. Requested by Larry Bagshaw. The Record of Survey has been recorded and documented that there is an easement encroachment on the land owner's part. Verde Engineering is preparing the plans for the tank replacement and the booster site improvements, so this can go out for bid.
- I. Information/Discussion/Action regarding the requirements for installing backflow prevention devices. Requested by Maher Hazine. Backflow preventers are a state required device. The device is not required unless there is a horse or livestock or agricultural use on the property. Gila County says every property in Pine and Strawberry are horse properties unless the subdivision has CCRs preventing livestock. The field staff tells property owners they need them if there is a horse on the property. This seems to conflict with what is being done. Gila County now requires backflow preventers on all new construction and remodels. Maher suggested that the current district policy needs to be clarified. It should include that once a backflow device is installed, it must not be removed and it must be inspected every year. Hector Alvarado asked if the field staff should continue doing inspections. Maher responded that they should and that it should also be flagged. Hector said that there will be a certification class held on October 10 and one person on the staff will be certified in backflow prevention. Maher Hazine and Beckie Sigeti will work on cleaning up the requirements by October 1.
- J. Information/Discussion/Action regarding the procedures for sending critical notices and mailing shut off notices. Requested by Maher Hazine. Maher requested that all critical notices such as shut off notices, backflow notices should be sent registered mail with return receipts. Beckie Sigeti says that all such notices are sent to both the property owner and any tenant. Maher will have a proposal about this for the next meeting.
- K. Information/Discussion/Action regarding formulating a plan to pay off the bank loan. Requested by Maher Hazine. The committee is still gathering information and has not yet met. This will probably be ready to be presented by the first of 2016.

- L. Information/Discussion/Action regarding selecting the 2015-2016 capital projects. Requested by Rus Brock. Presented by Sam Schwalm. Sam presented a 4 year plan that covered all the critical projects from the Master Plan and projects recommended by the operations staff. Most of the costs were based on estimated guesses and better estimates need to be obtained before specific projects are approved. Some of the items need more research. The projects were split between ongoing capital repairs, equipment/vehicles, tank replacement/refurbishing, and high priority improvement projects. Approximately \$500,000 is available to fund each year's projects. It is proposed that \$107,000 be spent in FY 2016 for pumps, motors, asphalt repairs, computers/software, Milk Ranch 1 turbidity, and bringing the Strawberry Hollow well back on line. It is also proposed that \$39,300 be spent in 2016 for an excavator, dump trailer, and compactor. (These costs have already been approved by the board.) The Canyon Tank needs to be evaluated to see if it is an urgent project as it sits above several houses and a tank inspection revealed that it has structural issues. The cost of this will be about \$250,000 spread between the 2016 and 2017 fiscal years. The Strawberry View I tank replacement has already been approved, but it will also need a new booster pump and piping at the site costing an additional \$15,000. \$218,000 is the suggested amount for FY 2016 improvement projects which include liquid chlorination, Pine Ranch 1& 2 realignment and booster pumps, Circle Drive line replacement in Strawberry, and line replacement on McClendon. These total \$504,300 for FY 2016. Maher Hazine suggested that the district consider including a valve installation project also. He asked that the operations staff submit a plan for mandatory valves, recommended valves, and "nice to have" valves. The board will have a work meeting in the next two weeks to go over the capital projects.
- M. Information/Discussion/Action regarding the CH2M Agreement and Implementation meeting on September 16. Requested by Rus Brock. Tom Weeks, Maher Hazine, and Rus met with Gary Young, Hector Alvarado, and Danny Zamora. They discussed the following items: backhoe maintenance, monthly vehicle maintenance reports, the emergency operations plan update, vehicle and chemical expenses billing, tank inspection reports and costs, and past due invoices which were the responsibility of CH2M. The district provided reports for some of the Key Performance Indicators for June, July, and August and also the Appendix H Performance Standards were adopted as part of the updated Agreement. A draft proposal for the KPI reports was present for CH2M's review and comment.
- N. Information/Discussion/Action regarding Agenda Items for the October Meeting.
- 1) A spokesperson/Contract Liaison should be selected for communications with CH2M.
 - 2) How can we control the length of meetings and have shorter agendas.
 - 3) A work session for the capital projects needs to be scheduled in the next two weeks.

XIII. ADJOURNMENT

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

DRAFT