

**PINE-STRAWBERRY WATER IMPROVEMENT DISTRICT**

**SPECIAL SESSION**

**Thursday October 3, 2019 at 5:00 p.m.**

**PSWID Administrative Office**

**6306 W Hardscrabble Rd.**

**Pine, AZ 85544**

**1. CALL TO ORDER**

Bob Arbuthnot called the meeting to order at 5:00 p.m.

**2. PLEDGE OF ALLEGIANCE**

Led by Bob Arbuthnot

**3. PRAYER**

Offered by Alan Kleinman

**4. ROLL CALL OF BOARD MEMBERS**

Conducted by Bob Arbuthnot: Board members present: Bob Arbuthnot, Tammy Albright, Alan Kleinman, David Wilson, and Larry Bagshaw. Forrest McCoy was present via phone. A quorum was present. Riley Snow, the district's attorney was also present.

**5. CALL TO THE PUBLIC**

None

**6. OLD BUSINESS**

- I. DISCUSS AND TAKE POSSIBLE ACTION REGARDING THE INCLUSION OF PONDEROSA WATER COMPANY INTO PSWID.** Cato Esquivel, Bob Arbuthnot, Riley Snow. Cato had done some research on the Ponderosa Water Company. Their CC&N had been revoked by the ACC in November of 2010. There are approximately 71 parcels in the service area with about 50 homes receiving service. In 2018, PSWID received \$11,953.41 from property taxes from the Ponderosa customers. It was estimated that over the 22 year history of PSWID, that PSWID may have received anywhere from \$132,000 to \$264,000 in property taxes. PSWID's Rules and Regulations requires all property owners to pay new meter installation fees, impact fees, establishment fees, and a security deposit to establish service. This would be \$3400 per property. A lot of the discussion centered about waiving part of the fees in consideration of the taxes that had been paid to PSWID. Several board members were in favor of waiving part of the meter and establishment fees, but not the impact fees and then only prorated for each parcel based on the length of current ownership. Others were

against waiving any of the fees.

The Ponderosa customers in attendance were concerned about the immediate need for reliable, usable water, as were the board members. The water currently is rusty and has a sulfur smell and is not potable. It was proposed that PSWID supply a tank and surface lines to Ponderosa as an emergency fix, but that hinges on several factors. First is the cost. It would cost approximately \$600,000 to do this and it would not hook up the homes to the service lines. Also there is no available money in the PSWID budget to do the work. PSWID has asked WIFA to approve \$300,000 of the loan money to install a line along Fossil Creek Road, but this request will not go to the WIFA board for approval until next week at the earliest. That still leaves half the cost not covered and it is not known if there is any source from which to get the money.

Albert Hunt, the owner of Ponderosa Water Company, was asked exactly what percentage of his customers were in favor of being absorbed by PSWID. He thought about 75%, but wasn't absolutely sure. He was requested to go back to his customers for a written poll. He was also asked to provide his by-laws and rules and regulations to Mr. Snow so the legalities of taking over the company could be reviewed.

Alan Kleinman made a multi part motion. A. PSWID staff is to come up with the dollar amount to provide temporary short term hook-ups to Ponderosa Water customers with a not to exceed limit. B. Albert Hunt is to provide written proof that the majority of his customers want PSWID service and also provide his by-laws and other documentation to PSWID's attorney. C. The District's Attorney is to report on the legalities of absorbing Ponderosa Water. Forrest McCoy seconded the motion. All reports will be due to the board on Oct. 21 with the meeting to be held as part of the regular board meeting on Oct. 24. A roll call vote was taken. Alan Kleinman, David Wilson, Bob Arbuthnot, Tammy Albright, and Forrest McCoy all voted in favor of the motion. Larry Bagshaw recused himself as he is also a Ponderosa Water customer. The motion passed. (Note: The recording of this meeting quit after only 15 minutes as the batteries died.)

**7. IDENTIFY POTENTIAL AGENDA ITEMS FOR THE NEXT SCHEDULED BOARD OF DIRECTORS**

**MEETING ON OCTOBER 24, 2019.**

- I. WIFA update.
- II. Ponderosa Water Company update.
- III. USDA grant loan application update.

- 1. MOTION TO ADJOURN.** Forrest McCoy moved the meeting be adjourned. Tammy Albright seconded the motion. The motion carried unanimously.