

**PINE-STRAWBERRY WATER IMPROVEMENT DISTRICT**

**Regular Meeting**

**Thursday September 19, 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, Alan Kleinman, and Larry Bagshaw. A quorum was present. Forrest McCoy was present via phone. Cato Esquivel the district manager was also present. Riley Snow, the district's attorney was also present by phone.

**4. PRAYER** Offered by Larry Bagshaw

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

August 29, 2019: Sharon Hillman moved that the minutes be approved. Alan Kleinman seconded the motion. It was approved unanimously.

**6. REPORTS TO THE BOARD**

- A. District Attorney's Report – OMI has scheduled depositions with Greer and Sigeti at the Arizona State Prison on September 23 and 24. There will be a remediation meeting with OMI on October 30.
- B. Chairman's report- As posted to the website.
- C. Treasurer's report – As posted to the website.
- D. Secretary's report – none
- E. District Manager's Report –As posted to the website.

**7. CALL TO THE PUBLIC**

Angie Spruit from Strawberry requested that she be connected to PSWID and disconnected from the Ponderosa Company Water. She has lost fish, a dog, and a horse due to the water from Ponderosa. There is a meeting scheduled with Cato Esquivel and Bob Arbuthnot on Friday morning to discuss her request.

**8. OLD BUSINESS**

- I. DISCUSS AND TAKE POSSIBLE ACTION REGARDING THE STATUS, PRIORITIZATION, AND FUNDING OF CAPITAL PROJECTS.** Presented by Karen Killen. This report is posted to the website.
- II. DISCUSS AND TAKE POSSIBLE ACTION REGARDING IMWCC’S PROGRESS ON THE RIM VISTA/PINE HAVEN WATERLINE PROJECT.** Cato Esquivel. IMWCC has been asked to provide a plan for tying in the new services to the houses from the new water line, as we do not want to have both service lines in use. They have also shut down work because they think the county is in control of the project and they need permits issued from the county to do the individual hookups. Cato is getting blanket permits from the county for the new lines and he also has notified IMWCC that they are in breach of their contract with PSWID. We are also having problems with their subcontractor, 3D Pipeline, as they have not provided the required payroll information to make sure they are in compliance with the WIFA requirements. IMWCC has also removed equipment from the project site to work on other contracts around the state and are asking for more money to bring the equipment back to Pine. The residents affected by the project are unhappy with the progress to date. Cato has notified IMWCC that if they do not get to work as soon as the permits are in hand, that their contract with the district will be cancelled.
- III. DISCUSS AND TAKE POSSIBLE ACTION REGARDING A GRANT/LOAN APPLICATION WITH THE USDA.** Sharon Hillman. Sharon updated the board as to where we stand as to the application process. She has to provide projected operating budgets for the years 2021-2025 as part of the application and needs the board to approve the proposed operating budget for those fiscal years 6/30/21-6/30/2026 and authorize the board chairman and secretary to sign the budget so she can upload them to the application. Larry Bagshaw moved that the board approve the proposed operating budget as presented for the fiscal years 6/30/21-6/30/2026 and authorize the board chairman and secretary to sign it. Alan Kleinman seconded the motion. The motion carried unanimously.
- IV. DISCUSS AND TAKE POSSIBLE ACTION REGARDING THE SCOPE OF OUR CONTRACT WITH EUSI AND USING KAREN KILLEN TO BE OUR WIFA ADMINISTRATOR.** Bob Arbuthnot. This is just informational. Karen and Bob’s wife are good friends, so Bob wanted to make sure there was no conflict of interest with Karen taking over the things Sharon Hillman had been doing. The district attorney verified that there was no conflict of interest. Sharon suggested that Tammy Albright be approached about taking over those duties as she had done some of those same things when she worked for the City of Mesa.

**9. NEW BUSINESS**

- I. DISCUSS AND TAKE POSSIBLE ACTION REGARDING BUDGET REVISIONS.** Sharon Hillman. There is a separate bank account for the impact fees that we charge new customers. The funds can only be used for necessary

improvements to the system to correct issues like the water pressure issue we had on Manzanita in Whispering Pines. The unused funds should be carried over from year to year as a reserve fund and as such should be added to the budget as a line item. Sharon revised the budget to include the impact fee as a line item of \$72,000.00 and reduced that amount from the potential loan/grant line item to keep the total as approved as submitted to the county at \$9,906,351.59. Larry Bagshaw moved that the board approve the proposed budget revisions are presented for FY 19/20. Alan Kleinman seconded the motion. The motion carried unanimously.

**10. IDENTIFY POTENTIAL AGENDA ITEMS FOR THE NEXT SCHEDULED BOARD OF DIRECTORS MEETING ON OCTOBER 24, 2019.** Alan Kleinman and Larry Bagshaw will both be unavailable to attend a meeting on October 17, so the meeting will be moved to October 24.

- I. Executive session at 5 p.m. and regular session at 6 p.m.
- II. WIFA update.
- III. Ponderosa Water Company update.
- IV. USDA grant loan application update.

**11. MOTION TO ADJOURN.** Alan Kleinman moved the meeting be adjourned. Sharon Hillman seconded the motion. The motion carried unanimously.