

PINE-STRAWBERRY WATER IMPROVEMENT DISTRICT

Regular Meeting

Thursday, December 21, 2017 at 6:00 p.m.

PSWID Administrative Office

6306 W Hardscrabble Rd.

Pine, AZ 85544

1. SWEARING IN OF NEW BOARD MEMBER ALAN KLEINMAN, PHD. Judge Dorothy Little was present and administered the oath of office to Alan Kleinman.

2. CALL TO ORDER

Maher Hazine called the meeting to order at 6:05 p.m.

3. PLEDGE OF ALLEGIANCE

Led by Maher Hazine

4. ROLL CALL OF BOARD MEMBERS

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

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

November 16, 2017: Sharon Hillman asked that the spelling of Sigeti be corrected on the minutes. Tom Weeks moved that the minutes be approved with the change in the in spelling. Bob Arbuthnot seconded the motion. The motion was approved unanimously.

6. REPORTS TO THE BOARD

A. Chairman's report– Maher worked with Doug Brown, the attorney for the district to draft a letter to CH2M refuting their claim that they were not responsible for Rebecca Sigeti's actions. He also directed the District Manager to file a claim with CH2M's insurance company to recoup the monies she stole. Maher, Greg Smith, Sharon Hillman, and Paul Hendricks attended the WIFA meeting related to our loan application which was approved at that meeting.

B. Treasurer's report – As posted to the website.

C. Secretary's report -None

D. District Manager's Report –The office manager resigned and a full time customer service rep will be hired. All employees and board members need to complete new Disclosure forms for 2018. Two new vendors have received credit approval. It was discovered that as customers returned to the valley for the winter, that their bills were not able to be forwarded. It was found that the issue rested with Creative Technologies and was resolved. CH2M has been paid in full.

Greg Smith has had a total of 32 customer service issues that were referred to the District Manager for resolution since 3/16/17, and 29 of those have been closed. CH2M personnel and the PSWID staff completed a site visit to all sites with the level of maintenance ranging from good to marginal. It was found that the telemetry on the Rimwood, Portals 2, and Portals 3

tanks failed and was not replaced by CH2M. The Rimwood tank has overflowed twice and flooded the neighbor's property resulting in a request for reimbursement for damages to the septic system. We are still in need of a field supervisor. One interim candidate was interviewed the afternoon of the meeting and received an offer of employment. Ads have been posted on several sites and in the newspaper. EUSI was retained as the Operator of Record for December. Employee Jim Baldwin will be assuming the duties of Operator of Record starting Jan. 1. The field office computers are up and running with all the software and the CH2M data was transferred over. Staff is familiarizing itself with the program usage. Data was submitted for the WIFA Water Loss Pilot Program and the next meeting will be Jan. 24 and 25 in Prescott.

7. CONSENT AGENDA

- a. Support Services Committee – None
- b. Water Enhancement Committee – None

8. CALL TO THE PUBLIC

Windy Quinton asked what happened to the field services manager that was introduced at the last meeting. She was informed that he quit for family and health reasons.

9. OLD BUSINESS

- I. **DISCUSS AND TAKE POSSIBLE ACTION REGARDING EUSI'S TASK 2 AND CH2M CLOSE OUT REPORTS.** Presented by Paul Hendricks, EUSI. EUSI was authorized to complete an end of contract photographic documentation report of the condition of the PSWID facilities. The report is 469 pages. EUSI's opinion is that the system components were maintained to less than industry standards. The final EUSI Task 2 report contains a number of recommendations that they feel will enhance the operations of the district. A video presentation of some of the worst site conditions was given. Larry Bagshaw moved that the reports be accepted. Sharon Hillman seconded the motion. The motion was approved unanimously.
- II. **DISCUSS AND TAKE POSSIBLE ACTION REGARDING THE STATUS, PRIORITIZATION, AND FUNDING OF CAPITAL PROJECTS.** Presented by Greg Smith. The WIFA loan was approved, so the Circle Drive project can commence as soon as the loan has closed. The new bid opening date for the revised Strawberry View I Tank replacement is Jan. 4. The Magnolia/Ralls extension contract for \$17,086 will be given to Buck Mountain and the cost will not come out of WIFA funds. This must be done before the SV tank replacement. Other capital projects will go out for bid when the WIFA loan closes. Pam Mason asked if Greg has contacted additional vendors about bidding on projects. He has, but none have responded.

10. NEW BUSINESS

- I. **DISCUSS AND TAKE POSSIBLE ACTION REGARDING AN AGREEMENT FOR RENEWAL OF IT SERVICES WITH SMART SYSTEMS FOR A PERIOD OF 3**

YEARS. Presented by Greg Smith. Smart Systems provided the district with a contract for IT Services. It is for three years and has a base rate of \$818.75 monthly (or \$9825 per year or \$29,475 for all three years). Larry Bagshaw moved that that contract be approved. Sharon Hillman seconded the motion. The motion carried unanimously.

II. DISCUSS AND TAKE POSSIBLE ACTION REGARDING THE ACCEPTANCE OF THE PSWID FY18 THRU FY22 CIP PROGRAM FINANCIAL AID PACKAGE.

Presented by Greg Smith. WIFA approved an \$8 million loan for PSWID. \$500,000 is forgivable principal and \$7,500,000 is to be repaid over twenty years with the interest rate not to exceed 3.5%. The Board Chairman will be authorized to execute the loan documents after the district attorney reviews them. The District Manager and Treasurer will be authorized to request reimbursement from time to time for eligible capital project costs from WIFA. The actual interest rate will not be set until two days before the closing date of January 26. After some discussion, Tom Weeks moved that Resolution 20171221 be adopted accepting the WIFA loan as above and its' execution with the stipulation that the district hold a special meeting on Jan 24 to review the interest rate. Bob Arbuthnot seconded the motion. The motion carried unanimously. The January 24 meeting will insure that the interest rate is below the 3.5% limit.

III. DISCUSS AND TAKE POSSIBLE ACTION REGARDING AN AGREEMENT FOR PROGRAM MANAGEMENT SERVICES WITH EUSI FOR WIFA CAPITAL PROGRAM MANAGEMENT SERVICES AND AUTHORIZE A NOTICE TO PROCEED AFTER ACCEPTANCE OF THE LOAN/GRANT FROM WIFA.

Presented by Greg Smith. This will be finalized for presentation to the board for the January meeting. It will be for three years, payable as needed. Discussion centered on whether the board needed to put this out as an RFP, but since Globe already has done an RFP, this can be done as a state approved co-operative agreement and EUSI can be contracted with for the services.

IV. DISCUSS AND TAKE POSSIBLE ACTION REGARDING THE POSTING OF VARIOUS REPORTS ON THE DISTRICT'S WEBSITE.

Presented by Sharon Hillman. Sharon thinks that all reports should be posted to the website. Becky Bagshaw pointed out that the latest auditor's report and Attorney General's report have already been posted to the website. Becky also thought that the website was not user friendly and should be redesigned. Sam Schwalm requested that all of the district's financial data should be posted. There are a lot of old things on the website that could be removed. A question was raised about the capacity of the site. Greg will find out from Smart Systems what the capacity is for the next meeting.

11. IDENTIFY POTENTIAL AGENDA ITEMS FOR THE NEXT SCHEDULED BOARD OF DIRECTORS MEETING ON JANUARY 18, 2018.

- I. Does the board want to meet prior to the meeting to elect officers for 2018? No.
- II. Schedule a meeting on January 24 to review the interest we will be charged on the WIFA loan.

12. MOTION TO ADJOURN. Larry Bagshaw moved the meeting be adjourned. Sharon Hillman seconded the motion. The motion carried unanimously.

APPROVED