

**PINE-STRAWBERRY WATER IMPROVEMENT DISTRICT**

**Regular Meeting**  
**Thursday June 25, 2020 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, Tammy Albright, Sharon Hillman, Forrest McCoy, Alan Kleinman, David Wilson and Larry Bagshaw. A quorum was present. Riley Snow, the district's attorney was also present via phone.

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

May 21, 2020 - Sharon Hillman moved that the minutes be approved with the spelling of Sigeti's name being corrected. Forrest McCoy seconded the motion. It was approved unanimously.

**5. REPORTS TO THE BOARD**

- a. District Attorney's Report – He has not received any updates regarding Ponderosa Water Company. Sharon Hillman asked for the amount he has billed PSWID for time spent in 2019 on Ponderosa Water.
- b. WIFA/EUSI Program Manager's Report – As posted to the website. There was one action item. There is a 50/50 grant available from the USBR for Water Smart programs which might allow PSWID to drill another well. Alan Kleinman moved that the District go ahead with the application. Tammy Albright seconded the motion. The motion carried unanimously.
- c. Chairman's report- As posted to the website.
- d. Treasurer's report – As posted to the website.
- e. Secretary's report – None
- f. District Manager's Report –None.

**6. CALL TO THE PUBLIC**

Maria Gutierrez and her tenant were at the meeting to inquire about whether she needed a back flow device or a double check valve on her property since her tenant had a horse. This was addressed as item 9.V on the agenda.

**7. OLD BUSINESS**

- I. **DISCUSS, HAVE A PUBLIC HEARING, AND TAKE POSSIBLE ACTION FOR FISCAL YEAR 2020/2021 WATER RATES** Bob Arbuthnot. Sharon Hillman moved that the public

hearing be opened. Alan Kleinman seconded the motion. It was approved unanimously. All water customers will have \$3.50 added per month to their water base rate per the new water rate schedule. There was no discussion. Forrest McCoy moved that the board approve the Revised Approved Proposed Water Rate Schedule for 2020/2021. David Wilson seconded the motion. The motion carried unanimously. Larry Bagshaw moved that the public hearing be closed. Forrest McCoy seconded the motion. The motion carried unanimously.

- II. **DISCUSS, HAVE A PUBLIC HEARING, AND TAKE POSSIBLE ACTION FOR FISCAL YEAR 2020/2021 TAX LEVY** Bob Arbuthnot. Sharon Hillman moved the public hearing be opened. David Wilson seconded the motion. The motion carried unanimously. The tax levy will remain the same as last year's rate which is 1.3981, which will raise approximately \$844,362.10 and is dedicated to the loan principal and interest payments to Compass Bank. Alan Kleinman moved that the board approve the tax rate structure remain the same as last year at 1.3981 for the FY 2020/2021 and the Gila Count Treasurer collect \$844,362.10 on behalf of the district. Forrest McCoy seconded the motion. The motion carried unanimously. Forrest McCoy moved that the public hearing be closed. Sharon Hillman seconded the motion. The motion carried unanimously.
- III. **DISCUSS, HAVE A PUBLIC HEARING, AND TAKE POSSIBLE ACTION FOR FISCAL YEAR 2020/2021 BUDGET** Bob Arbuthnot. Alan Kleinman moved the public hearing be opened. David Wilson seconded the motion. The motion carried unanimously. Sharon Hillman had made the following revisions to the proposed budget. She updated the Capital Project Carryforward, the Impact Fees Carryforward, the Sales Tax Revenue and Expense based on the May Budget Report, the Capital Projects/Repairs, and the WIFA Funding and WIFA Capital Projects based on the June disbursement request. Alan Kleinman moved that the board approve the Final Revised Approved Proposed Budget for FY 2020/2021 with the revisions above. Larry Bagshaw seconded the motion. The motion carried unanimously. Forrest McCoy moved the public hearing be closed. David Wilson seconded the motion. The motion carried unanimously.
- IV. **DISCUSS AND TAKE POSSIBLE ACTION REGARDING A GRANT/LOAN APPLICATION WITH THE USDA.** Sharon Hillman. The district was approved for a grant for the Environmental Assessment. The grant will pay \$22,000 and the district will cover \$8000. The district will enter into a contract with Sunrise Engineering for the preparation of the report. We will be unable to complete the USDA application until the EA is completed and uploaded to the application.

## 8. NEW BUSINESS

- I. **DISCUSS AND TAKE POSSIBLE ACTION REGARDING TASK ORDER #2 FOR APACHE UNDERGROUND FOR THE TANNER RALLS PROJECT IN THE AMOUNT OF \$348,988.32.** Sharon Hillman. This will install a water line from Juniper Road from the Tanner Ralls property to Fossil Creek Road at Wagon Wheel and also along Fossil Creek Road from Wagon Wheel to Old Oak Road and will use WIFA Funds. Alan Kleinman moved that the board approve Task Order #2 in the amount of \$348,988.32 to Apache Underground and

Excavating LLC for the Juniper-Tanner Ralls/Fossil Creek-Wagon Wheel waterline replacement project and authorize the Chairman to sign the task order. Tammy Albright seconded the motion. The motion carried unanimously.

- II. **DISCUSS AND TAKE POSSIBLE ACTION REGARDING TASK ORDER #2 FOR APACHE UNDERGROUND FOR THE STRAWBERRY KNOLLS 1 PROJECT IN THE AMOUNT OF \$462,321.49.** Sharon Hillman. This will replace the waterlines and move the meters to the front of the properties in Strawberry Knolls 1 and will use WIFA funds. Forrest McCoy moved that the board approve Task Order #2 in the amount of \$462,321.49 to Apache Underground and Excavating LLC for the Strawberry Knolls 1 waterline replacement project and authorize the Chairman to sign the Task Order. Sharon Hillman seconded the motion. The motion carried unanimously.
- III. **DISCUSS AND TAKE POSSIBLE ACTION REGARDING THE ENGAGEMENT LETTERS WITH HINTONBURDICK FOR JUNE 2020 AUDIT IN THE AMOUNT OF \$19,500.** Sharon Hillman. HintonBurdick have been the auditors for the district for the past three years. The audit fees for this year will be \$19,500. Larry Bagshaw moved that the board approve retaining HintonBurdick for FY 2019/2020 audit and authorize the Chairman and Treasurer to sign the engagement letter. Forrest McCoy seconded the motion. The motion carried unanimously.
- IV. **DISCUSS AND TAKE POSSIBLE ACTION REGARDING APPROVING WIFA MODIFICATIONS NEEDED TO CLOSE OUT 4 PROJECTS FUNDS FOR 6/30/2020 PER SCHEDULE.** Sharon Hillman. Funding modifications are needed to close out four projects that have been completed. Three projects have excess funds and those funds can be transferred to the Canyon Tanks project which was over the budgeted amount. Also funds need to be transferred from the Strawberry Mountain Shadows 1 project in the amount of \$21, 073.66 to the Canyon Tanks project. Forrest McCoy moved that the WIFA Funding Modifications as specified per the June 2020 schedule be approved. Tammy Albright seconded the motion. The motion carried unanimously.
- V. **DISCUSS AND TAKE POSSIBLE ACTION REGARDING CHANGES TO THE RULES AND REGULATIONS A111 SECTION 5.4 & AV SECTION 2.5 CONCERNING SHUT- OFF VALVES, CHECK VALVES, AND BACK FLOW PREVENTION DEVICES.** Jodee Smith. Jodee asked that the board clarify the PSWID requirements for Shut-off Valves, Check Valves, and Backflow Prevention devices and modify the current language in the Rules and Regulations to reflect those requirements accurately. The diagram for Customer side connection to the PSWID service meter was updated, but the language in the rules and regulations did not match that on the diagram. A change was requested for Article III Section 5 Installations to now read “The customer shall furnish and maintain a high quality shut off valve and a brass check valve (or a Back-Flow Prevention Device, if required), on the Customer’s side of the meter approximately 12” from the meter. A suitable and separate

meter box, accessible to the District at all times, shall be provided and installed by the Customer to enclose the valves.” Also Article V Section 2 Customer Responsibilities needed a change. The requested change was modified after a brief board discussion and will now read “The Customer shall furnish and maintain a private shut-off valve and a brass check valve on the Customer’s side of the meter approximately 12” from the meter. In some instances, a customer may be required to install a back-flow prevention device, which requires an annual inspection. (All new services are required to comply with this regulation prior to establishment of service.) [Existing customers are exempt from upgrading their current system unless problems occur (evidence of counter flow, broken pipes, use of the PSWID shut-off valve, etc.) at which time they must bring their system up to PSWID requirements.] THE CUSTOMER SHALL NOT USE THE DISTRICT’S SHUT-OFF VALVE UNDER ANY CIRCUMSTANCES. THE CUSTOMER SHALL BE LIABLE FOR ANY DAMAGES INCURRED IF THEY USE THE DISTRICT’S SHUT-OFF VALVE.” Tammy Albright moved that the wording in the Rules and Regulations AIII 5.4 and AV 2.5 be modified as above. David Wilson seconded the motion. The motion carried unanimously.

Also the handout for Criteria for Backflow Prevention Devices was reviewed. It needed clarification as to whether a Dual Check Valve would suffice rather than a Backflow Prevention Device. After a discussion by the board, it was determined that language would be added to the handout stating that if a dual check valve is installed and fails, a backflow device has to be installed. Tammy Albright moved that the customer could install either a dual check valve or if necessary, a backflow prevention device and that the handout would be modified as above. Alan Kleinman seconded the motion. The motion carried unanimously.

- VI. DISCUSS AND TAKE POSSIBLE ACTION REGARDING THE PREPAYMENT OF PRINCIPAL TO COMPASS BANK.** Sharon Hillman. Since the Federal interest rate has dropped below our loan interest rate and Compass Bank will not modify our loan interest rate without refinancing the loan, Sharon is requesting that we set up a restricted bank account to deposit our \$100,000 additional loan payment amounts into until such time as we will have to only have a small penalty or no penalty to make those payments. Alan Kleinman moved that the Treasurer be authorized to establish another restricted bank account with Compass Bank for additional principal payments. David Wilson seconded the motion. The motion carried unanimously.

**10. IDENTIFY POTENTIAL AGENDA ITEMS FOR THE NEXT SCHEDULED BOARD OF DIRECTORS MEETING ON JULY 23, 2020.**

- a. USDA application update
- b. WIFA update
- c. Review of Pugel's condos to see if he has correctly paid impact fees and connection fees since the board thinks he has gone beyond the terms of his Milk Ranch Well contract.
- d. Review of water sharing agreements and well status.

**11. MOTION TO ADJOURN.** David Wilson moved the meeting be adjourned. Tammy Albright seconded the motion. The motion carried unanimously.

APPROVED