

**PINE-STRAWBERRY WATER IMPROVEMENT DISTRICT**

**Regular Board Meeting**

**Thursday, July 21, 2016 at 6:00 p.m.**

**PSWID Administrative Office**

**6306 W Hardscrabble Rd.**

**Pine, AZ 85544**

**1. CALL TO ORDER**

Rus Brock called the meeting to order at 6:00 p.m.

**2. PLEDGE OF ALLEGIANCE**

Led by Rus Brock

**3. ROLL CALL OF BOARD MEMBERS**

Conducted by Rus Brock. Board members present: Tom Weeks, Trent McNeeley, Rus Brock, Larry Bagshaw, Richard James, Paul Randall, and Maher Hazine. A quorum was present.

- 4. APPROVAL OF MINUTES:** Minutes from the June 23, 2016 meeting. Rus Brock asked that \$98.000 on page 3 item 10 be changed to \$98,000. Maher Hazine asked that on item 8A that his second be changed to “seconded the motion for purpose of discussion only. Maher also asked that all the 06/16 dates on item 8 be changed to 06/16/2016. Tom Weeks moved to accept the minutes as amended. Maher Hazine seconded the motion. The motion was approved unanimously.

**5. REPORTS TO THE BOARD**

- A.** Chairman’s report – Presented by Rus Brock. He reported that in the last month he had gotten a confirmation from the attorney that the district could provide the PSWID customer phone numbers to the Gila County Everbridge Notification system. He also transmitted the budget and property tax levy to the Gila County officials. He emailed the insurance agency about the status of the mew medical benefits booklets and health insurance outlines. He provided the PSWID boundary map and Corporation Commission information of the Ponderosa Water Company to our attorney to determine if PSWID had any obligations to the Ponderosa Water Company customers. He requested election services from Gila County and provided confirmation of call for election. He approved the expenditure of \$343.00for the purchase of a commercial grade router to improve network reliability. He purchased a USPS postal permit for \$460.00 for use on notice of election materials and potentially lower costs for water bill mailings.
- B.** Treasurer’s report – Maher Hazine went over the June treasurer’s report that is posted to the website.
- C.** Secretary’s report – Larry Bagshaw reported that he had received no correspondence.

**6. CONSENT AGENDA**

All items listed on the Consent Agenda are considered to be routine or have been previously reviewed by the PSWID Board, and will be enacted by one motion. There will be no separate discussion of these items unless a Board Member so requests; in which such event the item will be removed from the General Order of Business, and considered separately immediately following the consent agenda.

**A. ACCEPTANCE OF THE FOLLOWING REPORTS:**

- 1) Support Services Committee Report – No meeting.
- 2) Water Enhancement Committee Report – No meeting.
- 3) Customer Service Issues Report – The items are part of the agenda
- 4) CH2M Field Manager Report as posted on the website. Pulled by Richard James and Rus Brock...

Trent McNeeley moved to accept the consent agenda items with the exception of the item pulled. Maher Hazine seconded the motion. The motion was approved unanimously.

**7. DISCUSSION OF PULLED CONSENT AGENDA ITEMS:**

**A.** CH2M Field Manager Report – Richard James asked about the increase in corrective maintenance work orders. Danny Zamora responded that it was due to the alignment of work orders in the new system and it should stabilize. Rus Brock had questions on the well test report for the available water levels and also on the water loss report. He also asked about the water quality test results on the last page. Maher Hazine moved to accept this report. Larry Bagshaw seconded the motion. The motion was approved unanimously.

**8. CALL TO THE PUBLIC**

- A.** Nadine Hightower of Strawberry (9058 Dans Hwy) said she was told that she was listed as a PSWID customer, but that she is on the Hunt's Ponderosa Water System. She would prefer to remain a customer on the Hunt's system.
- B.** Sandy Seldey stated that she got an email from the district that there was poison in the PSWID system. ADEQ requires that the yearly water report be posted to the website and also notification sent to the customers. The 2015 report was just posted and there were 6 instances of water contamination for the year, but none exceeded the water quality levels. Maher was going to speak with her to give her more detail.
- C.** Teel McClanahan reported that his fence that was partially removed for the Pine Creek Road water line replacement and has not yet been put back up. He also said he had bent t posts that needed to be replaced and a gate that was unusable. He was requesting the repairs be made. The maintenance staff will look into doing the repairs or having the contractor who did the line repair it.

- 9. UPDATE TO THE BOARD BY ACCOUNTING FOR YOU, LLC ON THE TRANSITION OF ACCOUNTING TASKS FROM THE DISTRICT'S FORMER EMPLOYEE .**Carol Quigley and Jodi Smith. Accounting for You started work on April 19, 2016. They were tasked with taking over the accounting system. After figuring out passwords to the various systems, they cleaned up the records and created a schedule for tasks and payments. They are still working on setting up quarterly and yearly items so things will run more smoothly, and have been able to do it with expending less than 15 hours per week. Richard James asked if they had the ability to do timekeeping and payroll through QuickBooks, instead of using ADP. They do, but Karen is doing the timekeeping currently. Rus Brock responded to Richard that currently Accounting for You still has a lot to catch up on and does not have the time to do timekeeping and payroll right now
- 10. DISCUSS AND TAKE POSSIBLE ACTION RELATED TO RECOMMENDATIONS BY THE AUDITOR GENERAL IN THE PSWID THEFT AND CONFLICT OF INTEREST REPORT 16-403** Rus Brock gave the board a one page synopsis of the recommendations made by the Auditor General. He wanted suggestions as to how the board could insure that the recommendations are followed and put into place. Maher Hazine suggested that Rus talk with the auditing firm (Heinfeld Meech) to see if they could write some policies and procedures that should be followed and if he could get a quote from them for the costs. The board was in total agreement with the suggestion.
- 11. DISCUSS AND TAKE POSSIBLE ACTION RELATED TO A REQUEST BY MR. KURT RICHARDSON TO APPEAL LINE EXTENSION COSTS.** Kurt Richardson purchased a lot on South Drive which had no water service. He asked the district about the costs of hook-up and was told \$3250 which he paid. After he closed escrow, he found out that it would cost an additional \$7000 to extend a service line 225 feet to his property from the closest main. He would not have purchased the property if he had known that. He is asking for the board to consider waiving the line extension fee. Verbal discussions between the office staff and various board members caused confusion about the total costs of providing him with water, and he was not provided with an accurate amount for the cost before closing escrow. Trent McNeeley thought that there would be a way to use an existing easement and cut the costs which he will look into. The rate schedule states that a service line is included in the meter costs, but a service line extension is not. The language is not detailed enough on the application. Richard James moved that the costs of providing the customer water should be considered paid in full and no additional costs should be incurred and that PSWID would pay the costs of getting a line to the property. Larry Bagshaw seconded the motion. The motion did not carry, with 4 voting no and 3 voting yes. Providing water to the customer will still be investigated and the board will have a special meeting about the solution. It was also agreed that in the future all cost estimates for new service will be provided in writing after thorough investigation.
- 12. DISCUSS AND TAKE ACTION OF INCORPORATING ROBERTS RULES OF ORDER INTO THE BYLAWS.** Larry Bagshaw. Item was tabled until the next meeting.

- 13. DISCUSS AND TAKE POSSIBLE ACTION RELATED TO A PROPOSAL AND ENGAGEMENT LETTER BY HEINFELD MEECH TO CONDUCT THE ANNUAL AUDIT OF THE DISTRICT'S FINANCIAL RECORDS.** Rus Brock. Tom Weeks moved to hire Heinfeld Meech to do the annual audit and that they also be asked to do an estimate for the additional service of writing policies and procedures. Larry Bagshaw seconded the motion. The motion was approved unanimously.
- 14. DISCUSS AND TAKE POSSIBLE ACTION RELATED TO AUTHORIZING THE BOARD CHAIRMAN TO ENTER INTO AN INTERGOVERNMENTAL GOVERNMENTAL AGREEMENT ON BEHALF OF THE DISTRICT WITH GILA COUNTY FOR ELECTION SERVICES FOR THE NOVEMBER 8, 2016 ELECTION OF PSWID BOARD MEMBERS .** Rus Brock stated that the county needs an agreement for the election fees. Sadie Bingham, the county recorder, was in attendance and said that there was a valid IGA and that all the chair needed to do was sign an update which was provided. She suggested that if form be filled out and signed after August 30 and before Sept. 16, 2016. The cost of the election would be \$1.15 per voter or about \$2200. There was also a cost from the election board, but we would have to get that information from Eric Mariscal. Sadie said that there would be a verification fee of \$1.00 for each signature on the ballots and that the total cost of the election should not exceed \$5000 to the district. Maher Hazine moved that Rus Brock have the authority of sign the update to the IGA. Larry Bagshaw seconded the motion. It was approved unanimously. Rus has the notices of election ready to mail tomorrow.
- 15. DISCUSS AND TAKE POSSIBLE ACTION RELATED TO HIRING A DISTRICT MANAGER.** Rus Brock asked that this be tabled until the next meeting.
- 16. DISCUSS AND TAKE POSSIBLE ACTION RELATED TO STATUS, PRIORITIZATION AND FUNDING OF 2015/16 CARRYOVER PROJECTS AND 2016/17 CAPITAL PROJECTS.** Maher Hazine handed out a list of the approved capital projects and the status of where EPS was on giving us cost estimates and work orders. The carryover projects will cost about a total of \$659,926 and the 2016/2017 budget has \$789,000 available. He was authorized to have EPS proceed with the next steps in the engineering designs and ADEQ approvals so the projects can go to bid and be started in September 2016.
- 17. DISCUSS AND TAKE POSSIBLE ACTION REGARDING THE BACKFLOW COSTS FOR ONE CUSTOMER.** Richard James said that the Early Bird Restaurant is requesting \$250 for cleaning out their backflow device. They evidently only replaced part of it when they cleaned it and it got clogged again. It is not holding pressure. They did not provide all the information requested and have not responded to requests to do so. He recommends that they not be reimbursed at this time and the request be tabled until more information is received.
- 18. DISCUSS AND TAKE POSSIBLE ACTION REGARDING REIMBURSEMENT OF PLUMBER OVERTIME COSTS FOR A CUSTOMER (from 6/16/16 meeting).** Richard James said that Karen Keller was not told by PSWID that there was a leak on her property and when she

noticed the leak, she called in a plumber on a Saturday. She was requesting \$95 for the overtime charge. Richard thought that she could have waited and had the leak repaired on a weekday. Since it was not an emergency repair, he recommends the district should not have to reimburse the overtime costs.

**19. REVIEW OF OFFICE MANAGER'S ABILITY TO HELP WITH CURRENT STAFF WORKLOAD.**

Richard James stated that he thought that Karen working 20 hours per week was not enough to help with the current staff workload. He recommended that an additional part time person be hired to help cover the office staff. Tom Weeks thought that the recommendation was a little premature as Karen had only been working a couple of weeks. Rus Brock stated that he had given Karen a list of her responsibilities (none included any of the temporary district manager's duties) and that he talks with her weekly and she did not indicate she was unable to accomplish her responsibilities.

**20. REQUEST THAT THE BOARD BALANCE THEIR WORKLOAD MORE EVENLY.** Richard James stated that he thought Rus Brock and Maher Hazine were carrying most of the burden for the district. Rus was more than willing to let other board members help him, but that they needed to step up when projects were started, not in the middle. Richard volunteered to help with HR problems, but Rus said that Karen was in charge of HR and any problems were to be elevated to Rus only. The staff needs to stop going to Richard to complain. They need to go to Karen. Richard needs to let the process work and not interfere. Richard also wanted to know if there were minutes taken of the CH2M meetings or if the meetings could be recorded. Maher Hazine responded that there was too much confidential information in those meetings to do minutes and post them. Richard also asked if the office staff had been directed not to talk to board members. They had not, but they need to talk to their supervisor, Karen, if they had any problems, not the board members.

**21. DISCUSS AND TAKE POSSIBLE ACTION REGARDING NOTIFICATION PROCEDURES.** Trent McNeeley asked about notifications for a water outage on Sunday, July 17, 2016 that affected That Brewery. Tamara, the owner, was present at the meeting. She had no notice of the outage and called the answering service to ask about it several times during the day. The answering service had not received any updates from the field staff all day. The outage was from 9 to 5 and as it affected her restaurant, staff, and customers, she would have appreciated some type of notification about the outage. Maher Hazine asked that the field manager give the answering service periodic updates on outages and will also make sure the office manager knows to come in and do robocalls for outages on weekends.

**22. DISCUSS AND TAKE POSSIBLE ACTION REGARDING BOARD MEMBERS' RESPONSIBILITIES, BOARD OFFICERS' RESPONSIBILITIES, AND OFFICE MANAGER'S RESPONSIBILITIES.** Rus Brock asked that the board members refrain from going to the office employees and stop undermining the board chairman's authority. When the office staff request help from board members with problems, they need to be told to go to their supervisor, the office manager. Rus also asked if the staff members had been invited to the meeting as they were in attendance and would need to be paid if they had been. They were not invited, but came on their own.

**23. IDENTIFY POTENTIAL AGENDA ITEMS FOR THE NEXT SCHEDULED BOARD OF DIRECTOR'S MEETING.** The line extension for Mr. Richardson will be discussed, as well as the inclusion of the tabled items. (Incorporating Roberts Rules of Order into the By-Laws and the district manager position update). Also the need to limit agenda items should be discussed.

**24. MOTION TO ADJOURN.** Tom Weeks moved that the meeting be adjourned. Maher Hazine seconded the motion. The motion carried unanimously.

APPROVED