

**PINE-STRAWBERRY WATER IMPROVEMENT DISTRICT**

**Work/Study Session**  
**Thursday March 26, 2020 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 5:05 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, Tammy Albright, Sharon Hillman, Forrest McCoy, Alan Kleinman, and Larry Bagshaw. David Willis was present via phone. A quorum was present. Riley Snow, the district's attorney was also present.

**4. CALL TO THE PUBLIC**

None

**5. RAGHT HEALTH INSURANCE PRESENTATION REGARDING PROPOSED COST**

**INCREASE.** Jodee Smith discussed the meeting she attended with the RAGHT board of trustees. Insurance costs will need to increase 10.01% as a result of increased claims/costs last year. She presented the options that they had discussed and then the one that they recommended which had two high deductible coverage plans. One had a \$3500/\$7000 deductible and the other had a \$6900/\$13800 deductible. The increased cost to the district difference between the two was essentially the same at just under \$900 per month. The district can also change the percentage coverage it pays for the employees and their dependents if they want to save some money. Currently we cover 100% of employee costs and 50% of dependent costs. Sharon Hillman had factored in a 10% cost increase into the new 2020/2021 budget. During the discussion the board members emphasized that the one plan with the highest deductible was not feasible for most people and liked the other one better. The board also did not want to adjust the cost of the coverage to the employees or dependents.

**6. DISCUSS BUDGET FOR 2020/2021.** Sharon Hillman had adjusted the preliminary

budget she presented last month to include the February financials. She had adjusted the annualized numbers with a 1% increase with also an additional 9% for employee health insurance based on the RAGHT increase. She also reviewed the proposed budget with the staff and revised Field and Admin labor and labor burden. One area of concern is the district's capital project funds. With WIFA loan payments coming due in the new fiscal year and also the requirement to fund the reserve account, the amount we have to spend on capital improvement is less than \$150,000 which is very little. Although tax revenues are increasing, they are still entirely devoted to paying off the loan with Compass Bank. It was found that 20% of our customers use no water and so they only pay the base rate. If we increase the monthly base rate to about \$50 from the current \$42.50, we should be able to put the desired \$300,000 into the capital improvement funds. We will need to have a rate increase hearing along with the budget hearing.

- 7. MOTION TO ADJOURN** Alan Kleinman moved that the meeting be adjourned. Larry Bagshaw seconded the motion. The motion carried unanimously.