

PINE-STRAWBERRY WATER IMPROVEMENT DISTRICT

BOARD OF DIRECTORS MEETING

Thursday, October 15, 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 6:10 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, Rus Brock, Paul Randall, and Trent McNeeley. A quorum was present. Douglas Brown from Brown and Brown, Attorneys was also present.

IV. APPROVAL OF MINUTES

August 13, 2015 Meeting Minutes: Maher Hazine moved that the minutes be approved. Trent McNeeley seconded the motion. The motion was approved. Larry Bagshaw, Richard James, and Rus Brock abstained since they were not in attendance at the meeting.

September 17, 2015 Meeting Minutes: Richard James moved that the minutes be approved. Maher Hazine seconded the motion. The motion was approved. Paul Randall and Trent McNeeley abstained since they were not in attendance at the meeting.

October 1, 2015 Work Session: Maher Hazine moved that the minutes be approved. Richard James seconded the motion. The motion was approved. Rus Brock and Trent McNeeley abstained since they were not in attendance at the meeting.

V. CUSTOMER CORRESPONDENCE

Larry Bagshaw read a letter from Randy of Strawberry. (No last name or address was provided.) He was complaining about the board meetings being too long, the board not really being open to suggestions, and about board members that were too self-serving.

VI. CALL TO THE PUBLIC

Norman James of Strawberry asked if the shut off valve by the meter box was mandatory. He admitted to turning off the district valve. It was stated that the valve was for 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 valves and limit the property owner's liability if the district valve was damaged.

Todd Hamblin of Pine stated that he still maintained that his air gap was better than a back flow prevention device. He reserved most of his comments until the presentation on back flow was done.

VII. SPECIAL PRESENTATION

Ken Ashlock from Cross Connection Environmental presented information on Backflow devices and the state requirements for installing backflow devices.

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. The RFQ for Engineering services will be completed by the end of October and will be presented to the board for approval in December.

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 September about the same as normal. There were four incorrect meter reads.

D. Human Resources Committee Report: Maher reported that the committee had met and were moving forward based on tonight's executive session.

X. ACCOUNTING MANAGER'S PROJECTS REPORT

Presented by Beckie Sigeti. This will be posted on line under Accounting Manager Updates. Her main concern was the issue on ongoing errors on the El Dorado System and the upgrades.

XI. CH2M HILL MONTHLY REPORTS Presented by Danny Zamora.

a. Repair Order Status: Customer orders totaled 109 for 123 work hours. Maintenance orders totaled 178 for 648 hours.

b. Well and Tank Report: 10,437,767.613 gallons of water was produced in September. 472,000 gallons were sent to Strawberry. 64% 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: 198,500 gallons of water were lost due to leaks, flushing, or filling and reinstall start-ups. 79% of the loss was due to main line leaks.

e. Vehicle Report: 558 gallons of gas was purchased for the cost of \$1480.

f. 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 \$13,500. CH2M will pay

for the costs pending approval from the board based on the letter they received from CH2M. This is agenda item E.

- 2) Pine Ranch 2 VFD Booster Up Grade: New VFDs and booster pumps are needed with new electrical connections and circuits. Estimated cost is \$18,685.74.
- 3) Board questions about the job bidding process. Ch2M likes to get two cost quotes, but it mainly is based on who is readily available for the type of work and the costs. They got quotes for backhoe and asphalt repairs and electrical work from Travis Buckner, Flagstaff Equipment, Buck Mountain Ent., JB Contracting, Palace Electric, and Industrial Power Solutions. Contractors licenses required are ASE Certification, Journeyman Electrical Certification, and a Contractors ROC License. The job pricing comparison is done by the contractor filling out a price quote sheet provided by PSWID. Price, availability, and quality of service are part of the bid consideration. Other services that will be bid out are fencing, vertical drilling, generator service, and telemetry. The board would like these services based on the average annual requirements of the district.

XII. REGULAR AGENDA ITEMS

- A. Information/Discussion/Action regarding the district requirements on backflow devices. Requested by Tom Weeks. Don Wilkes and Todd Hamblin from the public made comments based on the presentation by Ken Ashlock. Maher Hazine suggested that a committee be formed to rewrite the district requirements and that all letters, inspections, and actions be suspended. Hector Alvarado will be attending the backflow certification course in November. The committee will be composed of Trent McNeeley, Richard James, Maher Hazine, and Todd Hamblin. They will meet in the next 30-45 days. Doug Brown will review the customer application to see if it is in compliance and covers all aspects of factors that might require a backflow device. He also commented that the property owners are the ones that will be held negligent if they contaminate the water system and the district will not have a lot of negligence if it does not require backflow devices.
- B. Information/Discussion/Action regarding the SVI Tank replacement/booster pump upgrade project. Requested by Larry Bagshaw. The engineer is waiting for an electrician's estimate for the booster pump. It is estimated that it will take another 6 weeks for the engineering to be completed on the revised project.
- C. Information/Discussion/Action regarding a Facebook page for the district. Requested by Maher Hazine. Maher thinks a Facebook page will be an easy way for the district to get information to the public. Doug Brown says it would be fine as long as not more than 2 or 3 board members ever respond to any post, as any more responding will violate the open meeting laws.
- D. Information/Discussion/Action regarding the overcharges on Pine Creek Road project. Requested by Tom Weeks. Tom Weeks and Rus Brock met with EW Parker and worked

out any differences that still existed. More discussion needs to be conducted with Verde Engineering to see if they will help with the additional expenses caused by required items not being included on the project plans, and delays caused by lack of permits. The additional costs were just under \$15,000. Rus Brock moved that the board approve the payment of up to \$15,000 to EW Parker. Larry Bagshaw seconded the motion. The vote was unanimous in favor of the motion.

- E. Information/Discussion/Action regarding the Rim Woods to K2 tank telemetry. Requested by Tom Weeks. According to the letter received from CH2M , they will cover the costs of installing the telemetry unless we terminate their contract before 2019 or the district will have to pay 75% of the cost. Maher Hazine suggest the board negotiate a graduated cost repayment scale. The contract team of Maher, Rus Brock, and Paul Randall will work on drafting a response letter.
- F. Information/Discussion/Action regarding the Key Performance Indicators. Requested by Rus Brock. Rus will be drafting a letter about the 1 and 3 day Customer Service orders and line locates being overly deficient for the last four months per the contract performance standards. He has not heard back from CH2M about the other performance standards since their Sept. 17 meeting.
- G. Information/Discussion/Action regarding the need for a PSWID manager. Requested by Tom Weeks. Hiring a manager will save the district board members time and perhaps money if there is another set of eyes reviewing engineering plans and supervising projects. Richard James, Trent McNeeley, and Rus Brock all agreed. Maher Hazine asked what the manager will be doing and what their skill set should be. What would be the requirements for one? Larry Bagshaw asked if it would be a full time or part time position. What would be the work load and the responsibilities? Tom Weeks thought that the project cost savings would come close to matching the salary we would pay for one. The Support Services Committee will review this and come back with suggestions.
- H. Information/Discussion/Action regarding approving the costs for the Pine Ranch 2 Project VFD Booster upgrade. Requested by Beckie Sigeti. Tom Weeks said more exact costs need to be supplied to the board for this to be acted upon.
- I. Information/Discussion/Action regarding easements and rights to District facilities. Requested by Maher Hazine. Beckie Sigeti responded that all easements but one belong to PSWID except for one that is owned by the State of Arizona that is in the care of Gila County.

- J. Information/Discussion/Action regarding the consideration of other notification systems than One Call. More information should be provided to the customers than presently sent. Requested by Maher Hazine. Postponed.

- K. Information/Discussion/Action regarding the selection of a contract liaison for CH2M. Requested by Rus Brock and Maher Hazine. Rus Brock and Paul Randall suggested that the contract liaison be Maher Hazine. The contract liaison cannot make decisions for the district, but needs to have the entire committee make any decisions. Paul Randall moved that Maher be the contract liaison. Rus Brock seconded the motion. The motion was approved unanimously.

- L. Information/Discussion/Action regarding a self-assessment/accreditation program (best management practices). Requested by Maher Hazine. Postponed.

- M. Information/Discussion/Action regarding how to make board meetings shorter with less agenda items. Maher Hazine reworked the September agenda as a sample of what could be done. There would be consent items that did not require any action or one combined motion to approve, with items that needed to be reviewed by the board submitted by 5 p.m. the Friday before the meeting. Reports could be shortened with prior review. Action items would be divided into old business and new business. The board's consensus was that this was a good way to try at the next meeting. There is a possibility that in January the meetings will be moved to the 4th Thursday to provide time for all information to be gathered. The times when the third Thursday actually falls during the second full week of the month make it difficult to get all the accounting and report information.

- N. Information/Discussion/Action regarding Agenda Items for the October Meeting.
 - 1) Payment to DD Haught for cost overruns on the Tank Farm tank replacement project.
 - 2) Items postponed from this meeting (One Call replacement, Self Assessment).

XIII. ADJOURNMENT

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