

PINE-STRAWBERRY WATER IMPROVEMENT DISTRICT

Regular Meeting

Thursday October 22, 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. PRAYER

Offered by Larry Bagshaw

4. ROLL CALL OF BOARD MEMBERS

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

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

September 24, 2020 – Sharon Hillman moved that the minutes be approved. Tammy Albright seconded the motion. It was approved unanimously.

6. REPORTS TO THE BOARD

- a. District Attorney's Report –Riley Snow had reviewed the bulk water agreement for Ponderosa Water. It should have a 6 month or annual renewal term included in it.
- b. WIFA/EUSI Program Manager's Report – As posted to the website.
- c. Chairman's report- As posted to the website.
- d. Treasurer's report – As posted to the website.
- e. Secretary's report – Larry Bagshaw wanted to remind the public that the property taxes that are paid are used for improving the district's infrastructure and that the water rates and impact fees cover the district's expenses for producing water. He also mentioned the rates for Ponderosa Water Company per the ADEQ report if all three phases of improvement are implemented.
- f. District Manager's Report –As posted to the website. As part of the report, Ben Rowe, from the field staff gave a presentation on the status of the wells and the production issues.

7. CALL TO THE PUBLIC

None

8. OLD BUSINESS

- I. **DISCUSS, HAVE A PUBLIC HEARING, AND TAKE POSSIBLE ACTION REGARDING A GRANT/LOAN APPLICATION WITH THE USDA.** Sharon Hillman. Sharon Hillman moved that

the public hearing be opened. Tammy Albright seconded the motion. The motion carried unanimously. Sharon then covered the project list and the costs of each project that will make up the loan and grant. Compass Bank will do the bridge loans for the district and the first loan from USDA will pay off the district's loan with Compass and also give the district money to start the projects. The attendees asked a few questions about the loan and projects that will take place over the next five years. Tammy Albright moved that the public hearing be closed. Sharon Hillman seconded the motion. The motion carried unanimously.

II. DISCUSS AND TAKE POSSIBLE ACTION REGARDING AN UPDATE TO PSWID SUPPLYING WATER TO THE PONDEROSA WATER COMPANY.

Robert Arbuthnot. Sharon Hillman and Robert had a phone meeting with ADEQ today. The ACC is requiring that they have meter readings from Ponderosa Water for two months before the connection between the lines can be done. The meters will need to be installed first. It is estimated that the PSWID interconnect to Ponderosa will take place anywhere between March and July.

III. DISCUSS AND TAKE POSSIBLE ACTION REGARDING AN UPDATE WITH COMPASS BANK FOR FINAL PROJECT WIFA FUNDING AND PRELIMINARY FUNDING WITH USDA.

Sharon Hillman. This was resolved earlier today. WIFA agreed to release the funds that were being withheld for the 10% retention so that an interim loan from Compass Bank would not be necessary to complete the final project.

9. NEW BUSINESS

I. DISCUSS AND TAKE POSSIBLE ACTION REGARDING ISSUING AN RFQ TO ADD ENGINEERING SERVICES.

Paul Hendricks. Paul suggested that the district issue an RFQ for engineering services so that some smaller firms could bid on items such as the water system modeling and GIS engineering to support more effective decisions related to the water system. Sharon Hillman moved that the district manager be authorized to issue an RFQ for additional engineering firms. Larry Bagshaw seconded the motion. The motion carried unanimously.

II. DISCUSS AND TAKE POSSIBLE ACTION REGARDING EXTENDING THE CONTRACT WITH EUSI FOR PROGRAM/CONSTRUCTION MANAGEMENT.

Robert Arbuthnot/Paul Hendricks. With the district obtaining the USDA loan, it was recommended that the district extend the contract with EUSI for another five years. Sharon Hillman moved that the district extend its contract with EUSI for another five years. Larry Bagshaw seconded the motion. The motion carried unanimously.

III. DISCUSS AND TAKE POSSIBLE ACTION REGARDING MERGING THE BILLING INTO ONE SINGLE CYCLE AND THE IMPACT ON SOME CUSTOMERS.

Jodee Smith. Jodee had a Power Point presentation about impact of merging the four routes into one route and only doing one

billing per month instead of four. The office staff looked at the possible ways to do with it with the least impact on the customers. Route 1 was the least impacted. Routes 2 and 3 had an additional week or two of the monthly base rate added to their bills. Route 4 did not have any base rate added, but would have higher usage rates for customers that had water usage since it would have a 35 day billing cycle. Kathleen Hemmingsen had submitted a blue comment card and did make some comments about her billing. After a lot of discussion from the board and the customers, it was deemed that the former routes 2 and 3 should have the extra base rate charged refunded. Sharon Hillman moved that route 2 have $\frac{1}{4}$ of the base rate refunded and that route 3 have $\frac{1}{2}$ the base rate refunded. Larry Bagshaw seconded the motion. The motion carried unanimously. The office staff will have to manually make the adjustments for those two routes.

- IV. DISCUSS AND TAKE POSSIBLE ACTION REGARDING THE R.A.G.H.T. TRUSTEES.** Jodee Smith. The current trustees are currently designated as the District Manager and the Benefit Administrator. With the district now having an interim manager and the district not having a staff member with the title of Benefit Administrator, we need to name a new trustee and alternate trustee. It was discussed whether we should name the individuals, or the job titles. With the job titles being under review by the HR committee, Tammy Albright suggested that we use specific names for the trustees. Tammy Albright moved that we update the R.A.G.H.T. Trustee to Jodee Smith and the Alternate Trustee to Morgan Motz. Sharon Hillman seconded the motion. The motion carried unanimously.
- V. DISCUSS AND TAKE POSSIBLE ACTION REGARDING THE 2021 WATER SHARE RATE/CONTRACT RENEWAL.** Jodee Smith. Two contracts are up for renewal. And the current PPI indicates that the new water share rate for 2021 should be \$1.04 per 1,000 gallon, which is up from \$1.03. Sharon Hillman moved that the 2021 water share rate be increased from \$1.03 per 1,000 gallons to \$1.04 per 1,000 gallons for 2021. Larry Bagshaw seconded the motion. The motion carried unanimously. Sharon Hillman moved that the water share contracts with Larry Gordon and Solitude Trails WID be renewed for another 4 years. Tammy Albright seconded the motion. The motion carried unanimously.
- VI. DISCUSS AND TAKE POSSIBLE ACTION REGARDING AUTHORIZING AN EXTENSION TO APACHE UNDERGROUND TO THEIR JOC CONTRACT. THIS INCLUDES CHANGE ORDER #2 FOR \$68,968 FOR THE STRAWBERRY KNOLLS PROJECT.** Robert Arbuthnot. It is suggested that the district issue a second extension of the JOC contract with Apache Underground for one additional year and supplemental periods to a maximum of 48 months. Also the Strawberry Knolls Water Line Project, which Apache is

doing, needs approval of a change order for \$68,635.00. Larry Bagshaw moved that the board approve the second extension of the JOC contract with Apache Underground and ratify Change Order #2 for \$68,635.00 for the Strawberry Knolls 1 waterline project. Tammy Albright seconded the motion. The motion carried unanimously.

- VII. DISCUSS AND TAKE POSSIBLE ACTION REGARDING IMPACT FEES AND/OR METER FEES FOR PONDEROSA CUSTOMERS WANTING TO CONNECT DIRECTLY TO PSWID.** Robert Arbuthnot. Several residents along Fossil Creek Road that currently have service from Ponderosa Water would like to be hooked up to PSWID and were requesting that a payment plan for the impact fees. Currently the PSWID Rules and Regulations require the upfront payment of all impact and connection fees. Board members were not sure if it is legal to have impact fees paid over time. It was suggest that we have the district’s attorney look into the legality of the issue. Sharon Hillman moved that the board table this until the attorney research the legality of it. Larry Bagshaw seconded the motion. The motion carried unanimously.
- VIII. DISCUSS AND TAKE POSSIBLE ACTION REGARDING OBTAINING AN EASEMENT FROM STODGHILL EXCAVATING FOR A VAULT ON THEIR PROPERTY ON WAGON WHEEL IN EXCHANGE FOR TWO METER CONNECTIONS.** Robert Arbuthnot. Ms. Stodghill was responsible for working this out with the district and she will be unavailable until November. Robert has an appointment with her on November 2.
- IX. DISCUSS AND TAKE POSSIBLE ACTION REGARDING THE ACCEPTANCE OF THE FY 2019/2020 AUDIT REPORT FROM HINTON BURDICK.** Sharon Hillman. The audit report had no recommendations as all records reviewed follow the Rules and Regulations and Internal Controls. Sharon Hillman moved that the 2020 Audit Report be accepted as presented. Larry Bagshaw seconded the motion. The motion carried unanimously.
- X. DISCUSS AND TAKE POSSIBLE ACTION REGARDING REPLACING THE DISTRICT MANAGER.** Alan Kleinman. With the loss of the district manager, the board will need time to seek a new general manager. Robert Arbuthnot has agreed to resign as Chairman of the Board, and also from the board, so he can become the interim manager. Sharon Hillman moved that the board accept the resignation of Robert Arbuthnot as Chairman for 2020 and retain him as interim General Manager for a period of 6 months beginning November 1, 2020 upon his resignation from the board as chairman in 2020 and the remain of his current term and for the 2021-2025 term. Tammy Albright seconded the motion. He will need to notify the county of his resignation. Sharon nominated Alan Kleinman to be the new chairman and Tammy Albright to be the new vice chairman. She then made the motion that Alan Kleinman be named chairman and Tammy Albright be vice chairman.

Larry Bagshaw seconded the motion. The motion carried unanimously.
Alan will need to be authorized as a check signer.

II. IDENTIFY POTENTIAL AGENDA ITEMS FOR THE NEXT SCHEDULED BOARD OF DIRECTORS MEETING ON NOVEMBER 19, 2020.

- a. USDA Grant/Loan update.
- b. Update on Ponderosa Water/ADEQ Grant.
- c. Legality of time payments for impact fees.
- d. Easement from Stodghill
- e. Search for and appointment of new board member.

11. MOTION TO ADJOURN. Tammy Albright moved the meeting be adjourned. Sharon Hillman seconded the motion. The motion carried unanimously.

APPROVED