

PINE-STRAWBERRY WATER IMPROVEMENT DISTRICT

Regular Meeting

Thursday Oct. 28, 2021 at 4:00 p.m.

PSWID Administrative Office

6306 W Hardscrabble Rd.

Pine, AZ 85544

1. CALL TO ORDER

Raymond Headings called the meeting to order at 4:05 p.m.

2. PLEDGE OF ALLEGIANCE

Conducted in prior meeting

3. PRAYER

Offered in prior meeting

4. ROLL CALL OF BOARD MEMBERS

Conducted by Raymond Headings: Board members present: Roger Childers, Raymond Headings, Cory Ellsworth and Larry Bagshaw. A quorum was present. Paul Hendricks, EUSI, David Dickinson, the General Manager, and Sharon Hillman, the Finance Manager were also present. Riley Snow, the district's attorney was present via Go To Meeting.

5. CALL FOR MOTION TO APPROVE MINUTES OF THE FOLLOWING MEETING(S):

Sept. 223, 2021 Regular Meeting Roger Childers moved the minutes be approved. Cory Ellsworth seconded the motion. The motion carried unanimously.

6. REPORTS TO THE BOARD

- a. WIFA/EUSI Program Manager's Report and General Manager's Report – As posted to the website.
- b. Finance Manager's Report – As posted to the website.
- c. Treasurer's report – As posted to the website.
- d. Secretary's report – none.
- e. District Attorney's Report –none
- f. Chairman's report – As posted to the website
- g. Personnel Advisory Group Report – none

7. CALL TO THE PUBLIC

Zslot Andras was on Go To Meeting to address item 8I with the board.

8. OLD BUSINESS

- I. **DISCUSS AND TAKE POSSIBLE ACTION REGARDING THE DISTRICT REIMBURSING ZSLOT ANDRAS FOR HIS FLOODED BASEMENT EXPENSES.** David Dickinson. The board reviewed the itemized list which totaled over \$30,000 during the executive session prior to this meeting and reached a consensus that the district should offer Mr. Andras \$7000 for the

damages caused by the PSWID leak. Both his insurance company and the district's declined to cover any of the expenses. He was grateful for any reimbursement, but thought it should be more and cover the cost of putting in a new French drain and the removal of the pine trees that had uprooted due to the saturated soil. Pam Mason, his neighbor, was also on Go To Meeting and said that the district should pursue more avenues to get money to reimburse Mr. Andras. The developer and the builder (who is deceased) can no longer be contacted. Portals 3 was built in the 1980s. The utility installation for the subdivision with the electric, gas, and water lines all in the same trench was problematic and the water line connections were not good and leak often. She suggested that we should check with the county and the AZ State Insurance Department. After further discussion, Cory Ellsworth moved to table this item until next month. Larry Bagshaw seconded the motion. The motion carried unanimously.

9. NEW BUSINESS

- I. **DISCUSS AND TAKE POSSIBLE ACTION REGARDING APPLYING FOR INTERIM FINANCING WITH PNC BANK AND WIFA FOR THE USDA PROJECTS FOR APPROXIMATELY \$17.5M.** Sharon Hillman. The district is required to secure interim financing for the USDA funding program. The construction and related other costs is estimated to be about \$17.5M of the total funding. In a recent conversation with WIFA staff regarding this financing, they indicated they will provide this lending and hold the interest at 1%. The application needs to be submitted as soon as possible to get on the February 2022 board meeting agenda. A resolution that Sharon provided is required for the application process and needs board approval. Larry moved that the board approve the resolution to apply for a WIFA Drinking water State Revolving Fund Construction loan. Roger Childers seconded the motion. The motion carried unanimously.
- II. **DISCUSS AND TAKE POSSIBLE ACTION REGARDING PURCHASING WELL SOUNDING EQUIPMENT NOT TO EXCEED \$49,500.** David Dickinson. The district needs to purchase sensors for water levels in the wells to track the levels. The sensors will replace the process of field staff sounding the wells. In-Situ Inc. has provided a quote for a large order of well sensors for the most important district wells at this time for a little over \$48,000. There is money in the capital improvement budget for this purchase. Roger Childers asked about the warranty for the sensors and their life expectancy. David will check on the warranty, but said the life expectancy should be about 10 years. Larry Bagshaw moved that the district purchase the sensors as listed on the quote not to exceed \$50,000. Cory Ellsworth seconded the motion. The motion carried unanimously.
- III. **DISCUSS AND TAKE POSSIBLE ACTION REGARDING PURCHASING A PUMP TRUCK NOT TO EXCEED \$80,000.** David Dickinson. Currently the district is pulling about 1 or 2 wells per month at a cost of \$1500 to \$3000 each. It is becoming increasingly difficult to schedule outside companies to do this for the district in a timely manner. David would like to pursue information gathering on costs of buying a pump truck for the district. It was suggested that due to the cost of a used truck, that this would need to go out to bid, unless the state, county, or a

city had a contract which the district could use to purchase a new truck at a lower cost. There are currently no funds in the budget for this purchase, but might be when the BBVA loan is paid off with the USDA funds. Larry Bagshaw moved that David be allowed to research purchasing a well pump truck. Roger Childers seconded the motion. The motion carried unanimously.

IV. DISCUSS AND TAKE POSSIBLE ACTION REGARDING UNMETERED TAPS...CONSIDER A NOTIFICATION, BILLING OR OTHER FOR AN AMNESTY PROGRAM TO END ON A SPECIFIED DATE, AFTER THAT IF WE FIND AN UNMETERED CONNECTION THE COSTS ARE AS FOLLOWS...LABOR AND MATERIALS TO CORRECT THE ISSUE, PLUS MONTHLY BASE RATE FEE BACK TO THE TIME THE WATER MAIN WAS INSTALLED BASED ON OUR RECORDS. David Dickinson. The field staff has found three illegal hookups and has disconnected them. They expect to find more. David would like to offer the owners of these properties an amnesty program through the end of the year to resolve these connections. Afterward, the above costs will be charged to the customer if they have an unmetered connection to PSWID water lines. The information on the amnesty program will be posted on the website, mailed or emailed to the customer. It will also be attached at the end of these minutes. Larry Bagshaw moved that the district offer an amnesty program to customers with illegal hookups until the end of the year and that the notifications go out as outlined. Cory Ellsworth seconded the motion. The motion carried unanimously.

V. DISCUSS AND TAKE POSSIBLE ACTION REGARDING RAISING THE DEPRECIATION MINIMUM FOR PUMPS TO \$7,500 FROM 5K. Sharon Hillman. Currently the district is capitalizing purchases over \$5,000 and several well pumps fall into that category. They are currently being depreciated over 5 years and many of them will not last that long before having to be replaced. She would like to increase the capitalization amount to \$7,500, so that the majority of the pumps can be infrastructure repairs instead of recording them as assets that are removed within the 5 year period. Larry Bagshaw moved that the district increase the asset capitalization policy to items over \$7,500 and above purchases. Roger Childers seconded the motion. The motion carried unanimously.

10. IDENTIFY POTENTIAL AGENDA ITEMS FOR THE NEXT SCHEDULED BOARD OF DIRECTORS MEETING ON DECEMBER 2, 2021.

- I. Update on metrics
- II. Zslot Andras reimbursement
- III. Purchase of a pump truck
- IV. Update on the moratorium

11. MOTION TO ADJOURN. Larry Bagshaw moved the meeting be adjourned. Roger Childers seconded the motion. The motion carried unanimously.



UNMETERED WATER CONNECTION AMNESTY PROGRAM

All,

The Pine Strawberry Water Improvement District is extending amnesty to anyone who wishes to identify any unmetered water connections until December 31st 2021.

After December 31st 2021 we will begin locating all unmetered connections and assess back charges of the monthly base rate, retroactive to the date the current homeowner purchased the land, or when the water main was installed, whichever comes first.

Thank you ahead of time,
David Dickinson
PSWID General Manager

APPROVED