

PINE-STRAWBERRY WATER IMPROVEMENT DISTRICT

Regular Meeting

Thursday, November 15, 2018 at 6:00 p.m.

PSWID Administrative Office

6306 W Hardscrabble Rd.

Pine, AZ 85544

1. ONE MINUTE OF SILENCE WAS OBSERVED FOR TOM WEEKS .

2. CALL TO ORDER

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

3. PLEDGE OF ALLEGIANCE

Led by Bob Arbuthnot.

4. ROLL CALL OF BOARD MEMBERS

Conducted by Bob Arbuthnot: Board members present: Forrest McCoy, Sharon Hillman, Alan Kleinman, Maher Hazine, Bob Arbuthnot, and Larry Bagshaw. A quorum was present. Cato Esquivel the district manager was also present.

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

October 18, 2018: Forrest McCoy moved that the minutes be approved. Sharon Hillman seconded the motion. It was approved unanimously.

6. 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 –Larry Bagshaw had received only one application for the open board position from Michael Whiting.

D. District Manager's Report –As posted to the website.

6. CALL TO THE PUBLIC

None

7. OLD BUSINESS

- I. DISCUSS AND TAKE POSSIBLE ACTION REGARDING THE STATUS, PRIORITIZATION, AND FUNDING OF CAPITAL PROJECTS.** Presented by Karen Killen. The Strawberry Ranch 2 project is underway. The Canyon Water Tanks replacement and rehabilitation project is having a proposal drafted by Superior Tank Solutions. VFD booster pump stations are being considered for the Portals 2 and 3 sites. The Cool Pines/Water Tank and Waterline Replacement project design has been submitted to ADEQ for final review and

is expected to go to bid in January. The Rim Vista and Pine Haven Waterline Replacement project has received approval from ADEQ to construct. The bid date has not been set yet. The WIFA Project meetings will be held as needed, perhaps monthly, during the winter to address current projects and needs.

- II. **DISCUSS AND TAKE POSSIBLE ACTION REGARDING THE NETWORK REPLACEMENT.** Sharon Hillman. Two draft proposals were presented to the board members. One is from CDWG and the other is from SHI. Neither includes installation, setup, and migration of data to be moved to the new server. The proposals need complete review. To help us expedite moving forward with this immediate need, it was recommended that the board set a cap amount to spend, which is already in the budget. The District Manager, Treasurer, and Board Chairman will review the proposals and choose the vendor that can best meet our needs. After some discussion, Forrest McCoy moved that the district proceed with the network replacement purchase with the Treasurer, District Manager, and Board Chairman reviewing the proposals and selecting a vendor at a cost not to exceed \$22,500.00 Larry Bagshaw seconded the motion. The motion carried 4 to 1 with Maher Hazine casting the dissenting vote and Alan Kleinman abstaining.
- III. **DISCUSS AND TAKE POSSIBLE ACTION REGARDING THE IT MAINTENANCE CONTRACT.** Sharon Hillman. Sharon had not received any proposals. She had tried to contact the Pine Strawberry School IT person to see who they used, but had not received any response as yet. She will try again and also contact the person in Payson that Cato Esquivel had talked to a few months ago.
- IV. **UPDATE ON THE CHANGE ORDER FOR THE STRAWBERRY KNOLLS 2 AND STRAWBERRY RANCH 2 PROJECT.** Cato Esquivel. This was covered in the District Manager's report that is posted to the website.
- V. **DISCUSS AND TAKE POSSIBLE ACTION REGARDING THE REVIEW CRITERIA AND PROCESS FOR TERMINATION OF CONTRACTS.** Cato Esquivel. Cato drafted proposed language to be included in future contracts for services. The district in the past has accepted the contracts that the vendors had provided, but in the future will draft its own contract with verbiage for reviewing the services and terminating contracts. The base of the draft was patterned using other cities service contracts. There were several suggestions made for changes in some of the language. Also the district's attorney needs to review the draft. Larry Bagshaw moved that the proposed contract language with the changes discussed be approved pending the district's attorney's review. Alan Kleinman seconded the motion. The motion carried unanimously.
- VI. **DISCUSS AND TAKE POSSIBLE ACTION REGARDING A POLICY ON WILL SERVE LETTERS AND A TWO PRONGED APPROACH TO NEW SERVICE REQUESTS, INCLUDING A FEE SCHEDULE FOR TECHNICAL PLAN REVIEWS.** Cato Esquivel. Cato presented a draft of the will serve policy guidelines. The board reviewed it. Maher Hazine suggested that it be separated into two processes. The first part would be the Will Serve Letter and the second would be the actual

application for service. The draft also needs the district's attorney's review. No action was taken.

VII. DISCUSS AND TAKE POSSIBLE ACTION REGARDING A FLEET REPLACEMENT POLICY. Cato Esquivel. Cato drafted a Fleet Replacement and Utilization Policy. This also needs the district's attorney's review. The discussion asked for more specific language in the section on Acquisition of Vehicles. Maher Hazine will help work on the changes. There also needs to be a dollar amount in the annual budget for vehicle replacement and it needs to be a designated fund that carries over into future budget years if not used. No action was taken due to rewriting the policy and the district's attorney's review.

VIII. UPDATE ON THE SIGETI/GREER CASES. Bob Arbuthnot. Greer's sentencing has been set for January 14, 2019. Ms. Sigeti's trial jury selection date has been set for April 2, 2019 after the judge and prosecutor refused to allow any more postponements. There will be a pretrial conference in January.

IX. UPDATE ON THE POSSIBLE LAW SUIT AGAINST CH2M. Bob Arbuthnot/Riley Snow. Any information was restricted to the executive session.

8. NEW BUSINESS

- I. **DISCUSS AND TAKE POSSIBLE ACTION REGARDING ORDERING A PLAQUE FOR TOM WEEKS' SERVICE TO THE DISTRICT TO BE PRESENTED TO THE FAMILY AT THE DECEMBER BOARD MEETING.** Maher Hazine. Maher would like to see the board present a plaque to Tom's family for his long service to PSWID. It was also suggested that one be made for the office also. Maher moved that the board approve up to \$150.00 to make two plaques. Larry Bagshaw seconded the motion. The motion carried unanimously.
- II. **DISCUSS AND TAKE POSSIBLE ACTION REGARDING A POTENTIAL REFUND OF PAST DUE FEES FOR THE PROPERTY ON N JAMES CIRCLE IN STRAWBERRY OWNED BY MR. JAYDEN BAUGH.** Maher Hazine. This is a new customer and he thought that when he paid his establishment fees that he was also paying the first month's bill. So each bill since then has had a late fee on it and those fees now total \$24.00. The customer's attitude and treatment of the office staff was discussed. He also refused to talk to the district manager. Sharon Hillman moved that the customer needs to come in the office and apologize to the staff and talk to the district manager. Alan Kleinman seconded the motion. The motion carried unanimously.
- III. **DISCUSS AND TAKE POSSIBLE ACTION REGARDING THE 2019 WATER SHARE AGREEMENT RATES.** Jodee Smith. The PPI has increased 1% over the last year. The current rate we are paying for the water share agreements is \$1.02 per 1000 gallons. The new rate would be \$1.03 taking effect January 1, 2019. It would increase the cost to the district by about \$374.00 Maher Hazine moved that the water share agreement rate change to \$1.03 per 1000 gallons. Larry Bagshaw seconded the motion. The motion carried unanimously.
- IV. **DISCUSS AND TAKE POSSIBLE ACTION REGARDING HOLDING A SPECIAL MEETING ON JANUARY 10TH TO SWEAR IN THE BOARD MEMBERS, ELECT OFFICERS, AND HAVE THE DISTRICT'S ATTORNEY CONDUCT AN ORIENTATION SESSION FOR NEW AND RETURNING**

BOARD MEMBERS. Bob Arbuthnot. This was approved by board consent to the additional meeting, so the new board could focus their attention on the regular agenda on January 17.

- V. **DISCUSS AND TAKE POSSIBLE ACTION REGARDING ACCEPTANCE OF THE ANNUAL AUDIT REPORT.** Sharon Hillman. The most recent audit report contained no action items for the district to address. Forrest McCoy moved that the 2018 audit report be accepted as presented. Larry Bagshaw seconded the motion. The motion carried unanimously.
- VI. **DISCUSS AND TAKE POSSIBLE ACTION REGARDING THE COMMERCIAL INSURANCE FOR THE DISTRICT.** Sharon Hillman. The Commercial Insurance is due January 1, 2019. Sharon had the quote for 2019 which was less than \$100 increase over the 2018 policy. It was suggested that we see if by joining the Rim Country Chamber of Commerce if we would get another discount on the policy. Also the locations to be insured need to have the physical addresses updated on the policy. Larry Bagshaw moved that the 2019 Commercial Insurance Policy Renewal be accepted as provided with the updated locations. Alan Kleinman seconded the motion. The motion carried unanimously.

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

- 1. WIFA update
- 2. Sigeti/Greer update
- 3. Consent agenda items: Fleet Replacement, Service Vendor Contracts, and Will Serve/Service Request Policy
- 4. IT Services proposals.
- 5. Board position applicants

- 11. **MOTION TO ADJOURN.** Maher Hazine moved the meeting be adjourned. Sharon Hillman seconded the motion. The motion carried unanimously.