

PINE-STRAWBERRY WATER IMPROVEMENT DISTRICT

Regular Meeting

Thursday, August 16, 2018 at 6:00 p.m.

PSWID Administrative Office

6306 W Hardscrabble Rd.

Pine, AZ 85544

1. CALL TO ORDER

Bob Arbuthnot called the meeting to order at 6:00 p.m.

2. PLEDGE OF ALLEGIANCE

Led by Bob Arbuthnot.

3. ROLL CALL OF BOARD MEMBERS

Conducted by Bob Arbuthnot: Board members present: Forrest McCoy, Sharon Hillman, Alan Kleinman, Maher Hazine, Bob Arbuthnot, Tom Weeks and Larry Bagshaw. A quorum was present. Cato Esquivel the district manager was also present. Riley Snow, the district's attorney was present via phone.

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

July 19, 2018: Sharon Hillman asked that the bid opening date on the Strawberry Knolls 2 and Strawberry Ranch 2 projects be changed to August 2. Tom Weeks moved that the minutes be approved with the change. Sharon Hillman seconded the motion. The motion was approved unanimously.

5. REPORTS TO THE BOARD

- A. Chairman's report- As posted to the website.
- B. Treasurer's report – As posted to the website.
- C. Secretary's report –None
- D. District Manager's Report –As posted to the website.

6. CONSENT AGENDA

None

7. CALL TO THE PUBLIC

None

8. OLD BUSINESS

- I. **DISCUSS AND TAKE POSSIBLE ACTION REGARDING THE STATUS, PRIORITIZATION, AND FUNDING OF CAPITAL PROJECTS.** Presented by Paul Hendricks, EUSI. The Preliminary Engineering report is undergoing the final draft. The Strawberry Ranch 2 and Strawberry Knolls 2 water line replacement projects will be awarded to Apache Underground which was the

low bidder. The Pine Creek Drive water line replacement project has started with Apache Underground doing the project. The lines and valves were not where they were supposed to be, but the old line was found and a way to provide water to the residences was found so that the new line can go in the old trench. The district is working on getting the Milk Ranch 1 well purged. After purging, the pump will be removed and the well serviced to see if it can be used. This will take approximately 3 months after the well is cleared. The SV I tank replacement only needs a few punch list items or warranty items to be complete. Two companies have been chosen for water tank projects if the board approves the item tonight. Three companies have been chosen for On Call Engineering Services if the board approves the item tonight. Two companies have been selected for Job Order Contracts if the board approves the item tonight. The WIFA sign for Strawberry will be installed on Fossil Creek Road by Apache Underground. A Facilities Maintenance scope of work is being developed to address site conditions and security at the booster/well sites. This should be ready to advertise for bids in September and will not use any WIFA funding. Several booster stations are being evaluated for rehab and the district will be purchasing some pressure and clamp-on portable flow meters to verify the need and size of the stations. The aerial maps have been completed. Quotes for a large aerophoto mural to be mounted in the meeting room are being received. There is a community meeting on August 18 at 10 a.m. for the Old County Road water line replacement projects.

- II. **DISCUSS AND TAKE POSSIBLE ACTION REGARDING SERVLINÉ'S INSURANCE PROGRAM.** Maher Hazine/Shelby Winstead. The district's attorney had no objection to the proposal. There will be a dedicated phone line with a local number that will be answered by Servline's staff. Generally adding Servline has reduced the number of calls to the participating companies regarding leaks and bills. Servline will send the district an email regarding who calls them. If this is approved, Servline will write up the contract which the district's attorney will review and will also design flyers to be sent to the customers outlining the coverages available. Maher Hazine moved that the district opt in to Servline at \$2500 coverage per leak at a charge of \$1.80 a month per residential customer. Tom Weeks seconded the motion. The motion carried unanimously.
- III. **DISCUSS AND TAKE POSSIBLE ACTION REGARDING IMPLEMENTING A NEW CHAIN WATER RATE FOR DEVELOPMENTS.** Larry Bagshaw. Larry requested that this be tabled since he has not received some information from Gila County.
- IV. **UPDATE ON THE SIGETI/GREER CASES.** Bob Arbuthnot/Riley Snow. Mr. Greer has accepted a plea bargain which will see him serve 1 ½ to 2 years in prison. He still has the option of changing his plea to guilty. Ms. Sigeti is supposedly sending documentation to the Attorney General's office that

shows she had returned some money to the district. There is no court date yet. Any further information should be requested from the Attorney General's office.

- V. **UPDATE ON THE POSSIBLE LAW SUIT AGAINST CH2M.** Bob Arbuthnot/Riley Snow. This was actually discussed during the board chairman's report, but was not included in his report. The data gathering for the suit has been very time consuming. Mr. Snow hopes that this can be resolved without going to trial. If it goes to trial, the district's costs will be range between \$50,000 and \$70,000. The suit will be for \$439,000. If we can get a settlement the cost to the district will be about half of the above amount. The suit should be ready to file before the September board meeting. An Executive Session will be scheduled immediately before the regular September meeting. Maher Hazine asked about the status of the press release regarding the suit. It should be posted to the website and the usual places and sent to the Arizona Republic and Roundup.

9. NEW BUSINESS

- I. **DISCUSS AND TAKE POSSIBLE ACTION REGARDING THE CHOICE OF A RAGHT HEALTH INSURANCE PLAN TO TAKE EFFECT OCTOBER 1, 2018.** Sharon Hillman/Erin Collins. RAGHT is self-insured. PSWID would be the 19th entity participating. The trust has \$9.3 million in assets. The rate change has been less than 3% since 2002. One of the board members will need to attend their meetings. HSA is required at \$700 per employee with the district making the contribution. The district must \$700 per employee for the HSA every year. It is a high deductible plan The HSA amount does not have to be spent every year, but can roll over. Mr. Snow has not reviewed the documentation on the plan yet. This plan will replace the current Blue Cross Blue Shield plan currently in place on October 1, 2018. Larry Bagshaw moved that PSWID join the Rural Arizona Group Health Trust (RAGHT) effective October 1, 2018 in the High Deductible Plan and authorize the Chairman, Secretary, and District's Attorney to sign the resolution required. Tom Weeks seconded the motion, and it carried unanimously.
- II. **DISCUSS AND TAKE POSSIBLE ACTION REGARDING IMPLEMENTING A JOB ORDER CONTRACT POLICY.** Cato Esquivel/Riley Snow. Mr. Snow has not yet reviewed the changes that were made to the contracting policy. He thinks we need this framework for drafting master contracts. Maher Hazine suggested that the district stay with the \$1 million limit with the district chair able to approve \$150,000 for WIFA projects and the district manager up to \$15,000 for any change orders. The board must be notified. This needs to be added as an additional paragraph to the draft policy. He was fine with Cato Esquivel and Mr. Snow to finalize the policy. Maher Hazine moved that the board chairman, district manager, and the district's attorney be authorized to finish drafting the Job Order Contracting Policy for the district with the added paragraph. Alan Kleinman seconded the motion. The motion carried unanimously.

- III. DISCUSS AND TAKE POSSIBLE ACTION REGARDING ISSUING ON CALL ENGINEERING SERVICES CONTRACTS FOR ONE YEAR WITH TWO ONE-YEAR EXTENSIONS FOR THREE FIRMS.** Forrest McCoy. The Support Services Committee met and reviewed the seven submittals. One company was disqualified. Of the remaining six, they recommended three firms be chosen. Forrest McCoy moved that the district be authorized to enter into a 12 month on call engineering contracts with additional 2 1-year renewals to EPS Group, Inc., Painted Sky Engineering & Survey, LLC, and Sunrise Engineering. The chairman would be authorized to execute those contracts. Larry Bagshaw seconded the motion. The motion carried with Alan Kleinman recusing himself. The projects will be assigned based on the company’s experience and should be rotated equally between them.
- IV. DISCUSS AND TAKE POSSIBLE ACTION REGARDING A JOC FOR WATERMAIN AND FACILITIES.** Cato Esquivel/Paul Hendricks. The district received two responses on the posting. Both companies were highly qualified. All job orders for this will be under \$1 million and will primarily use WIFA funding. Maher Hazine moved that the district be authorized to enter into 12 month JOC contracts with Apache Underground and Inter Mountain West Civil Constructors including 4 one year renewals and authorize the chairman to execute the contracts subject to the board adopting the JOC policy. Larry Bagshaw seconded the motion. The motion carried unanimously.
- V. DISCUSS AND TAKE POSSIBLE ACTION REGARDING A SOI FOR TANK REPLACEMENT AND REHAB.** Cato Esquivel/Paul Hendricks. Statements of Interest were received from four companies. Those were reviewed by Cato Esquivel, Paul Hendricks, Maher Hazine, and Sharon Hillman. The reviews resulted in two contractors being selected to do the tank work for the district. They will start with the most critical tanks and do the work on them that they are most qualified to complete. Forrest McCoy moved that the district be authorized to enter into a one year contracts with Superior Tank Solutions, Inc., and MGC Contractors, Inc. including 2 one year renewals and authorize the chairman to execute the contracts. Larry Bagshaw seconded the motion. The motion carried unanimously.
- VI. DISCUSS AND TAKE POSSIBLE ACTION REGARDING AWARDDING A CONTRACT TO APACHE UNDERGROUND FOR STRAWBERRY KNOLLS 2 AND STRAWBERRY RANCH 2 WATERMAIN REPLACEMENT AND SERVICES.** Cato Esquivel/Paul Hendricks. Apache Underground was the low bidder on these projects. Maher Hazine moved that the board approve the contract with Apache Underground for the Strawberry Ranch 2 and Strawberry Knolls 2 water line replacement projects in the amount of \$689,468 and authorizing the chairman to sign the contract documents. Sharon Hillman seconded the motion. The motion carried unanimously. The Pine Creek Road project crew will move to Strawberry and start this on September 4, 2018.
- VII. DISCUSS AND TAKE POSSIBLE ACTION REGARDING PURCHASING THE**

PELORUS METHOD UTILITY BILLING AND ACCOUNTING SOFTWARE. Sharon Hillman. The Pelorus system is an integrated utility billing and accounting software program. Currently our network will not allow us to update QuickBooks. Maher Hazine voiced his concern that we needed to update our network and hardware before we add any new software. We are paying Smart Systems to maintain our current network, but are not seeing the new network upgrades they were contracted for. Cato Esquivel had talked to a firm who could do the new network and hardware upgrades within a week's time. It was suggested that we need the total costs for the network and hardware upgrades and then approve any additional software. Maher Hazine moved that we table this item until we get those costs. Tom Weeks seconded the motion. The motion carried unanimously.

- VIII. DISCUSS AND TAKE POSSIBLE ACTION REGARDING MR. ULLERY'S REQUEST REGARDING HIS BILLING.** Bob Arbuthnot/Cato Esquivel. Mr. Ullery purchased a home in Portals II in late April. He had hired someone to water seven fruit trees during June and used 11,530 gallons of water. In July, his bill was for 82,190 gallons. He can't imagine having that much water go through his meter without flooding his downhill neighbors or having standing water. There was no evidence of that. He then thought it was a faulty meter, but when meters fail, they usually don't over-read the amount going through the meter. He also did not have any leaks. He is asking the district to adjust his bill to his normal usage. He is now reading his meter daily and the district is checking it also. The meter is reading the flow correctly. The district cannot reimburse the overage since the district did not cause it.
- IX. DISCUSS AND TAKE POSSIBLE ACTION REGARDING A FLEET REPLACEMENT POLICY AND COSTS.** Maher Hazine. The district has an old fleet and we need to assess our needs and what we need to budget annually toward replacement. We also need to determine if we are going to purchase new or used vehicles. The district needs to develop a policy.
- X. DISCUSS AND TAKE POSSIBLE ACTION REGARDING A PROCESS RELATING TO APPROVAL FOR REQUESTS FOR SERVICE AND WHO HAS THE AUTHORITY TO DO SO.** Maher Hazine. Maher would like the district manager to evaluate request for service based on technical issues and not based on political issues.
- XI. DISCUSS AND TAKE POSSIBLE ACTION REGARDING GETTING A FACEBOOK PAGE OR AN ALTERNATIVE METHOD TO COMMUNICATE WITH RESIDENTS ON OUTAGES.** Maher Hazine. Maher had set up a Facebook page, but not activated it. He is concerned about the after-hours notices of water outages. Cato Esquivel is working with our after-hours service for weekend notices.

10. IDENTIFY POTENTIAL AGENDA ITEMS FOR THE NEXT SCHEDULED BOARD OF DIRECTORS MEETING ON SEPTEMBER 20, 2018.

1. WIFA update and special study session on WIFA project list (4:30-6:00).
2. Sigeti/Greer update
3. Lawsuit against CH2 and Executive session (4:00 to 4:30)
4. Servline contract

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

APPROVED