PINE-STRAWBERRY WATER IMPROVEMENT DISTRICT

Regular Meeting

Thursday, June 25, 2026, at 4:00 pm

PWSID Administrative Office

6306 W Hardscrabble Rd.

Pine, AZ 85544

1. **CALL TO ORDER, PLEDGE OF ALLEGIANCE, AND INVOCATION**
   Cory Ellsworth called the meeting to order at 4:00 pm.

2. **ROLL CALL OF BOARD MEMBERS**
   Conducted by Cory Ellsworth: Board Members present: Kent Thompson, David Diggs, Cory Ellsworth, Teresa Hansenwinkel, Beth Pierson. Roger Childers (One Line). A quorum was present.

3. **CALL FOR MOTION TO APPROVE MINUTES OF THE FOLLOWING MEETING(S):**
   Regular Meeting held on 5-28-2026 – Draft
   Motion to Approve with corrections. -(Teresa Hasenwinkel) 2nd –(Cory Ellsworth)
   All said Aye

4. **PUBLIC COMMENTS –** Three residents who live in Portals 3 on Naco Dr. complained of fluctuating but most low water pressure and requested help.

5. **REPORTS TO THE BOARD**
   a. Secretary (Kent Thompson)

   Kent thanked Karl Pennock--**RCAC**, Kristie Allen and Staff, David Diggs and input by Cory Ellsworth and Melissa Durban. Kent then stated:

   A Responsibility of this board as Steward of the District is Fiduciary. We are charged with making sure the district has sufficient income to properly take care of the district's financial needs including capital assets.

   Starting last year, we partnered with RCAC to do a **rate study** to understand what all the district capital assets are, their approximate age and what it would take to properly maintain and/or replace the assets in a timely and carefully scheduled manner.

   After much number crunching and significant frustration, the RCAC committee had four scenarios to consider. Scenario number three was chosen because it fully utilized our significant unrestricted funds, which had grown quickly, while minimizing the impact of rate increases on our stakeholders. The RCAC study was completed in time to utilize the numbers for our FY2027 budget. It also gives the board recommended rate increases for at least a five-year period which we can revise if needed.

b. Treasurer (Teresa Hasenwinkel)
We have switched banks and are in transition to that new bank. We will be saving $2000.00 a month in fees.

c. Vice Chairman (Beth Pierson) Nothing to report.
d. Chairman (Cory Ellsworth) Nothing to report.

6. REGULAR AGENDA ITEMS

a. District Manager's Report (Melissa Durbin)

No water quality issues. We had four water main pipe breaks during the month. We had a percentage of lost water of 19% which was much lower much lower than May which was 25%. The Pinecone Trail and Valley View piping replacement complete. Sand separators were installed for Well #1 at Milk Ranch. This well production has gone from 23 gpm to 50 gpm as a result. USDA project involving Sunrise Engineering piping design has been added to include Rim View Loop. SV3 Deep Well is pumping to fill the tank at the SV3 site. SV3 will run approximately 14 hours to fill the tank. Testing entire SV3 site water quality before putting the system into service.

b. District Attorney's Report (Steve Wene)
Discussed an easement abandonment that has been put on hold. Contract with Apache Underground and Excavating Contracts are acceptable.

c. SV! And SV2 Pipeline Project. Notice of award to contractor. (Melissa Durban). **Item tabled**.

d. District Attorney contract and bid process. (David Diggs)

Steve Wene informed us about a ruling that board should nott make a long term contract with a legal firm, district manager or other key district employees when a new board with new members is to take over. In PSWID case our maximum contract should be no more than two years. David Diggs said the process of looking at legal firms to consider has started. To form a committee of board members our District, Steve Wene said our District Manager can do this.

e. Consider property acquisition for PSWID headquarters. (Teresa Hasenwinkel)

Teresa stated that the owners are still willing to sell based on the asking price of $1.25M for the property containing the building, maintenance yard and the storage units. The terms are: $100,000.00 down, payments over 12 years at 6% interest. No prepayment is allowed. We have the funds and Teresa recommended we move forward with the purchase to include a letter of intent. A motion was made to purchase the property for the sum of $1.25M and execute a letter of intent with the owners. Motion (Teresa Haenwinkel) 2nd (David Diggs). All said Aye.

7. IDENITIFY POTENTIAL AGENDA ITEMS FOR THE NEXT SCHEDULED BOARD DIRECTOR'S MEETING ON 7/23/26.

a. SV1 and SV2 Pipeline contract award to contractor. (Melissa Durbin)
b. Sunrise Engineering additional project to include Engineering for Rim View Loop. pipeline replacement. Amendment #4. (Melissa Durban)
c. District Attorney contract and bid process. (David Diggs)

8. ADJOURNMENT Motion (Kent Thompson) 2nd (Beth Pierson,) all said Aye