

PINE-STRAWBERRY WATER IMPROVEMENT DISTRICT

Special Board Meeting

Thursday, April 27, 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 6:25 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, Maher Hazine, and Larry Bagshaw. A quorum was present.

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

April 20, 2017: Tom Weeks moved to approve the minutes. Sharon Hillman seconded the motion. The motion carried unanimously.

5. REPORTS TO THE BOARD

A. Chairman's report– None

B. Treasurer's report – Sharon Hillman presented the revised March report which is posted to the website. The restricted accounts were separated out on the revised version.

C. Secretary's report – Larry Bagshaw had not received any correspondence.

D. District Manager's Report – Greg Smith reported that the two trucks were sold to the owner of the PSWID and storage complex today for \$2000. Sierra's tow truck arrived at the same time as they were sold, so we had to pay \$200 for the tow truck's time. This will still leave us more of a profit than we would have gotten if we had sold them at auction. He also reported that the CH2M crew had been working on a leak in Whispering Pines at Mistletoe. They had to shut off a valve to stop the leak, as they could not locate the line at 12 feet deep. He is getting quotes from two contractors for 400-500 feet of new line.

6. CONSENT AGENDA

None

7. CALL TO THE PUBLIC

There were no public comments.

8. OLD BUSINESS

I. DISCUSS AND TAKE POSSIBLE ACTION REGARDING DISTRICT MANAGER'S

AUTHORITY. Presented by Maher Hazine. Maher addressed the needs of both topics I and II together. If the board will agree to the actions, then the District Manager will revise the Rules and Regulations where necessary. The revisions will be brought to the May board meeting for action. Maher recommended a \$10,000 limit for the District Manager's signing authority. The board can either make the budget more detailed or better define the budget spending categories. For the approval of invoices, the current Rules and Regulations stipulate the treasurer or the treasurer's designee can approve invoices. We can reword the R & R to have the District Manager be specified as the designee. Sharon Hillman disagreed with this change. The district staff needs to be managed by the District Manager and any board member needing to work with the staff should have the time be coordinated through the District Manager. Forrest McCoy moved that the board approve the District Manager's authority as outlined and that the District Manager will initiate any changes to the policy and rules so that the final authority can be presented to the board at the May 18 meeting. Larry Bagshaw seconded the motion. The motion carried unanimously.

II. DISCUSS AND TAKE POSSIBLE ACTION REGARDING ESTABLISHING POLICIES AND PROCEDURES FOR DEALING WITH CHANGE ORDERS OF CAPITAL IMPROVEMENT PROJECTS.

Presented by Maher Hazine. Maher suggested that the District Manager come up with the Capital Improvement Project list utilizing both the Master Plan and the field staff. He also suggested that the capital improvement budget include a 25% contingency on the total amount, not per project. The board will still need to approve the capital project contracts. He suggested that the District Manager should have the authority to approve change orders up to \$10,000 and the board needs to approve those up to \$25,000. The \$25,000 limit should not apply to projects already in progress, as those should require emergency action. The problem we are currently having with calculating the cost of capital improvement projects is that we really do not have the proper scope of the difficulties that will be encountered with our aging, piecemeal system. The 25% contingency should help with cost overruns. Larry Bagshaw moved that the intent of the proposed policy and procedures be approved so that the District Manager could initiate any changes to the rules for presentation at the May 18 board meeting. Also after capital project contracts are approved by the board that the District Manager has the authority to execute the contracts. Sharon Hillman seconded the motion. The motion carried unanimously.

III. DISCUSS AND TAKE POSSIBLE ACTION REGARDING McCLENDON WM

EXTENSION CHANGE ORDERS. Presented by Greg Smith . Maher Hazine reviewed the change orders and signed all of them. Three of the seven change orders were amended to include emergency clauses. Generally the three amended orders were ones that had connecting water lines break which immediately affected the customers. One change order was a bypass line on Ellison as the original lines ran through private properties and not in the road as was originally mapped. Tom Weeks moved that the change orders be accepted. Larry Bagshaw seconded the motion. The motion carried unanimously.

9. NEW BUSINESS

- I. **DISCUSS AND TAKE POSSIBLE ACTION REGARDING THE TASK 1 REPORT FROM EUSI.** Presented by Maher Hazine. This item was tabled.

10. IDENTIFY POTENTIAL AGENDA ITEMS FOR THE NEXT SCHEDULED BOARD OF DIRECTOR'S MEETING ON May 18, 2017

- a. Report on Milk Ranch wells.
- b. Credit Card Policy.

Note: There will be a WIFA meeting in Pine in late May.

- 11. MOTION TO ADJOURN.** Forrest McCoy moved that the meeting be adjourned. Tom Weeks seconded the motion. The motion carried unanimously.