

PINE-STRAWBERRY WATER IMPROVEMENT DISTRICT

BOARD OF DIRECTORS MEETING

Thursday, December 18, 2014 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 6:02 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, Rus Brock, Trent McNeeley, Richard James, Don Smith, Paul Randall and Larry Bagshaw. A quorum was present.

IV. APPROVAL OF MINUTES

November 20, 2014 Meeting Minutes: Don Smith moved that the minutes be approved with adding "per hour OT fee" to item I on page four. Trent McNeeley seconded the motion. The motion passed unanimously.

November 20, 2014 Executive Session Minutes: Approval was tabled until the next executive session as there were changes requested by Rus Brock.

December 9, 2014 Work Session Minutes: Rus Brock moved that the minutes be approved with two changes. A. On page 2 item 4 add a comment made by Paul Randall that Beckie's ability to retain her job depended on her performance. B. On page 3 item 9 in the second paragraph change "give" to "transfer". Larry seconded the motion. The motion passed with Don Smith abstaining since he was not in attendance at the meeting.

V. TREASURER'S REPORT

Presented by Rus Brock. The report is located on the PSWID website. Several comments were made. Don Smith wondered since there was an overage on sales if the base rate could be reduced. Tom Weeks commented that he would like to do that but the funding of the capital projects took priority. Richard James agreed with Tom and said that with the needed improvements, such as valves and tank replacements, it was too soon to reduce the base rate. Rus commented that it was better to look at the base rate when the board began the budget process in March. Tom agreed. Beckie Sigeti also mentioned the P&I payment due on January 15, 2015 will take most of the overage. Rus also said that the board should be considering an RFQ in February for a new accounting firm.

VI. BOARD MEMBERS REPORTS

- A. Support Services Committee Report: Rus Brock reported that the committee had not met.
- B. Water Enhancement Committee Report: Don Smith reported that the committee had not met. Tom Weeks said he had met with Mark Fumusa and that he would have a proposal for the board in January as he is drilling a deep well in Solitude Trails and adding another storage tank. He will be looking at selling wells to or sharing with the district.
- C. Customer Service Committee Report: Richard James said that in his review of service orders, he is finding repeat incidences of unusually large water bills, perhaps 1-2 per month on new meters. He wanted to know if the vendor had similar incidences. Brad Cole said there were two vendors for the meters and that typically new meters under-read the water consumption, but he could investigate. Richard said that Brad is getting weekly reports about past due service issues and asked what was being done about them. Richard also commented about the number of people who had water shut off for past due accounts.

Tom Weeks asked how old the meters showing excessive use were. Brad responded 1-1.5 years. Rich said the reports for excessive use were sporadic and scattered over the entire district. Ric Hawthorne said he had one. Rich said it was happening on a regular basis and needed to be solved. Maher Hazine commented that the faulty meters should be pulled and replaced and then have load tests run on them. The problem should show up that way. The serial numbers of the meters should also be recorded so that the manufacturing lot could be determined. Tom commented it might be a problem with the gears moving 10 cogs instead of 1. Ric said Ray Stevens was having air pushed through his water lines instead of water due to his elevation and that created an unusually large bill. Tom commented that he tested over 300 meters in Yuma and that most ran slow. Pam Mason asked for the vendor names. Brad responded Amco Elster and Neptune. Richard asked how many meters have not yet been replaced. Brad was unsure.

VII. CH2M HILL MONTHLY REPORTS Presented by Brad Cole

- A. Repair Order Status: Customer orders totaled 99 for 81.25 work hours. Maintenance orders totaled 174 for 455.5 hours. It was asked what was covered under the miscellaneous category and Brad responded that it was mostly verification of addresses and lot locations. Rich asked if any overtime was involved and Brad responded no. Trent McNeeley asked if Brad had worked with any other utilities on the address verification and Brad responded no.
- B. Well and Tank Report: 6,385,029 gallons of water was produced in November. 122,000 gallons were sent to Strawberry. Richard wanted to know if tanks were drained for inspection. Brad responded that they were not drained, but that divers were hired for inspection. Pam Mason asked if the well production figures could be posted on the website. She also wanted to know who was doing the diving. Brad responded that they could post the production on the website and that Arizona Tank Divers was the company, but that Mike Greer was not involved.

- C. Vehicle Report: Four of the vehicles had maintenance costs in November totaling \$2260.42. Paul Randall asked who paid for the repairs. Brad said it was billed to the district under the repair budget. Rus asked if that was under the rebatables. Brad said yes and that he was pulling the itemized receipts from the CH2M Hill website. Paul said he thought maintenance costs should be paid by them per the contract. Ric H asked if body repairs were paid by the district. Maher Hazine asked for better tables, showing mpg, etc. as the numbers on the current report do not make sense.
- D. Well Test Report: The total coliform testing for November showed that all samples were absent of coliform and e. coli. The December tests due were the monthly coliform tests.

VIII. CUSTOMER CORRESPONDENCE

None was received.

IX. CALL TO THE PUBLIC

There were no public comments.

X. REGULAR AGENDA ITEMS

- A. Information/Discussion/Action regarding the progress of the Verde Engineering drawings for ADEQ approval of the tank replacements. Presented by Brad Cole. Ralph Bossert from Verde Engineering presented Strawberry View 1 and the Tank Farm proposals separately. For SV1, a 20,000 gallon site built steel tank would cost \$55,600 and a 20,000 gallon plastic tank would cost \$65,960. The cost would be so high since a 20,000 gallon polyvinyl tank would have to be manufactured on the east coast and shipped with an escort and highway patrol due to the size. There were also concrete slab costs incorporated as the specifications called for concrete pads, despite Gary McFall from Loomis Tank telling us sand or gravel was acceptable in November. There was a discussion about whether there was room on the site for two 10,000 gallon tanks which would be cheaper due to only being shipped from California and not requiring police escort. Rich asked if the 1000 gallon pressure tank was replaced with a smaller bladder tank, if it would make room. It was thought that it would.

The Tank Farm site had three options for the tanks. A. Replace the 4 tanks with four 10,000 gallon steel tanks costing \$98,900. B. Replace the 4 tanks with four 10,000 gallon plastic tanks costing \$68,450. C Replace the 4 tanks with five 10,000 gallon plastic tanks for \$83,975. If we went with the plastic tanks, they could place them closer together, allowing room for the 5th tank.

The discussion that ensued concerned the longevity of the tanks, the warranty on the tanks, ADEQ approval, and savings on transport for six 10,000 gallon tanks. Ric H said that 3 tanks could fit on a semi, so that would be two loads. It was also pointed out that we have an additional 40,000 gallons of storage capacity in Strawberry that was not being used. It was also discussed that it would be wise to engineer the Tank Farm for 5 tanks, but only install 4 at this time. Fencing on SV1 was also discussed being that ADEQ will require a fence around the site.

Tom asked about making a final decision and proceeding with the tank replacement. Don Smith moved that Verde Engineering survey the Strawberry View 1 easement and get the estimate for two 10,000 gallon polyvinyl tanks and a new pressure tank. Larry Bagshaw seconded the motion. It passed unanimously. Rus Brock moved that Verde Engineering prepare the Tank Farm

engineering for five 10,000 gallon polyvinyl tanks and install four tanks. Larry Bagshaw seconded. It passed unanimously.

- B. Information/Discussion/Action regarding the easement issues with the Strawberry View 1 tank and other assets, and whether a survey is needed. Presented by Brad Cole. The lot owner thinks the tank is outside the easement. The easement is a separate tax parcel and belongs to PSWID. The owner's driveway is on the PSWID easement. A complete survey would cost \$1000. The board voted to approve the survey under agenda item A.
- C. Information/Discussion/Action regarding the request from Beckie Sigeti to approve the request from El Dorado to upgrade the billing software module. The cost to upgrade to this new module will be \$6500 with a monthly support fee of \$199 for 12 months = \$2388. The total cost of this new module is \$8,888.00. The advantages of doing the upgrade were discussed by Beckie accompanied by a handout showing screenshots of what the customer would see. It would also save her several hours every month pulling data for her reports which help determine the basis for the base rate we charge. We currently pay El Dorado a yearly maintenance fee of \$2500. Rich wanted to know how it would help the customer and what they would see. Beckie said it would show monthly usage and costs, compare monthly use by year, show historical billing, and their invoice with more data than they currently get. Windy Quinton asked if any other software companies were asked for quotes. Beckie responded no, that the original software package was purchased prior to 2009 prior to her employment. Rus said no other firms were offering the upgrade. Beckie said replacing software at this time would be more expensive. Maher asked if El Dorado was responsible for all fees. He thought we ought to take the contract to the lawyer. He also asked if that is why we had a cloud storage fee. Beckie responded that the cloud storage fee was for online payments through EFT or credit card. Rus asked where the fee shows on the budget. Beckie responded under the administrative costs. Tom asked Beckie to go back to El Dorado and ask them to remove the new maintenance fee as we are already paying them plenty. Pam Mason said that they should also extend the offer due date. Beckie will report back in the January meeting.
- D. Information/Discussion/Action regarding the research of Beckie Sigeti and Rus Brock regarding placing liens on rental property as to raising the required deposits, shortening the time period for delinquency, or other actions that could be taken. Rus had prepared a handout with the current method of collection procedures and the proposed new method. The new method will shorten the meter turn off time to 70 days from the current 91 days, discontinue the \$100 collection fee (which is not in the fee schedule in the rules and regulations), and require the landowner to sign the application (or a property manager with proof of power of attorney). Service will be refused if the signature is not on the application. After a short discussion, it was decided that the new method is acceptable. Larry Bagshaw moved that the board accept the new method of collection. Rus Brock seconded. The motion was approved unanimously.
- E. Information/Discussion/Action regarding the request from Beckie Sigeti to have Tom Weeks, Rus Brock, and Maher Hazine to take the oath of office for their terms starting January 1, 2015 and sign the necessary forms. Tom Weeks, Rus Brock, and Maher Hazine took the oath of office and signed their forms.

Also Tom Weeks presented a plaque to Don Smith in gratitude for his years of service to the district.

- F. Information/Discussion/Action regarding PSWID receiving the deed for Lot 71.
Tom Weeks reported he still had not heard back from the owner. He will talk to the owner tomorrow and if he does not get the deed, he will turn it over to our attorney, Doug Brown for action. Rich wanted to know how long it would take to activate the tank and booster pump. Brad Cole responded that it would take ADEQ approval and the lines would need to be flushed. However it will stay inactive until the first of the 15 lots is built on, and then activated when construction is started.
- G. Information/Discussion/Action regarding review of the System Evaluation Report and Vulnerability Assessment report by Trent McNeeley and Rus Brock and the preparation of the Emergency Response Plan. Trent and Rus had a phone conversation about this. Trent is still reviewing the Vulnerability Assessment. Brad will give Rus a copy. They should have a proposal by January.
- H. Information/Discussion/Action regarding progress by Rus Brock and Maher Hazine on revising the PSWID contract with CH2M Hill based on Prescott Valley's contract. The board members were emailed the PV contract earlier this week. Rus and Maher will work on the revisions in preparation for their meeting with Gary Young the week of January 5th.
- I. Information/Discussion/Action regarding CH2M Hill's safety training program and the staff's adherence to it. Requested by Maher Hazine and presented by Brad Cole. Per Brad, each employee has a safety handbook and generally the staff follows the rules with the exception of the recent open holes. They have weekly field tailgate sessions and a daily take 2 meeting. He is looking to improve the office staff training. He said they need daily hazard assessments and weekly safety reviews. He can give us a more thorough report in January. Maher wants a more comprehensive job safety analysis, a posting of days without incident, and a reporting of where incidents are logged. Tom asked if the district was supposed to provide anything like steel plates or safety vests. Maher said that CH2M Hill was to provide all safety equipment and training. It should be in the contract. Richard asked about a standard for alcohol consumption for on-call personnel. Brad said there was to be no consumption and no drunk driving. Don Smith commented that firemen could not be on call if they had any alcohol in the 12 prior hours. Brad said that alcohol restrictions were included in the safety procedures. Ric Hawthorne asked if the cost of recordable accidents was charged to PSWID or CH2M Hill. Brad said CH2M Hill paid them. Beckie said that there was a nurse on call and all incidents were to be reported to the nurse. Windy Quinton said the records of the safety meetings should be signed by the attendees.

- J. Information/Discussion/Action regarding items for the January agenda. Beckie Sigeti asked for the 2015 meeting calendar so she could post it to the website and send it to the county. Tom Weeks said to keep the third Thursday of each month as the meeting date. Tom will also ask Judge Little to come and administer oaths of office and that the officers will also need to be voted on. Larry asked that Beckie have a presentation for refinancing the loan with Compass or Wells Fargo. Richard asked about the possibility of getting a government grant. Ric H said they had to be for specific new projects. Tom said there were none to cover existing debt. Pam Mason asked for an update on the contract negotiations.

Don Smith thanked the board for his plaque and for letting him serve. He made a statement that he was not in favor of PSWID continuing its affiliation with CH2M Hill. He said that the board should release them from the contract if they do not comply with the changes that will be made to it.

XI. ADJOURNMENT

Rus Brock moved to adjourn. Trent McNeeley seconded. The motion carried unanimously.