

Pine-Strawberry Water Improvement District ("PSWID")

REGULAR MEETING MINUTES

of the Board of Directors at the following time and place:

Thursday, May 28, 2026, 4:00 p.m.

Pine-Strawberry Water Improvement District Administration Building

6306 W. Hardscrabble Mesa Road, Pine, Arizona 85544

REGULAR MEETING MINUTES

1. CALL TO ORDER – Cory Ellsworth at 4:04PM
PLEDGE OF ALLEGIANCE – Beth Pierson
INVOCATION – Melissa Durban
ROLL CALL – Cory Ellsworth
 - a. Present: David Diggs, Cory Ellsworth, Brent Pruitt (3 Remote) Beth Pierson, Teresa Hasenwinkel, Roger Childers, Kent Thompson-(4 In Person)
 - b. Declaration of a Quorum – Cory Ellsworth
2. APPROVAL OF MINUTES OF THE FOLLOWING MEETING(S):
 - a. Regular Meeting held on 4-23-2026 – Draft
 1. Motion to approve – (Beth Pierson), 2nd – (Teresa Hasenwinkel), All said Aye.
3. CALL TO THE PUBLIC FOR ITEMS NOT ON THE AGENDA. No Public Comments
4. REPORTSTOTHE BOARD. No discussion is allowed.
 - A. Secretary (Kent Thompson) -- Nothing to report
 - B. Treasurer (Teresa Hasenwinkel) – The Districts total net position increased \$477,415.87 due mainly to semiannual property tax levy. Operating Revenue from fees \$245,340.49. Operating Expenses were \$409,958.84. CIP related expense caused the increase of 154% over previous period. Grant revenues cause a 125% increase in net non-operating revenue and expense over the previous period. The District had \$41,611.95 in net non-operating revenue and expenses, an increase of 125% from the prior period due to Grant Revenues received.
 - C. Vice Chairman (Beth Pierson) – Nothing to Report
 - D. Chairman (Cory Ellsworth) -- Nothing to Report
5. REGULAR AGENDA ITEMS.
 - A.WIFA/EUSI Program Manager's Report – (Paul Hendricks)**
 1. Summit construction has installed check valve for the SV3 tank drain line system. They are putting gravel bed down. Drain line had been lowered. Still needs to be tested buy floating the tank to the overflow/air gap system. Will provide punch list for final details to be completed.

2. APS has power pulled in for well commissioning. Just need to set their meter.
3. Generator Company says they can't get to commissioning of the standby generator for 5 weeks. We are trying to get that sooner. Hope to commission all SV3 Equipment by third week June.
4. Award of the contract for installation of the SV-1 & 2 phase 1 pipeline is pending final approval from USDA engineers. Apache Underground and Excavating and Sunrise Engineering hope to start project by mid-June. Sunrise engineering a resident Project Representative to monitor pipeline installation. Thin-walled schedule 40 PVC piping to be replaced, mainly along Ralls Dr, by this project.

B. District Manager's Report (Melissa Durbin)

1. Lead and Copper pot holing on service lines continues. No water quality issues.
2. Known water loss was down from last month at 25%. We experienced three main breaks caused by other outside contractors.
3. Water conservative campaign was presented at Pine Strawberry Elementary on April 24th. It was well received by the students.
4. Upcoming Capital improvement project for Pinecone Trail is in progress.
5. The manager announced she had been with the District for one year and has enjoyed working for the District and said it has been enjoyable. The Board members express thanks for the excellent work, Melissa has done for the District.

C. District Attorney Report (Steve Wene)

1. Ponderosa Water Company contract has been finalized.
2. The issue is still pending on the Rim View Condemnation with a single party who no longer has professional legal representation.

D. Ponderosa Water Company Contract completed. We will supply PSWID Water to them at commercial rate and charge a fee for opening and closing the connecting valve. (David Diggs)

E. Pine Cone Trail change order of an additional \$55,568.00 due to changes required from the original project design. Motion: (Teresa Hasenwinkel) 2nd : (Beth Pierson) All said Aye.

F. SV1 and SV1 Pipeline Project—Notice of award to contractor. Tabled

G. SV1 and SV2 Pipeline Project—Sunrise Engineering Contract—Addition of Project Observer. Cost to the project with existing funds is \$268,000.00. Motion to approve: (Kent Thompson, 2nd (Teresa Hasenwinkel) All Said Aye.

H. Discuss and take possible Action regarding implementation of a policy for Water Facilities requirements. Action to add a policy that the District will supply a minimum water pressure of 20 PSI to the customer meter but pressure regulation beyond that is the customer's responsibility. (Included next item I).

I. Discuss and Take Possible Action regarding implementing a policy that when a new customer connects to PSWID, their private well must be disconnected to prevent backflow. Motion to approve Items H and I together. (Beth Pierson) 2nd, (Cory Ellworth) All Said Aye.

- J. Open Public Hearing for the fiscal year 2027 Budget.** Public has the opportunity to enter the discussion. Persons attending the hearing: Beth Pierson (PSWID), Brent Pruitt (PSWID), Cory Ellsworth (PSWID), David Diggs (PSWID), Kent Thompson (PSWID), Kristie Allen (PSWID), Melissa Durban (PSWID), Paul Hendriks (EUSI), Rogers Childers (PSWID), Steve Wene (Contract PSWID contracted attorney). Motion to go into the Public Hearing, Motion (Kent Thompson) 2nd (Roger Childers) All Said Aye.
- K.** Kristie Allen presented the proposed annual budget. Total Revenue in: \$8,344,587.00 with total cash out \$8,344,57.00 with an operating reserve of \$270,000.00. Motion to approve: (Teresa Hazenwinkel) 2nd: (Beth Pierson). All said Aye.
- L.** Taxing Resolution proposes an increase mil rate from 1.3981 to 1.4638 which represents a 4.7% increase. The increase represents an approximate \$13.00 per parcel increase. Motion to Approve the increase: (Teresa Hasenwinkel) 2nd (Beth Pierson). **Six Ayes, One Nay. Passed.**
- M.** Discussion of Rates and Fees. Proposes a 4.7% increase in Rates for Fiscal Year 2027. Motion to approve. (Teresa Hasenwinkel). 2nd. (Kent Thompson). **Six Ayes, One Nay—Passed.** Motion to exit the Public Hearing. Motion (Cory Ellsworth. 2nd (Beth Pierson) All said Aye.
- 6. IDENTIFY POTENTIAL AGENDA ITEMS FOR THE NEXT SCHEDULED BOARD OF DIRECTORS' MEETING ON DATE. June 25, 2026.**
- A.** SV1 and SV2 Waterline improvement Phase 1. Award Contract
- 7. MOTION TO ADJOURN – Motion – (Teresa Hasenwinkel), 2nd – (Roger Childers), – All said Aye.**