

**PINE-STRAWBERRY WATER IMPROVEMENT DISTRICT**

**Regular Meeting**

**Thursday April 18, 2019 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: Bob Arbuthnot, Alan Kleinman, Sharon Hillman, Tammy Albright, Willie Willis, Forrest McCoy and Larry Bagshaw. A quorum was present. Cato Esquivel the district manager was also present. The district's attorney Riley Snow was present via phone.

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

March 28, 2019: Willie Willis moved that the minutes be approved. Tammy Albright seconded the motion. It was approved unanimously.

**5. REPORTS TO THE BOARD**

- A. District Lawyer's report- Riley Snow reported that Ms. Sigeti was to appear in court on April 22 to enter her plea agreement and to be taken into custody. The lawsuit is still in the discovery phase and we have received filed answers from the attorneys. The phone call with Mr. Snow was disconnected after his report.
- B. Chairman's report- As posted to the website.
- C. Treasurer's report – As posted to the website.
- D. Secretary's report –Larry Bagshaw reported on an email that the board members received from our customer service staff concerning the work the District field staff did to improve and repair Water Tank Road. The residents on the road were very satisfied with the improvements.
- E. 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 Paul Hendricks, EUSI. This report is posted to the website. The samples on Milk Ranch I did not show any mercury. The well will be pumped to waste and the new ADEQ required testing will be completed to be submitted by May 1. The staff will then be testing the well to determine what production rate will need to be achieved to produce water with no sediments, if it is at all possible.

**II. HOLD A PUBLIC HEARING TO DISCUSS AND THEN TAKE POSSIBLE ACTION REGARDING THE FINAL DRAFT OF THE PRELIMINARY ENGINEERING REPORT.**

Cato Esquivel. Larry Bagshaw moved that the public hearing be opened. Alan Kleinman seconded the motion and it was unanimously approved. We received the final draft of the report. Sharon Hillman had some suggested changes to make to the report. Since only two members of the public were at the meeting, the board decided to have the report posted to the District's website by tomorrow night so the public could make comments on it over the next week. We do have a deadline of April 30 to submit the final draft to WIFA. Forrest McCoy moved that the public hearing be closed and Sharon Hillman seconded the motion and it was unanimously approved. Tammy Albright moved that the Final Draft of the PER Report be accepted with the amendments Sharon suggested. Larry Bagshaw seconded the motion. The motion carried unanimously.

**8. NEW BUSINESS**

**I. DISCUSS AND TAKE POSSIBLE ACTION REGARDING CLARIFYING THE CURRENT RATE SCHEDULE.**

Cato Esquivel. Cato presented some changes to the rate schedule that would correct a typo and also clarify some of the fees. Sharon Hillman pointed out that in order to make any changes to the rate schedule, we would have to hold a public hearing. Also the water enhancement committee has not yet had a meeting to study rates for similar districts. We normally hold rate hearings in June along with the budget hearing. It was agreed that the committee needed to meet and discuss the rates. Sharon Hillman moved that this item be tabled. Larry Bagshaw seconded the motion. The motion carried unanimously.

**II. DISCUSS AND TAKE POSSIBLE ACTION REGARDING THE RULES & REGULATIONS AIII SECTION 3.1.**

Cato Esquivel. Cato had reviewed this part of the rules and regulations and discovered that new water service connections where there is no existing service could not be provided within the five days. After some discussion, it was decided that the section needed be split into two parts. One for connecting existing services (transfer of ownership) with a five day time frame and one for

new construction with 120 day time frame. Sharon Hillman moved that this item be tabled until the changes were made. Larry Bagshaw seconded the motion. The motion carried unanimously.

- III. **DISCUSS AND TAKE POSSIBLE ACTION REGARDING THE RULES & REGULATIONS AVII SECTION 1.2.** Cato Esquivel. The changes in wording from “Consumer Price Index” to “Producer Price Index” and “This rate will be reviewed every two years” to “This rate will be reviewed annually” that was approved by the board on September 21, 2017 was never made to the rules and regulations. Sharon Hillman moved that the revisions as approved by the board on September 21, 2017 be made to the rules and regulations. Alan Kleinman seconded the motion. The motion carried unanimously.
- IV. **DISCUSS AND TAKE POSSIBLE ACTION REGARDING THE RULES & REGULATIONS AIV SECTIONS 3.5 AND 3.8.** Cato Esquivel. This item was pulled from the agenda prior to the meeting, as it was not yet ready for presentation.
- V. **DISCUSS AND TAKE POSSIBLE ACTION REGARDING THE COMPUTER HARDWARE/SOFTWARE EXPENDITURE CONTRACT.** Cato Esquivel. The original bids for the contract did not include the cost of the Microsoft Exchange software, so that cost needs to be added to the approved contract amount. The increased amount will be approximately \$5000.00. Forrest McCoy moved that the Computer Hardware/Software contract amount be changed from \$22,500.00 to \$27,500.00. Sharon Hillman seconded the motion. The motion carried unanimously.
- VI. **DISCUSS AND TAKE POSSIBLE ACTION REGARDING THE PRELIMINARY 2019/2020 BUDGET.** Sharon Hillman. Sharon had looked at this year’s budget and discovered that the income was not meeting what she had predicted last year. She had added a 2% increase and the increase will only be about 1%. Cost of operations and board expenses were also more than estimated. We also need to fund the WIFA reserve account. She suggested that we hold a study session in May before the board meeting to look at the budget numbers through April in order to come up with a workable budget for this next fiscal year. Cato said that he will try to cut costs by about 5% so more could be put toward infrastructure next year. The board will schedule a May study session at 4 p.m. on May 16.

**9. IDENTIFY POTENTIAL AGENDA ITEMS FOR THE NEXT SCHEDULED BOARD OF DIRECTORS MEETING ON MAY 16, 2019.**

1. WIFA update
2. Sigeti update
3. Work Session regarding the 2019/2020 budget.
4. Approval of the Will Serve Policy
5. Regular meeting discussion of the 2019/2020 budget.
6. Changes to Rules and Regulations All Section 3.1.
7. Changes to Rules and Regulations AIV Sections 3.5 and 3.8.

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

APPROVED