

PINE-STRAWBERRY WATER IMPROVEMENT DISTRICT

Regular Meeting
Wednesday July 24, 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, Sharon Hillman, David Wilson, Tammy Albright, and Larry Bagshaw. A quorum was present. Cato Esquivel the district manager was also present. Riley Snow, the district's attorney was also present.

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

June 20, 2019: David Wilson moved that the minutes be approved. Sharon Hillman seconded the motion. It 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. 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.
- II. **DISCUSS AND TAKE POSSIBLE ACTION REGARDING REVISIONS TO THE WIFA PROJECT LIST.** Cato Esquivel. There is approximately \$3 million remaining of the WIFA funding. It is proposed that these funds be used to complete the following projects: Group A 1.) A six inch line adjacent to SR87

from Bradshaw to the MR well site, replace existing 6 inch ABS in Old County Road, and connect to the new 6 inch north of South Road. 2.) Install a six inch line from Juniper through Tanner Ralls property to Fossil Creek to Wagon Wheel. 3.) Strawberry Lane north to Strawberry Drive east to SR 87 south to Fossil Creek Rd. These would cost approximately \$2 million and would replace the Tall Pines and Cool Pines projects that are currently on the WIFA list. Those projects will be placed on hold until additional funding is available. The change in projects would enable the district to complete better water supply loops around Pine and Strawberry, which would better serve the public. Group B 1.) Connect 70 services lines to existing 3 inch PVC along Pine Cone Drive adjacent to Strawberry Hollow. The lines in this area are still connected to the old black pipe and were never connected to the new PVC pipe that was installed by the prior management company. 2.) Installation of radio read meters to replace all the current meters, freeing up time for the meter reader to do maintenance on the system. 3.) Rehabilitation of the Brookview Terrace well. These would cost about \$1 million and would use reallocated funds from the Whispering Pines and Spruce Drive water line projects, and the remaining Tank projects funding. Sharon Hillman moved that the board approve the revised WIFA project list with the above changes. David Wilson seconded the motion. The motion carried unanimously. Sharon Hillman will submit the changed project list to WIFA for approval.

8. NEW BUSINESS

- I. DISCUSS AND TAKE POSSIBLE ACTION REGARDING THE REQUEST FROM PONDEROSA WATER COMPANY TO RELEASE THEIR COMPANY FROM THE PSWID SERVICE AREA.** Cato Esquivel/Albert Hunt. The Ponderosa Water Company is approximately 38 acres mostly on the north side of Fossil Creek Road. It was started in 1954 and run as the Strawberry Water Company until 2010 when the name was changed to Ponderosa Water Company to avoid confusion with the other existing Strawberry Water Company. During the change in name, the CCN was not changed over to the new company name and was revoked by the AZ Corp. Commission. It is supposedly their mistake. Mr. Hunt is requesting that the board release his customers from the PSWID taxing district so that he can form his own water improvement district. Currently the Ponderosa water lines are old galvanized pipe installed in 1954 and a lot of the lines have buildings on top of them. The board is not willing to release the area, but is willing to work with Mr. Hunt to help with his problems. There will be engineering issues, Corporation Commission issues, and County issues to be resolved and most of the board think that Mr. Hunt really has no idea of the cost that his system will need to upgrade it. PSWID will set up some meetings between Mr. Hunt and the Water Enhancement committee to see if we can help him and his company.
- II. DISCUSS AND TAKE POSSIBLE ACTION REGARDING EXTENDING THE ON-CALL ENGINEERING CONTRACTS WITH EPS GROUP, SUNRISE ENGINEERING,**

AND PAINTED SKY ENGINEERING FOR ANOTHER 12 MONTHS. Cato Esquivel. These firms are doing an adequate job and Cato recommends that the contracts be renewed for an additional 12 months. David Wilson moved that the Board Chairman or his designee be authorized to renew and execute the on-Call engineering contracts for an additional 12 months. Tammy Albright seconded the motion. The motion carried unanimously.

- III. DISCUSS AND TAKE POSSIBLE ACTION REGARDING AUTHORIZING JOC TASK ORDER NO. 2 FOR THE PORTAL 2 AND 3 TANK REHAB AND MODIFICATION TO MGC.** Cato Esquivel. Task order 2 includes the removal and disposal of two hydro tanks, an air compressor, and building roof. The contractor will install new VFDs, redundant pump skid with a 250 gallon bladder tank. They will also remove and replace the APS panel, other electrical sub and control panels, and will also install a gabion mattress for site drainage and wattles. The cost will be \$355,945.00. Sharon Hillman mentioned that \$225,000 in WIFA funds will need to be reallocated for this task order. Sharon Hillman moved that the Board Chairman or designee be authorized to issue and execute Task Order No. 2 under the JOC to MGC Contractors in the amount of \$355, 945.00 and authorize additional reallocation of \$225,000 in WIFA funds. Tammy Albright seconded the motion. The motion carried unanimously.

- IV. DISCUSS AND TAKE POSSIBLE ACTION REGARDING AUTHORIZING CANYON TANKS REMOVAL AND REPLACEMENT PROJECT TASK ORDER NO. 4 TO SUPERIOR TANK SOLUTIONS.** Cato Esquivel. Task Order 4 will consist of installing over 220 feet of 6 inch C-900 pipeline, road improvements (including paving the access road from Pine Creek Canyon Road to the tank site and constructing the tank foundation. Then the new tank can be constructed and one of the old ones be removed. Cost will be \$436,912.96. Tammy Albright moved that the Board Chairman or his designee be authorized to issue and execute Task Order 4 under the JOC to Superior Tank Solutions in the amount not to exceed \$436,912.96 and also to authorize additional allocation of \$225.00 in WIFA funds. David Wilson seconded the motion. The motion carried unanimously.

- V. DISCUSS AND TAKE POSSIBLE ACTION TO RATIFY THE CANYON TANKS REMOVAL AND REPLACEMENT PROJECT TASK ORDERS NO. 1, 2, AND 3.** Cato Esquivel. Since we expanded the Canyon tank site, there were additional costs which need to be approved. Sharon Hillman moved that the board ratify the approval of Task Orders 1, 2, and 3 to Superior Tanks Solutions in the amount totaling \$466,821.49. Larry Bagshaw seconded the motion. The motion carried unanimously.

- VI. DISCUSS AND TAKE POSSIBLE ACTION REGARDING THE REQUIREMENTS FOR BACKFLOW PREVENTERS.** Larry Bagshaw. Larry stated that the newer board members might not be aware of requirements for backflow prevention devices on some properties in the district. A prior board put a hold on the requirements, but the county requires them. The board members were

distributed a list of things necessitating back flow devices and a copy of the first letter the district sends to customers. Cato discussed what devices can be installed and the method the district uses to inspect them.

- VII. DISCUSS AND TAKE POSSIBLE ACTION REGARDING OBTAINING 500 ACRE FEET OF WATER RIGHTS FROM THE CC CRAGIN RESERVOIR.** Cato Esquivel. There is about 400 acre feet of CC Cragin water available. The staff needs approval to begin discussions with SRP to investigate the district obtaining those water rights. Larry Bagshaw moved that the district staff be authorized to begin discussions with SRP to secure approximately 400 acre feet of water from the reservoir. David Wilson seconded the motion. The motion carried unanimously.

- VIII. DISCUSS THE ADDITIONAL PRINCIPAL PAYMENTS TO COMPASS BANK AND ANY PREPAYMENT PENALTY THAT MAY BE DUE WHEN THE PAYMENTS ARE MADE.** Sharon Hillman. When Sharon went in to make the additional payment on the loan, she found out that the interest rate had dropped below the interest rate for the loan and that required us to make a \$2106 prepayment penalty fee. This is the first time this has happened since the district has been making the additional principal payments. In the future she will check with the bank daily for the current interest rate before making the additional principal payment, so we won't have any more penalties.

9. IDENTIFY POTENTIAL AGENDA ITEMS FOR THE NEXT SCHEDULED BOARD OF DIRECTORS MEETING ON AUGUST 15, 2019.

- I.** WIFA update.
- II.** Ponderosa Water Company status
- III.** Water Enhancement Committee meeting report.

- 10. MOTION TO ADJOURN.** David Wilson moved the meeting be adjourned. Larry Bagshaw seconded the motion. The motion carried unanimously.