

PINE-STRAWBERRY WATER IMPROVEMENT DISTRICT

Regular Meeting

Thursday May 27, 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 4:00 p.m.

2. PLEDGE OF ALLEGIANCE

Led by Alan Kleinman

3. PRAYER

Offered by Larry Bagshaw in the prior study session.

4. ROLL CALL OF BOARD MEMBERS

Conducted by Alan Kleinman: Board members present: Alan Kleinman, Sharon Hillman, Tammy Albright, Raymond Headings, George Gorkowski and Larry Bagshaw. A quorum was present. Paul Hendricks, EUSI, was also present.

5. PRESENTATION TO ROSEMARY MCCOY Alan Kleinman presented a plaque to Rosemary with a picture of Forrest McCoy and a message thanking him for his service to PSWID as a board member. An identical plaque will be hung in the foyer.

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

April 22, 2021 Regular Board Meeting:

May 13, 2021 Special Session: Sharon Hillman moved that both the sets of minutes be approved. George Gorkowski seconded the motion. The motion passed unanimously.

7. 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 – As posted to the website
- d. General Manager's Report –Alan Kleinman combined this and his chairman's report. The field staff is still trying to find leaks in Portals III. There is still a 14 gpm leak. They, in conjunction with Alliant Gas, put in bypass lines in one area where there was a leak. They also found another small leak and repaired it.
- e. District Attorney's Report –none
- f. Chairman's report – see above.
- g. Personnel Advisory Group Report – Tammy Albright reported that there needed to be an executive session to cover anything they had.

8. CALL TO THE PUBLIC

Julia Bode commented on the things that were not agendized that were done in the Special Session on May 13. She accused the board of inappropriate behavior and levity.

9. 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. The documents for the deep well in Strawberry were received, signed, and returned to USDA. The USDA executed documents were received back to the District. The current plan is to close the \$5 M loan and the \$1.97M well loan/grant in June with the BBVA debt being paid off. USDA gave the District a \$499,071 grant to apply to the well project. This will provide the District with funds for program management fees, legal fees, as well as the WIFA Design Loan interest payments. The WIFA Design Loan was approved, and loan documents have been received. The required documents from the District have been submitted and the expected closing date is June 4, 2021 with funds being available July 1, 2021.

II. DISCUSS AND TAKE POSSIBLE ACTION REGARDING PURCHASING AN EXTENDED WARRANTY AND A PREVENTIVE SERVICE MAINTENANCE AGREEMENT FOR THE NEW BOBCAT MINI EXCAVATOR. Alan Kleinman. The extended warranty will cost \$4800 and the preventive service maintenance contract will cost \$11,600. Sharon Hillman moved that these items not be purchased. Larry Bagshaw seconded the motion. The motion carried unanimously.

III. DISCUSS AND TAKE POSSIBLE ACTION REGARDING HIRING A NEW GENERAL MANAGER. Alan Kleinman. Alan proposed that an offer letter be prepared, sent to the board for approval, and then the offer be extended to the selected candidate. Tammy Albright moved that this be done. George Gorkowski seconded the motion. The motion was approved unanimously.

10. NEW BUSINESS

I. DISCUSS AND TAKE POSSIBLE ACTION REGARDING RETAINING DEAN SHAFFER AS A CONSULTANT WITH AN INITIAL COST OF \$5,000 RETAINER FEE. Alan Kleinman. Dean has 31 years of experience working on Pine/Strawberry water systems and would be of great support to the new general manager. Sharon Hillman moved that the Chairman and District Counsel be authorized to retain Dean Schaffer as a consultant. Larry Bagshaw seconded the motion. The motion carried unanimously.

II. DISCUSS AND TAKE POSSIBLE ACTION REGARDING ISSUING A CONTRACT TO TALLYHO ENGINEERING FOR THE PINE CREEK 2 WATERLINE DESIGN IN THE AMOUNT OF \$17,930.00. Sharon Hillman. The district requested a proposal from Tallyho Engineering and Consulting for the Pine Creek 2 waterline project. They will complete all phases of the engineering process to the AOC from ADEQ in the

amount of \$17,930.00. George Gorkowski moved that the proposal from Tallyho Engineering for the Pine Creek 2 project in the amount of \$17,930.00 be approved and the Chairman be authorized to sign the document. Raymond Headings seconded the motion. The motion carried unanimously.

III. DISCUSS AND TAKE POSSIBLE ACTION REGARDING THE 2021/2022 BUDGET.

Sharon Hillman. The budget advisory group met and reviewed the proposed budget for the next fiscal year. All Items were calculated using the district's first 10 months of revenue and expenses annualized to 12 months. In addition, a 1.5% increase in both has been added. This budget also includes the wages for current and extra field staff as well as the 3% increase for all. Tammy Albright mentioned that we had cut back the base rate increase last year from \$7 to \$3.50, and that the board had agreed to review annual rate increases and make incremental ones. She suggested that the board add a \$5.00 base rate increase across all the base rates. She then moved that the board approve the preliminary 2021/22 budget with a \$5 increase to the base rate. George Gorkowski seconded the motion. The motion carried unanimously. The proposed budget will be published in the Roundup twice.

IV. DISCUSS AND TAKE POSSIBLE ACTION REGARDING RATE CHANGES AND ADDITIONS.

Sharon Hillman. The district is performing various services for customers that are not on the current miscellaneous fees schedule. Changes and additions are needed for the following: Meter data log/field test, meter bench test, meter reinstall fee, replace meter box, relocate or change meter elevation, hourly technician fee, failure to establish service fee, adding additional pipeline greater than 4 feet from meter, and parts fee. These will be published in the Roundup twice. Tammy Albright moved that these proposed additions and modifications to the miscellaneous fee schedule for FY 21/22 be approved and also include the \$5.00 addition to the base rate as approved in item 10.III. Sharon Hillman seconded the motion. The motion carried unanimously.

V. DISCUSS AND TAKE POSSIBLE ACTION REGARDING ISSUING AN AUDITOR ENGAGEMENT LETTER.

Sharon Hillman. HintonBurdick have been the auditors for the district for the last 4 years. We have received the engagement letter for this year's audit and the fee will remain at \$19,500. Sharon Hillman moved that the board approve retaining HintonBurdick for the FY 2021 audits and authorize the chairman and treasurer to sign the engagement letter. Larry Bagshaw seconded the motion. The motion carried unanimously.

VI. DISCUSS AND TAKE POSSIBLE ACTION REGARDING SETTING UP A SYSTEM FOR MONTHLY REPORTS ON THE DISTRICT'S WELLS.

Larry Bagshaw. Larry moved that both items 10.VI and 10.VII be tabled since not all the information necessary was available at this time. Sharon Hillman seconded the motion. The motion carried unanimously.

VII. DISCUSS AND TAKE POSSIBLE ACTION REGARDING SETTING UP A SYSTEM FOR FOLLOWING UP ON CUSTOMER COMPLAINTS.

Larry Bagshaw. Tabled.

VIII. DISCUSS AND ACCEPT THE RESIGNATION OF SHARON HILLMAN AND APPOINT A NEW TREASURER. Alan Kleinman. Sharon has submitted her resignation to the board and the County to be effective May 31, 2021. George Gorkowski moved that the board give Sharon a vote of thanks for her service. Larry Bagshaw seconded the motion. The motion carried unanimously. A new treasurer will be appointed in an executive session on June 3.

IX. DISCUSS AND TAKE POSSIBLE ACTION REGARDING APPOINTING A SUBSTITUTE SECRETARY. Larry Bagshaw. Larry has asked that a substitute secretary be appointed to cover for him in case of his absence from a board meeting. Alan Kleinman suggested that Raymond Headings be appointed substitute secretary. George Gorkowski moved that Raymond Heading be appointed substitute secretary. Tammy Albright seconded the motion. The motion carried unanimously. Larry will meet with Ray to provide him the information and training.

11. IDENTIFY POTENTIAL AGENDA ITEMS FOR THE NEXT SCHEDULED BOARD OF DIRECTORS MEETING ON JUNE 24, 2021.

- I. USDA Update
- II. Setting up a system for monthly reports on the district's wells.
- III. System for following up on customer complaints.
- IV. Executive session on June 3
- V. Public hearings for taxes rates, and 2021/2022 budget.

12. MOTION TO ADJOURN. Sharon Hillman moved the meeting be adjourned. Raymond Headings seconded the motion. The motion carried unanimously.