

## PINE-STRAWBERRY WATER IMPROVEMENT DISTRICT

### Regular Meeting

Thursday February 25, 2021 at 4:00 p.m.

PSWID Administrative Office

6306 W Hardscrabble Rd.

Pine, AZ 85544

#### 1. CALL TO ORDER

Alan Kleinman called the meeting to order at 4:04 p.m.

#### 2. PLEDGE OF ALLEGIANCE

Led by Alan Kleinman

#### 3. PRAYER

Offered by Tammy Albright

#### 4. ROLL CALL OF BOARD MEMBERS

Conducted by Alan Kleinman: Board members present: Alan Kleinman, Sharon Hillman, Tammy Albright, Roger Childers, Raymond Headings, George Gorkowski and Larry Bagshaw. A quorum was present. Riley Snow, the district's attorney and Paul Hendricks were present. Robert Arbutnot, the general manager, was also present.

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

Nov. 19 Regular and Special Board Meetings, Dec. 17 Special Board Meeting, and Jan. 13 Special Board Meeting – Sharon Hillman moved that these be tabled until the March meeting. George Gorkowski seconded the motion. The motion carried unanimously.

#### 6. REPORTS TO THE BOARD

- a. WIFA/EUSI Program Manager's Report – As posted to the website.
- b. Treasurer's report – As posted to the website.
- c. Secretary's report – none
- d. General Manager's Report –As posted to the website.
- e. District Attorney's Report –No report.
- f. Chairman's report – As posted to the website.
- g. Personnel Advisory Group Report – Tammy Albright requested that if the board members have any changes to make to the Corrective Action Policy to let her know.

#### 7. CALL TO THE PUBLIC

None

#### 8. OLD BUSINESS

- I. **DISCUSS AND TAKE POSSIBLE ACTION REGARDING AN UPDATE ON THE USDA GRANT/LOAN.** Sharon Hillman. The team is continuing to work on the letter of conditions. About 75% of the required items are completed. WIFA has 1% Design loans available for the first phase of the USDA loan and would be cheaper than doing

interim financing through BBVA. We can use BBVA for the second phase. Sharon Hillman moved that the board approve the Phase One funding with USDA in the amount of \$5,040,000. Larry Bagshaw seconded the motion. The motion was approved unanimously. This will pay off the existing BBVA loan with is just under \$4,000,000 and leave enough funding to cover the engineering costs for the first seven projects previously approved by the board.

## 9. NEW BUSINESS

- I. **DISCUSS AND TAKE POSSIBLE ACTION REGARDING THE WATER LEAK IN PORTALS III.** Robert Arbuthnot. The district was able to locate a substantial leak on Juniper Loop yesterday and repaired it today. The field staff will recheck the meter readings in the area and look for other leaks. Quite a few residents from Portals III attended the meeting. Mr. R Roach, Ms. Pam Mason, Mr. Z Andras, and Mr. D Huber all addressed the issue with the leak and expressed their total disgust that it has taken two months to locate it. They also are upset that as a result, two basements flooded, the ground is saturated, and a pine tree fell due to the wet ground and nearly hit Andras' house. The complete conversation can be heard on the audio recording of the meeting.
- II. **DISCUSS AND TAKE POSSIBLE ACTION REGARDING INTERIM FINANCING FROM BBVA FOR THE USDA LOAN.** Sharon Hillman. BBVA wants a floating interest rate between 2 and 3% for their interim financing. We had asked for a waiver of the interim financing from USDA, but they will not grant the waiver. BBVA also has not made any determination as to whether they are going to waive the prepayment penalty for payoff of the current loan balance.
- III. **DISCUSS AND TAKE POSSIBLE ACTION REGARDING A POTENTIAL WIFA DESIGN LOAN APPLICATION FOR USDA ENGINEERING.** Sharon Hillman. Sharon found out that we can obtain a WIFA Design loan at 1% interest and save several thousand dollars in finance fees by not using BBVA for the interim financing for the design loans. Sharon Hillman made a motion that the board apply for funding with WIFA for a design loan. Larry Bagshaw seconded the motion. The motion carried unanimously.
- IV. **DISCUSS AND TAKE POSSIBLE ACTION REGARDING THE EUSI OPERATOR OF RECORD CONTRACT.** Robert Arbuthnot. ADEQ reclassified PSWID's system from a level 2 to a level 3 and will not change it back since we have fire hydrants, even though they cannot be used for fire suppression, only flushing. We lost our operator of record when the former District manager left. Our operations supervisor is a level 2 and is working on getting level 3 certification. EUSI has proposed that they provide the services to us until this is accomplished. The cost will be \$3,985 per month. Larry Bagshaw moved that the board approve the contract with EUSI for Operator of Record services retroactive to October 2020

until PSWID staff can get the level 3 certification. Tammy Albright seconded the motion. The motion carried unanimously. Robert Arbuthnot also mentioned that the Arizona Rural Water Users Association has an internship program that could help us hire and train employees and get their certifications. He will look into it.

- V. DISCUSS AND TAKE POSSIBLE ACTION REGARDING THE EPS USDA ENGINEERING CONTRACT FOR THE WHISPERING PINES ROAD PROJECT.** Sharon Hillman. EPS Group has provided the district the USDA contract for engineering for the Whispering Pines project in the amount of \$136,350 base fee. Sharon Hillman moved that the board approve the EPS engineering contract for the project in the amount of \$136,350 pending funding availability. Larry Bagshaw seconded the motion. The motion carried with Alan Kleinman recusing himself.
- VI. DISCUSS AND TAKE POSSIBLE ACTION REGARDING THE EPS USDA ENGINEERING CONTRACT FOR THE COOL PINES PHASE A PROJECT.** Sharon Hillman. EPS Group has provided the district the USDA contract for engineering for the Cool Pines Project in the amount of \$132,850 base fee. Sharon moved that the board approved the EPS engineering contract for the project in the amount of \$132,850 pending funding availability. Larry Bagshaw seconded the motion. The motion carried with Alan Kleinman recusing himself.
- VII. DISCUSS AND TAKE POSSIBLE ACTION REGARDING THE EPS USDA ENGINEERING CONTRACT FOR THE PINE MOUNTAIN ACRES/PINION PROJECT.** Sharon Hillman. No information has been received on this yet.
- VIII. DISCUSS AND TAKE POSSIBLE ACTION REGARDING THE EPS USDA ENGINEERING CONTRACT FOR THE WHITE OAK/CEDAR MEADOWS PROJECT.** Sharon Hillman. No information has been received on this yet.
- IX. DISCUSS AND TAKE POSSIBLE ACTION REGARDING THE SUNRISE USDA ENGINEERING CONTRACT FOR WOODLAND HEIGHTS PHASES A, B, & C PROJECT.** Sharon Hillman. Sunrise Engineering has provided the district the USDA contract for engineering for the Woodland Heights Phases A, B, and C Projects in the amount of \$439,900 base fee and other options. Sharon moved that the board approve the Sunrise Engineering contract for the Woodland Heights Project in the amount of \$439,900 pending funding availability. Larry Bagshaw seconded the motion. The motion carried unanimously.
- X. DISCUSS AND TAKE POSSIBLE ACTION REGARDING THE ON-CALL ENGINEERING STATEMENTS OF QUALIFICATIONS.** Sharon Hillman. Paul Hendricks addressed the need for more on-call engineers since one of our current three has been non-responsive. Sharon Hillman moved that the board approve an RFQ for additional On-Call Engineers. Larry Bagshaw seconded the motion. The motion carried unanimously.

**10. IDENTIFY POTENTIAL AGENDA ITEMS FOR THE NEXT SCHEDULED BOARD OF DIRECTORS MEETING ON MARCH 25, 2021.**

- I. Corrective Action Policy
- II. USDA Update
- III. EPS Engineering contracts for Pine Mountain Acres/Pinion and White Oak/Cedar Meadows USDA projects
- IV. RAHGT insurance increase
- V. Approval on prior minutes
- VI. Rate Study
- VII. Update on all wells and Aero Drilling.

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

APPROVED