

## **PINE-STRAWBERRY WATER IMPROVEMENT DISTRICT**

### **Regular Meeting**

**Thursday, May 17, 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: Bob Arbuthnot, Forrest McCoy, Sharon Hillman, Alan Kleinman, Maher Hazine, Tom Weeks and Larry Bagshaw. A quorum was present. Riley Snow, the district attorney also was present.

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

April 19, 2018: Sharon Hillman Asked that Item 8III be changed to Rural Arizona Group Health Trust. Forrest McCoy moved that the minutes be approved with the change. Sharon Hillman seconded the motion. The motion was approved unanimously with Tom Weeks abstaining since he did not attend the meeting.

#### **5. REPORTS TO THE BOARD**

**A.** Chairman's report– Bob Arbuthnot is working on the position descriptions for the Board Executive Volunteers and also consulted with house council about the positions. He attended two WIFA project meetings on May 2 and May 9. The project priority list was adjusted at the May 9 meeting and the WIFA office project manager did a site visit on May 9. He signed off on the Circle Drive WIFA funds submittal for Sharon Hillman. He asked for input from the board on scheduling the monthly study group meetings. The board thought that two hours before the July board meeting would be a good time to schedule the next meeting. The board also requested that a Saturday in June be set up for a community meeting to discuss the WIFA projects at the Community Center.

**B.** Treasurer's report – As posted to the website.

**C.** Secretary's report –None

**6.** District Manager's Report –Cato Esquivel reported that the aerial photography and topography survey of Pine and Strawberry was completed on May 11. The white crosses painted on the roads were to aid in that survey. The imagery should be processed by the end of this week and the finished contour data a week later. He is finalizing the Request for Statements of Interest for the tank projects. It will be posted on the website and in the Roundup in approximately 2-3 weeks. The final inspection on the Circle Drive Project was on May 9. The Strawberry View I tanks were delivered and the concrete pad has been poured. The piping and valves will be installed over the

next week. The Portals 3 Fire Department connection project is supposed to begin on May 21. We received the necessary bond and insurance documents from the contractor and issued a notice for them to proceed with installing five 6 inch FDC throughout Portals 3. James Baldwin met and toured the well, booster, and tank sites with CE Engineering and ABM Electrical Power Services to assess the conditions of the existing electrical systems, the VFDs, pumps, and motors on May 10 and 11. Each site was assessed as to the condition of the electrical systems and equipment, what improvements need to be made to comply with OSHA requirement, to create efficiencies, and for operational enhancements.

**7. CONSENT AGENDA**

None

**8. CALL TO THE PUBLIC**

- a. Mitzi Paul of Strawberry complained about the four 35 day billing periods that put them over the minimum usage rate each of the four billing periods. She asked what could be done to alleviate the problem. The district manager will look into the meter reading routes and equalizing the number of meters on each and adjusting them to 31 or 30 day cycles by the end of July.

**9. OLD BUSINESS**

- I. **DISCUSS AND TAKE POSSIBLE ACTION REGARDING THE STATUS, PRIORITIZATION, AND FUNDING OF CAPITAL PROJECTS.** Presented by Paul Hendricks, EUSI. Paul had a report prepared that updated the progress on items. Three disbursement requests have been made for WIFA funds. The 60% Preliminary Engineering report has been submitted back to EPS with our comments and we are awaiting the final draft. The Water/Energy Nexus Grant of \$75,000 been approved by NEEPA and now the district chairman, the district manager, and the attorney need to review the documents for approval. Once the list of VFDs that is being recommended is received, \$75,000 worth of VFDs will be purchased. The board needs to authorize the chairman to use the electrical contractor's cooperative clause with the City of Mesa to purchase and install up to \$75,000 worth of VFDs. Maher Hazine made this motion and Larry Bagshaw seconded the motion. The vote, counted individually by each board member was unanimously for the motion. The district's engineering firm, EPS, is designing the phase 2.1 projects for water lines in Strawberry Ranch 2 and Strawberry Knolls 2. The design has been completed for Pine Creek. The work on the Strawberry View I tank replacement is nearly complete with the final connections needing to be made. The Circle Drive water line replacement is complete. The Milk Ranch I well evaluation has the district manager exploring ways to purge the water. It possibly will be hauled to the Strawberry Pond. The Strawberry Hollow 3 well is now pumping to waste to make sure it will produce clean water. The tank projects were discussed by the District Manager. This is the Canyon 1 and 2 tanks and the Portals 2 tank. They either need to be replaced or rehabilitated. Also 3 VFD booster pumps will be installed at Pine Ranch 2,

Portals 2 Midway Booster, and Portals 2 Common area. A WIFA sign has been placed at the district office. The District Manager is working with Gila County to place a sign on Fossil Creek Road in Strawberry

- II. **UPDATE ON THE WEBSITE REDESIGN AND WIFA PAGE LINK.** Sharon Hillman. The new website link has been provided and will be reviewed by Sharon, Pam Mason, and others next week. Most of the data and reports have not been migrated to the new site yet, and Sharon thinks it still could be more user friendly and less complex. The WIFA page link is working on the old website.
- III. **DISCUSS AND TAKE POSSIBLE ACTION REGARDING A FOLLOW-UP TO THE WORKSHOP.** Bob Arbuthnot. This was discussed in the Board Chairman's report and will take place two hours before the July board meeting.
- IV. **DISCUSS AND TAKE POSSIBLE ACTION REGARDING A CORRECTION TO THE EMPLOYEE PENSION PLAN.** Sharon Hillman. Sharon found out that there is an age requirement for withdrawal of funds from the plan without penalty. The participant must be 59 ½. The participant would pay taxes on any withdrawals taken and the traditional early withdrawal penalty would apply if under age 59 ½. There are no participant loans available under the SIMPLE Plan and there are no age or minimum hour's requirement for eligibility in the SIMPLE Plan.
- V. **DISCUSS AND TAKE POSSIBLE ACTION REGARDING THE 2018/2019 BUDGET.** Sharon Hillman. Sharon presented a final draft of the budget. The budget will be published twice in June if approved by the board and the June budget hearing will be at the regular board meeting. Forrest McCoy moved that the budget be approved and published. Larry Bagshaw seconded the motion. The motion carried unanimously.
- VI. **UPDATE ON THE SIGETI/GREER CASES.** Due to delays in both trials, there are no updates. The new attorney, Snow Law Firm, will need to submit a request to the courts for updates and information on the trials.

## 10. NEW BUSINESS

- I. **DISCUSS AND TAKE POSSIBLE ACTION REGARDING REDUCING THE NUMBER OF BOARD MEMBERS FROM 7 TO 5.** Maher Hazine. Maher stated that most of the boards in the area have only five members and he felt like seven was a cumbersome number. We would have to go to the County Board of Supervisors for approval of the reduction and then it would take two election cycles to accomplish the reduction after approval. Sam Schwalm thought that with only 5 board members, 4 would still have to officers. He also thought that there was too much going on right now to reduce the number of board members. Pam Mason voiced that she thought there was safety in numbers and that with the oversight required by WIFA and the projects going on, that the number should not be reduced. Brenda Darling also did not like the idea as that would mean a quorum of three could make actions for the district and that would be too little input. The other board members

also agreed that they would not like to reduce the number of board members to five.

- II. DISCUSS AND TAKE POSSIBLE ACTION REGARDING HIRING VITO TEDESCHI FOR REVIEWING THE DISTRICT'S FINANCIAL POLICIES.** Maher Hazine. Sharon Hillman remarked that the only recommendation that Vito had for the district was to purchase the integrated accounting system from Caselle for \$40,000 to \$50,000. Hinton Burdick recommended a less expensive system from Pelorus which other cities/entities use in our area. A rep will be in our area in June and can come and discuss it. The need to hire Vito can be discussed further in the July work-study session, but Sharon does not see a need to hire him.
- III. DISCUSS AND TAKE POSSIBLE ACTION REGARDING NEW FEES.** Cato Esquivel. Cato stated that the district has no fees for construction water and no way to charge for the water usage even though we do put a meter on the line that is used for construction. Possibly we could instigate a meter usage fee. There are also no subdivision development fees or fees for review of plans. The district does not have any oversight on any construction. Cato will need to contact Gila County and ask for all building permits applications for Pine and Strawberry. We also need to ask ADWR to send us any well drilling applications. The board asked Cato to develop fees and processes for the district.
- IV. DISCUSS AND TAKE POSSIBLE ACTION AUTHORIZING THE DISTRICT MANAGER TO EXPEND UP TO \$40,000 FOR AN AERIAL MAPPING TO ENABLE A POSSIBLE 30% SAVINGS ON THE ENGINEERING TASKS FOR THE WIFA PROJECTS.** Bob Arbuthnot, Paul Hendricks. An aerial map of the district would cut the engineering costs of the WIFA projects by approximately 30%. Three proposals have been received. The cost of the airplane time will range from \$33,000 to \$36,000 and the rest of the cost will be GIS Technician fees. Maher Hazine moved that the district approve this expenditure from the WIFA funds. Larry Bagshaw seconded the motion. The motion carried unanimously.
- V. DISCUSS AND TAKE POSSIBLE ACTION REGARDING APPOINTING SPECIAL ASSISTANTS TO THE BOARD.** Bob Arbuthnot. This was discussed in the board chairman's report and is on hold for development of parameters of the assistants duties. Nepotism is not an issue as the assistants are not paid.
- VI. DISCUSS AND TAKE POSSIBLE ACTION REGARDING CALL FOR ELECTION.** Maher Hazine moved that the district make a call for election and authorize the secretary to do what is necessary to send out letters to the qualified electorate of the district. Forrest McCoy seconded the motion. The motion carried unanimously. Sharon Hillman

will get the list of qualified voters from the county and Larry Bagshaw will get the letters printed and mailed by the middle of June.

- VII. DISCUSS AND TAKE POSSIBLE ACTION REGARDING FILING A LAWSUIT AGAINST CH2M (JACOBS).** Riley Snow will get the information on the claims against CH2M and will have this ready for an executive session before the board meeting on June 21.

**10. IDENTIFY POTENTIAL AGENDA ITEMS FOR THE NEXT SCHEDULED BOARD OF DIRECTORS MEETING ON JUNE 21, 2018.**

1. WIFA update
2. Website update
3. Sigeti/Greer update
4. Possible lawsuit against CH2
5. Budget hearing
6. Rate and Tax Schedule adoption.

- 11. MOTION TO ADJOURN.** Tom Weeks moved the meeting be adjourned. Alan Kleinman seconded the motion. The motion carried unanimously.

APPROVED