

PINE-STRAWBERRY WATER IMPROVEMENT DISTRICT

Regular Meeting
Thursday, November 16, 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:

October 19, 2017: Tom Weeks moved that the minutes be approved with the change in the meeting date to October 19. Sharon Hillman seconded the motion. The motion was approved unanimously.

5. REPORTS TO THE BOARD

- A.** Chairman's report— The chair made a formal request to CH2M for reimbursement of the funds owed to the district that were embezzled by Ms. Sigeti while she was employed by CH2M. He also met with Compass Bank regarding some options regarding the loan requirements if the district receives a WIFA loan. He also asked that the District Manager complete documentation designating Doug Brown as the district's point of contact on the Sigeti case. He also signed Task Order 2 report for EUSI.
- B.** Treasurer's report – As posted to the website.
- C.** Secretary's report -None
- D.** District Manager's Report –The customer service manager is still working on a database for the costs savings for the new APS rates compared to the old rates. Eleven vendors have received credit approval. All six of the new field staff have completed background checks/ drug testing and e-verify. Five of the six have completed orientation, received their new cell phones and received their safety gear.

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. Transition related activities are progressing. Ch2M personnel and the new PSWID staff will complete a site visit to all sites the last week of November. The new computers have been set up at the field office and the software will be installed Nov. 27. ADEQ , testing labs, and other support entities still need to be notified of the change of operator of record. Data has been collected for the WIFA Water Loss program and is due to them tomorrow.

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.

Tm Weeks moved that the above items in the consent agenda be approved.
Larry Bagshaw seconded the motion. The motion carried unanimously.

7. CALL TO THE PUBLIC

Sam Schwalm suggests that the board provide the public with the information on how the WIFA loan would be funded by the district and how it would affect the water rates. Windy Quinton asked about the measures the district has instituted to prevent embezzlement of district monies in the future.

8. OLD BUSINESS

- I. DISCUSS AND TAKE POSSIBLE ACTION REGARDING THE STATUS, PRIORITIZATION, AND FUNDING OF CAPITAL PROJECTS.** Presented by Greg Smith. There was a discussion as to whether the board wanted to modify the WIFA loan request to include monies to pay of the Compass loan. It would require more time for approval and also a review of all the wages paid on all capital projects completed in the past to make sure the prevailing minimum wages were paid to the contractor's employees. Most of the board members concurred that they did not want to delay the loan any longer and that it would be tedious and time consuming to go through the past records to extract the wage information. The district was approved for a WIFA technical assistance grant which will pay \$35,000 of the cost to our engineering firm for a Preliminary Engineering Report. The district is also a finalist for a Water/Energy Nexus Grant. If we receive this grant the \$75,000 grant will be used for installing VFD's at various well sites. The bid received for the Magnola-Ralls project is more than \$5000 over the budgeted cost, so the staff is reworking the RFQ to see if the costs can be brought closer to the budgeted amount. The contractor is still working on the Strawberry Hollow 3 Well Rehab. They have had problems with debris in the well fouling the new motor and pump. Most of the other projects are pending the approval of the WIFA loan.

9. NEW BUSINESS

- I. DISCUSS AND TAKE POSSIBLE ACTION REGARDING APPOINTMENT OF AN INDIVIDUAL TO FILL THE UNEXPIRED TERM OF THE CURRENT BOARD**

VACANCY. Presented by Larry Bagshaw. Applications were received from Alan Kleinman and Stephen Meyer. Both gentlemen gave a brief summary of their experience and why they would like to serve on the board. The board members voted on a secret ballot. The majority elected Alan Kleinman as the new board member. He will be sworn in at the next board meeting.

II. DISCUSS AND TAKE POSSIBLE ACTION REGARDING FY17 AUDIT. Presented by Sharon Hillman. The board members had previously been provided a copy of the audit report prepared by Hinton Burdick. The audit report was very favorable to the district. Larry Bagshaw moved that the audit report be accepted. Forrest McCoy seconded the motion. The motion carried unanimously.

III. DISCUSS AND TAKE POSSIBLE ACTION REGARDING AWARDED A CONSTRUCTION CONTRACT FOR THE REMOVAL AND REPLACEMENT OF THE EXISTING WATER MAINS AND SERVICES IN CIRCLE DRIVE, STRAWBERRY. Presented by Greg Smith. Two bids were received. The low bid was for \$156,976.00 from Mountain High, LLC. It was recommended that the board accept the bid. Tom Weeks moved that the bid be approved subject to the WIFA loan approval. Bob Arbuthnot seconded the motion. The motion carried unanimously.

IV. DISCUSS AND TAKE POSSIBLE ACTION REGARDING AWARDED A CONSTRUCTION CONTRACT FOR THE REMOVAL AND REPLACEMENT OF THE EXISTING STRAWBERRY VIEW 1 TANK AND BOOSTER STATION, STRAWBERRY. Presented by Greg Smith. The only bid received for the project was more than double the cost estimated by the district engineer (181% higher). It was recommended that the board reject the bid. Larry Bagshaw moved that the board reject the bid. Sharon Hillman seconded the motion. The motion carried unanimously. Greg will work with the engineer on the project and come up with a solution by the next board meeting.

9. IDENTIFY POTENTIAL AGENDA ITEMS FOR THE NEXT SCHEDULED BOARD OF DIRECTORS MEETING ON DECEMBER 21, 2017,

- a. Ralls-Magnolia project and Strawberry View !.
- b. Possible special board meeting 12/14 if we are on the WIFA agenda by Dec. 13.
- c. WIFA outcome.
- d. Answers to Sam Schwalm's questions.
- e. Swearing in of Alan Kleinman.
- f. Drug testing policy.

10. MOTION TO ADJOURN. Tom Weeks moved the meeting be adjourned. Sharon Hillman seconded the motion. The motion carried unanimously.