

**PINE-STRAWBERRY WATER IMPROVEMENT DISTRICT**

**Public Hearing/Regular Meeting**  
**Thursday June 29, 2023, at 4:00 p.m.**  
**PSWID Administrative Office**  
**6306 W Hardscrabble Rd.**  
**Pine, AZ 85544**

**1. CALL TO ORDER**

Cory Ellsworth called the meeting to order at 4:00 p.m.

**2. PLEDGE OF ALLEGIANCE** Conducted by Cory Ellsworth

**3. PRAYER** Offered by Cory Ellsworth

**4. ROLL CALL OF BOARD MEMBERS**

Conducted by Cory Ellsworth: Board members present: Cory Ellsworth, Sharon Hillman, George Gorkowski, Victor Tayao, Steve Bowen, and Larry Bagshaw. A quorum was present. Paul Hendricks, EUSI, was also present. Steve Wene, the district's attorney, was present via Go to Meeting.

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

April 27May 25,2023 – Regular Meeting

Sharon Hillman moved the minutes be approved. Steve Bowen 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. Vice Chairman's report – As posted to the website.
- d. Secretary's report – None.
- e. District Attorney's Report –Steve Wene deferred until the agenda item that reported on the executive session items.
- f. Chairman's report – None.

**7. COMMENTS FROM THE PUBLIC**

None

**8. OLD BUSINESS**

**I. DISCUSS, HAVE A PUBLIC HEARING, AND TAKE POSSIBLE ACTION FOR FISCAL YEAR 2023/24 WATER RATES**

Motion to open public hearing. Sharon Hillman moved the public hearing be opened. Larry Bagshaw seconded the motion. The motion carried unanimously.

The increase to the tier and base rates will be 3% as per the RCAC Rate Study previously approved by the board. The rate schedule was presented and published twice in the Roundup.

Sharon Hillman moved 2023/2024 water rates be approved per the rate schedule. George Gorkowski seconded the motion. The motion carried unanimously.

Motion to close public hearing. Sharon Hillman moved the hearing be closed. Cory Ellsworth seconded the motion.

**II. DISCUSS, HAVE A PUBLIC HEARING, AND TAKE POSSIBLE ACTION FOR FISCAL YEAR 2023/2024 TAX LEVY**

Motion to open public hearing. Sharon Hillman moved the hearing be opened. Larry Bagshaw seconded the motion. The motion carried unanimously.

The tax rate will remain the same at the rate of 1.3981. The projected revenue will be \$966,015.38 and is dedicated to loan principal and interest payments.

Sharon Hillman moved to approve the 2023/2024 tax levy at 1.3981 and the Gila County Treasurer to collect \$966,015.38 on behalf of the district. Larry Bagshaw seconded the motion. The motion carried unanimously.

Motion to close public hearing. Sharon Hillman moved the hearing be closed. Victor Tayao seconded the motion. The motion carried unanimously.

**III. DISCUSS, HAVE A PUBLIC HEARING, AND TAKE POSSIBLE ACTION FOR FISCAL YEAR 2023/24 BUDGET**

Motion to open public hearing. Sharon Hillman moved the hearing be opened. Larry Bagshaw seconded the motion. The motion carried unanimously.

The budget was calculated using the district's first 11 months of revenue and expenses annualized to 12 months and includes 3% income and expenses increases per the Rate Study.

Sharon Hillman moved to approve the 2023/2024 budget effective July 1, 2023. George Gorkowski seconded the motion. The motion carried unanimously.

Motion to close public hearing. Sharon Hillman moved the hearing be closed. Larry Bagshaw seconded the motion. The motion carried unanimously.

**IV. DISCUSS AND TAKE POSSIBLE ACTION REGARDING THE WATER SHARE ANNUAL ADJUSTMENTS BASED ON THE CURRENT PRICE OF \$1.05 PER 1,000 GALLONS.** Kristi Allen.

The cost to maintain the water shares has not been affected by inflation and it is recommended that the district keep the water share price at \$1.05 per 1000 gallons.

Sharon Hillman moved that the district keep the water share price the same. Larry Bagshaw seconded the motion. The motion carried unanimously.

**V. DISCUSS AND TAKE POSSIBLE ACTION REGARDING THE INTERCONNECT TO THE PONDEROSA WATER COMPANY.** Sharon Hillman.

The district approved the construction of the interconnect at meetings on November 19, 2020, and September 2, 2021. The interconnect was completed in June 2022 and PSWID provided meters to

Ponderosa Water to be installed. The meters were installed and have been read for several months. Ponderosa Water filed a rate increase request with the ACC in early June 2023, but PSWID's attorney says that the request is inadequate and will probably take at least a year for approval. There was a draft agreement to sell PSWID water to Ponderosa, but it was never approved nor executed. Due to the moratorium, no water is being sold to anyone but PSWID customers. There will be no action taken until the moratorium is released and the Ponderosa Water Company receives their ACC rate increase approval.

**VI. DISCUSS AND TAKE POSSIBLE ACTION REGARDING THE STRAWBERRY HOLLOW DUES ISSUE.** Steve Wene. The district and attorney have not had any feed back from the HOA regarding this.

**VII. DISCUSS AND TAKE POSSIBLE ACTION REGARDING ITEMS ADDRESSED IN THE EXECUTIVE SESSION HELD ON WEDNESDAY, JUNE 28,2023.** Steve Wene

1. WILSON DAMAGES CLAIM The board approved settling this matter at the terms discussed in the executive session.
2. HALPARIN JAMES POSITION ON NEW WELL SITE MATTER. The board approved Mr. Wene to contact their attorney to discuss this and allow them, if they decide to sue, to serve the suit to the attorney.
3. NELSON EEOC CLAIM. The board approved this to go to mediation.
4. MILK RANCH WELL. Vehicles, boats, and trailers are parked on the district's easements and property and are impeding access to the wells. The board will have the Gila County Sheriff's Office look into the ownership of the items and possibly have them towed.
5. COMMUNITY ISSUES/LITIGATION. Mr. Wene investigated the claims and allegations against the district. He has drafted a report about 13 issues which he will finalize for public release. Since this has taken considerable time on his part, it is costing the district a lot of money.

**VIII. DISCUSS AND TAKE POSSIBLE ACTION REGARDING THE COMMUNITY RELATIONS COMMITTEE MEETING.** Victor Tayao. The committee members have been confirmed and there will be a meeting in July. There has been progress made in improving the website. There is better visibility and agendas and minutes are now searchable. The comment card form is ready to go live. The FAQs are being worked on now. There has been a suggestion to have pictures and bios of the board members. Victor moved that the meeting room doors be opened to the public 10 minutes prior to meetings. Steve Bowen seconded the motion. The motion carried unanimously.

## **9. NEW BUSINESS**

- I. DISCUSS AND TAKE POSSIBLE ACTION REGARDING A PROPOSAL FOR DESIGN SERVICES FOR THE STRAWBERRY VIEW 3 TANK AND BOOSTER STATION CHANGE ORDER WITH GEO-LOGIC ASSOCIATES IN THE AMOUNT OF \$81,860.** Sharon Hillman. Sharon Hillman moved that this item be tabled. Larry Bagshaw seconded the motion. The motion carried unanimously.

- II. DISCUSS AND TAKE POSSIBLE ACTION REGARDING PURCHASING A NEW VACUUM TRAILER IN THE RANGE OF \$40 TO \$50K.** Kristi Allen. Due to new information regarding the cost of replacing the trailer, Sharon Hillman moved that this be tabled. George Gorkowski seconded the motion. The motion carried unanimously.
  
- III. DISCUSS AND TAKE POSSIBLE ACTION REGARDING THE LEAKS IN THE WATERLINE ON PINE CONE TRAIL.** Steve Bowen. Steve was notified about one month ago that there had been 7 leaks in the last two years along the road. There is inadequate pipeline along about 600 feet of the road that needs to be upgraded and replaced. It affects 9 homes. The district is looking into the issue.
  
- IV. DISCUSS AND TAKE POSSIBLE ACTION REGARDING VEHICLES AT PINE CREST LOT 25.** Steve Wene. There were abandoned vehicles parked on the lot. The Gila County Sheriff's Department looked at them and they will be towed from the property.

**9. IDENTIFY POTENTIAL AGENDA ITEMS FOR THE NEXT SCHEDULED BOARD OF DIRECTORS MEETING ON JULY 27, 2023.**

- I. Attorney's Investigation report
- II. Purchase of the Vacuum Trailer
- III. Design services for the Strawberry View 3 tank and booster station

**10. ADJOURNMENT.** Steve Bowen moved the meeting be adjourned. Sharon Hillman seconded the motion. The motion carried unanimously.