

PINE-STRAWBERRY WATER IMPROVEMENT DISTRICT

Regular Meeting
Thursday, October 19, 2017 at 6:00 p.m.
PSWID Administrative Office
6306 W Hardscrabble Rd.
Pine, AZ 85544

1. CALL TO ORDER

Maher Hazine called the meeting to order at 6:00 p.m.

2. PLEDGE OF ALLEGIANCE

Led by Maher Hazine

3. ROLL CALL OF BOARD MEMBERS

Conducted by Maher Hazine: Board members present: Tom Weeks, Forrest McCoy, Sharon Hillman, Bob Arbuthnot, Maher Hazine, and Larry Bagshaw. A quorum was present.

4. CALL FOR MOTION TO APPROVE MINUTES OF THE FOLLOWING MEETINGS:

Oct 5, 2017 Special Meeting: Forrest McCoy moved that the minutes be approved. Tom Weeks seconded the motion. The motion was approved unanimously.

5. REPORTS TO THE BOARD

- A.** Chairman's report– CH2M provided the necessary documents as part of the letter of agreement. The letter was signed by Maher and is now in effect. We will be receiving over \$20,000 in miscellaneous equipment plus some safety items purchased by CH2M at no cost to the district. The final EUSI Task 2 report has been received and distributed to the board members for their review and discussion at the November meeting.
- B.** Treasurer's report – As posted to the website.
- C.** Secretary's report -None
- D.** District Manager's Report –The customer service manager is working on a database for the costs savings for the new APS rates compared to the old rates. Seven vendors have received credit approval, the field staff will need cell phones

Greg Smith has had a total of 29 customer service issues were referred to the District Manager for resolution since 3/16/17, and 24 of those have been closed. One member of the current field staff has accepted an employment offer with the district. A second staff member is having discussions with the District Manager. Six field staff candidates will be interviewed on October 20. EUSI and GHD have agreed to provide the district with qualified staff if the district has not hired adequate staffing by Dec. 1. Computers and necessary software will need to be purchased, as will some safety equipment, phones, and business cards. ADEQ will need to be notified of the change of operator of record, as will the testing labs and other regulatory support entities.

6. CONSENT AGENDA

- a. Support Services Committee – None
- b. Water Enhancement Committee – None
- c. Customer Service Issues Update - None
- d. Contract Field Manager's Report –As posted to the website.

Forrest McCoy moved that the above items in the consent agenda be approved.
Tom Weeks seconded the motion. The motion carried unanimously.

7. CALL TO THE PUBLIC

There were no comments.

8. OLD BUSINESS

- I. **DISCUSS AND TAKE POSSIBLE ACTION REGARDING ESTABLISHMENT OF PROTOCOLS AND PROCEDURES FOR BOARD GOVERNANCE.** Presented by Maher Hazine. Maher suggested the district adopt the Council-Manager form of government and work with the district's attorney to revise the district's Rules and Regulation to reflect the change. The specifics of this were discussed in the Oct. 5 executive session with the district's attorney. Sam Schwalm wondered if this action would make the district manager not an at will employee. No it would not. Forrest McCoy was concerned that it would be too costly to do this and that it should be delayed. Sharon Hillman voiced that she thought the current Rules and Regulations already covered it. Bob Arbuthnot thought that it would be a good thing as it would provide for checks and balances. Tom Weeks moved that the board adopt the Council-Manager form of government like the Council-Manager form of government and work with the District's Attorney to revise the District's Rules and Regulations to reflect the change. Bob Arbuthnot seconded the motion. The motion carried 4 to 2 with Forrest McCoy and Sharon Hillman dissenting.
- II. **DISCUSS AND TAKE POSSIBLE ACTION REGARDING CLARIFICATION OF THE AMOUNT AND THE PURPOSE OF THE COMPASS BANK AND BOARD RESERVE ACCOUNTS.** Presented by Sharon Hillman. Maher Hazine had some questions about the reserve amounts at the bank and on the treasurer's report. Sharon Hillman clarified that Compass Bank required the district to have \$250,000 in reserve due to the loan. The district also has a \$250,000 reserve fund which was set aside for operating emergency maintenance to be used at the vote of the board. It was pointed out that when the county redid the Pine Creek Canyon Road, the county blindsided the district with making the district cover the costs of moving water lines, which the district

was not really financially prepared for and used all of the dedicated capital project improvement funds that had been allocated for other purposes.

- III. DISCUSS AND TAKE POSSIBLE ACTION REGARDING THE STATUS, PRIORITIZATION, AND FUNDING OF CAPITAL PROJECTS.** Presented by Greg Smith. Milk Ranch wells 2 and 3 will be put into normal operation. Well 1 is a project on the WIFA program request. If it can be tested within the limits for mercury it will be rehabilitated. If not it will be deactivated. The Magnolia – Ralls water main and VFD installation are awaiting quotes from contractors. This project must be done before the Strawberry View I tank replacement. The project is out for bid, with the bids due Oct. 26. Work should start the first of 2018. The Circle Drive water main replacement bids are due Oct. 26. Work on it should also start the first of 2018. The Strawberry Hollow 3 well rehab's new motors and pump failed upon start-up and the contractor is re-installing new ones at their expense. The WIFA loan application approval was delayed until WIFA's December meeting so that they can receive the FY17 Auditor report and perhaps the pending report by the Attorney General and Auditor General.

9. NEW BUSINESS

- I. DISCUSS AND TAKE POSSIBLE ACTION REGARDING THE EXECUTION OF AN AGREEMENT FOR THE PURCHASE, INSTALLATION, AND SET UP OF VARIOUS PIECES OF COMPUTER AND PRINTER HARDWARE AND SOFTWARE IN THE FIELD OFFICE TO FACILITATE THE TRANSITION TO THE SELF-PERFORMANCE OF THE FIELD OPERATIONS DECEMBER 1ST, 2017, AND THE ISSUANCE OF A NOTICE TO PROCEED.** Presented by Greg Smith. The computers and software and printers in the field office belong to CH2M and will need to be replaced by district owned equipment. Smart Systems has provided quotes for the computers, software, and support services for installation of the computers and software and the data transfer from the CH2M computers. The computers and software will cost \$7084.70 and the data transfer costs will be \$5062.50 (for up to 50 hours). The cost for renting a printer is not yet known, but should be about the same as the cost being paid monthly for the main office. The purchase of Maintenance Connection software will cost \$3800 and will require a \$597.00 monthly fee. The computers should be on site the 13-15th of November with the data transfer and installation of Maintenance Connection occurring by Nov. 23. Larry Bagshaw moved that the board approve that proposals from Smart Systems for computers and software and for support services; approve the proposal from Valley Imaging for a printer/copier/scanner; approve the proposal from Maintenance Connection for the Maintenance Connection software, support, and data migration; and direct staff to execute the agreements with the vendors. Bob Arbuthnot seconded the motion. The motion was approved unanimously.

10. IDENTIFY POTENTIAL AGENDA ITEMS FOR THE NEXT SCHEDULED BOARD OF DIRECTORS MEETING ON NOVEMBER 16, 2017.

- a. New organization draft
- b. Drug policy and background check policy
- c. WIFA loan update.

11. MOTION TO ADJOURN. Forrest McCoy moved the meeting be adjourned. Larry Bagshaw seconded the motion. The motion carried unanimously.

APPROVED