

# **Notice of Meeting and Agenda**

**Board of Directors of The Highland Pines Domestic Water Improvement District  
February 13, 2017, 1:00 p.m. at  
Improvement District Services, Inc.  
1965 Commerce Center Circle, Suite A, Prescott, Arizona**

*District Board Meeting Guidelines: The meeting will be held in accordance with A.R.S. Title 38 Open Meeting Laws. Board and attendees participation shall be civil and courteous. Any disruptive behavior could result in removal from the meeting. Comments and questions from the public shall be called upon by the Board Chairman, and shall begin with stating and spelling of the speaker's name and address. All comments and questions shall be directed to the Board Chairperson. Persons with a disability may request a reasonable accommodation such as a sign language interpreter, by contacting Jennifer Bartos, Improvement District Services, Inc. at (928) 443-9484. Requests should be made as early as possible to allow time to arrange the accommodation. Requests for copies of Board Meeting minutes or other District documents, inquiries, or complaints should be submitted in writing to: Improvement District Services, Inc., 1965 Commerce Center Circle, Suite A, Prescott, AZ 86301.*

1. Discussion and possible action to elect a Chairman for the coming year.
2. Discussion and possible action regarding an update on the GIS project with Granite Basin.
3. Discussion and possible action regarding an update on the progress of the water tank inspection.
4. Discussion and possible action regarding the District finances and a possible WIFA grant/loan.
5. Discussion and possible action for approval to accept credit payments over the phone or in person via The Square and how to charge fees.
6. Discussion and possible action for direction to staff regarding water usage charges for the two months when water meters were not read due to snow.
7. Discussion and possible action regarding administrative issues to include:
  - a) Approve meeting minutes of November 14, 2016;
  - b) Approve warrants written in November 2016 through January 2017.

**Public Comment Period:** The public will be given the opportunity to comment to the Board of Directors on non-agenda item issues pertaining to the District. This is the time for the public to comment. Members of the Board may not discuss items that are not specifically identified on the agenda. Therefore, pursuant to A.R.S. § 38-431.01(G), action taken as a result of public comment will be limited to directing staff to study the matter, responding to any criticism or scheduling the matter for further consideration and decision at a later date. Two minutes will be allowed for each speaker.

# 1

Improvement District Services, Inc.  
Administrators for the  
**Highland Pines Domestic Water Improvement District**  
1965 Commerce Center Circle, Suite A, Prescott, AZ 86301  
Phone: (928) 443-9484/ Fax: (928) 443-9486  
In-State Toll Free (800) 659-7149  
jbartos@idsadmin.com

Memorandum

To: The Highland Pines Domestic Water Improvement District Board of Directors  
From: Jennifer J. Bartos, District Clerk/Administrator  
Date: February 6, 2017  
Re: Election of Chairperson

Annually the Board elects a Chairperson. Tasks that the Chairperson typically perform are: conducting the Board meetings, approval of large emergency purchases, review and approval of the agenda, and serves as the main contact for staff.

Nominations for Chairperson will be requested from the Board. The Vice-Chairperson position may also be elected if necessary.

# CODE STEEL

INDUSTRIAL INSPECTIONS

#3

January 6, 2017  
Estimate FE17-003

To: Improvement District Services, Inc

Attention: Diana King  
Highland Pines Domestic Water Improvement District  
1965 Commerce Center Circle, Suite A  
Prescott, AZ 86301  
928.443.9484

Reference: Project: Internal Dive Inspection of 2 tanks  
Lower Tank Booster #3  
Upper Tank  
Prescott, Arizona

Diana;

CODE STEEL INDUSTRIAL INSPECTIONS ("CODE") submits the following proposal for the above referenced project.

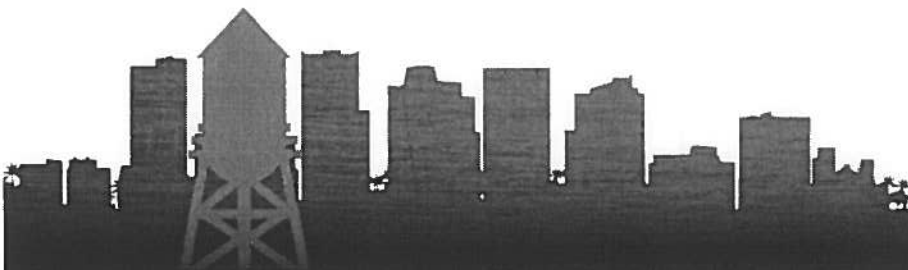
Our proposal consists of this letter and the following attachments:

- Attachment 1, Pricing
- Attachment 2, Scope of Work
- Attachment 3, Exclusions from the Scope of Work
- Attachment 4, MMI TANK & INDUSTRIAL SERVICES, INC. and Affiliated Companies Terms and Conditions

If you have any questions or require additional information, please contact me at 602.694.3796 or email [jeremy@codesteel.com](mailto:jeremy@codesteel.com)

Sincerely,

Jeremy Fuller  
Industrial Inspections Manager  
602.694.3796



# CODE STEEL

## INDUSTRIAL INSPECTIONS

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### ATTACHMENT 1 PRICING

CODE STEEL: Internal Dive Inspection of 2 tanks  
Lower Tank Booster #3  
Upper Tank  
Prescott, Arizona

Internal Dive Inspection of 2 Tanks.....\$5,267.00 Plus Applicable Taxes  
Price reflects doing both inspections on the same day

If it is determined by the customer that the tank needs to be cleaned of sediment at the bottom.  
Internal Dive Cleaning of 2 Tanks.....\$2,781.00 Plus Applicable Taxes  
Price reflects doing this same day as above inspections

If any additional diving time is requested it breaks out to \$450 per hour

- This quote is exclusive of any and all Arizona TPT taxes that may be due and payable under either a Prime Contract basis or under the MRRA classification pursuant to Senate Bill SB1446. Any and all TPT taxes that CODE is required to pay to suppliers, subcontractors or others in compliance with this will be billed separately to Customer at the actual tax amount paid without markup. If taxable as a Prime Contract, CODE will bill Customer at the applicable tax rate time 6.5% of the gross receipts on the contract.
- Our proposal pricing is valid for 30 days from our proposal date and acceptance of this quote beyond the (30) days may require a pricing adjustment based on changes in costs.
- If this proposal is accepted, both parties expressly understand that this proposal shall be incorporated as an integral part of any contract, subcontract, purchase order, or any other agreement between General Contractor/Owner and MMI Tank & Industrial Services, Inc. dba CODE STEEL INDUSTRIAL INSPECTIONS.
- MMI Tank & Industrial Services, Inc. and affiliated companies Terms & Conditions page one of two and page two of two are attached to this proposal and incorporated by Reference as Attachment 4

# CODE STEEL

## INDUSTRIAL INSPECTIONS

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### ATTACHMENT 2 SCOPE OF WORK

CODE STEEL INDUSTRIAL INSPECTIONS to:

Pre-Project Walk Through

All PPE Included (as required)

All Certifications per OSHA

Mobilization/Demobilization

Inspection of Lower Tank at Booster #3 and Upper Tank

NSF61 Aquatapoxy for small touch ups internally included with dive

High-Resolution color video camera will be attached to the divers helmet and monitored at the surface dive station by the dive supervisor.

The inspection of the potable water storage tanks will include the extent of coating materials deterioration, area by area within tank. The principle areas of consideration are the interior shell and appurtenances, the supporting structural steel, if applicable and non-immersed areas of the interior shell and appurtenances. Confined Space entry permit will be completed prior to diver entry into tanks.

Service Truck

Shallow Water Air Package

Video Equipment

Leak Detection

It is important that water level be maintained at or near full at overflow. This allows divers the required headroom to make repairs, if necessary.

Confined Space Permit provided by CODE and coordinated with Customer  
Working from heights equipment provided by CODE and coordinated with Customer

# CODE STEEL

## INDUSTRIAL INSPECTIONS

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LOTO (Lock out Tag out coordinated with Customer)

\*Note: As needed and if examinations for the quality of welds are required, CODE will follow code using Ultrasonic Phased Array method where required and per code to show more detailed and immediate results of the quality and consistency of the weld. If there are other methods that are required, CODE will default to code of that requirement. All shop fabrication per API-650 will apply Annex J Code. All other API-650 fabrications will apply to API-650 Code.

# CODE STEEL

## INDUSTRIAL INSPECTIONS

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### ATTACHMENT 3 EXCLUSIONS FROM SCOPE OF WORK

CODE STEEL INDUSTRIAL INSPECTIONS has specifically EXCLUDED from this proposal the following;

- Permits, taxes, bonds, electrical, over-time, concrete footing or foundations, fabrication of any additional structure unless a cost adjustment is made, replacement of any worn or previously damaged material, insulation and roofing, hazardous materials, waste, etc...
- Draining and cleaned ready to be inspected
- Disconnect and re-connect
- Anything not specifically in the inclusions is specifically excluded
- Any hazardous waste created for the project is the property and responsibility of the owner unless specified and called out in written agreement. CODE can make arrangements to handle the waste as specified.
- Where X-Rays or Phased Array (UT) is recommended for inspections X-Rays are excluded from inspections unless otherwise agreed upon. Phased Array is used as a more advanced practice to provide more information and data.

# CODE STEEL

## INDUSTRIAL INSPECTIONS

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### ATTACHMENT 4

#### CODE STEEL INDUSTRIAL SERVICES Is a Trade Name of MMI Tank and Industrial Services, Inc.

##### MMI Tank & Industrial Services and Affiliated Companies Terms & Conditions

The following terms and conditions (these "Terms & Conditions") apply to the sale of goods, materials or products (collectively, "Products") and/or provision of services ("Services") by MMI Tank & Industrial Services, an Arizona corporation and its affiliates (collectively, "MMI"), to the customer identified on the Purchase Order to which these terms and conditions are attached (the "Customer"):

- 1. Prices.** Except as provided herein, prices offered by MMI for Services or Products in any written quote or estimate will remain in effect for a period of thirty (30) days after the date of the quote (the "Quote Date"). After said thirty (30) day period, prices are subject to change. Prices for Products to be used in any Work (hereafter defined) which are obtained by MMI from a third party, are subject to change at any time to account for any fluctuations in the market price after the Quote Date.
- 2. Purchase Orders.** All Services or Products to be provided by MMI to Customer shall be pursuant to a written purchase order executed by MMI and the Customer (a "Purchase Order"), referencing the scope of work described on the attached Quote, which shall, at a minimum, include a description of the Services and/or Products to be provided by MMI (collectively, the "Work"), the compensation to MMI therefor, and the time for completion of the Work. MMI shall have no obligation to proceed with any Work until such time that it has received a fully executed Purchase Order and any initial deposit required there under.
- 3. Change Orders.** Any modifications of or additions to the Work described in the Purchase Order shall be evidenced by a written change order executed by the parties (a "Change Order"), describing in reasonable detail the modified or additional Work to be completed and any adjustments to the schedule or the compensation to MMI therefor. MMI shall have no obligation whatsoever to commence or complete any additional or modified Work unless and until Customer and MMI have executed a written Change Order with such terms and conditions as are mutually acceptable to the parties.
- 4. Plans and Specifications.** MMI shall complete or provide all Work in substantial conformity with Customer's specifications, drawings and descriptions (collectively, "Customer Specifications"). MMI shall have no liability to Customer for any delays, damages or claims of any kind arising from defects, omissions, errors or deficiencies in the Customer Specifications and Customer shall defend, indemnify and hold MMI harmless from and against any liability, damages or claims arising there from.
- 5. Payment Terms.** Payment terms are 50% down and net thirty (30) days from the date that MMI sends an invoice to Customer for the amounts due unless otherwise agreed upon. Any amounts not paid within such thirty (30) day period shall accrue interest thereafter until paid in full at a rate which is the lesser of eighteen percent (18%) per annum or the highest rate allowed under applicable laws, computed on a 365/360 day year basis. In addition, in the event that the Customer fails to pay the full amount due within thirty (30) days after MMI has sent Customer an invoice, MMI shall be entitled to exercise any of its available remedies under applicable law, which include, without limitation, suspension of any further work by MMI and retention of any equipment or other personal property owned by the Customer and in MMI's possession, until all past due amounts owing to MMI have been paid in full.
- 6. Warranty.** MMI warrants that Products and Services provided by MMI to Customer are free from defects in material and workmanship. MMI's obligation under this warranty is limited to correction of defects in Products or Services which were provided by MMI. Within ten (10) calendar days after discovery of any defective Services or Products provided by MMI, Customer shall provide MMI written notice of such defect. This warranty does not cover any repairs or replacement required due to accident, abuse, misuse, natural or man-made disaster, or any unauthorized disassembly, repair, or modification, the failure of Customer to properly use, store or maintain the Products provided, or the negligence or fault of Customer or any third party. MMI shall have no liability to Customer for any: (a) consequential, special or liquidated damages arising from the breach of the warranty contained herein, including, without limitation, any costs, damages or losses attributable to loss of production or down time; or, (b) damages to or from Products or Services not furnished by MMI; or, (c) repair, replacement or other expenses incurred by Customer in correcting defective Products or Services provided by MMI.

With respect to repair Services, MMI's warranty will remain in effect for a period of twelve (12) months from the date that MMI's Work is completed. With respect to new equipment, MMI's warranty will remain in effect until the earlier of: (i) twelve (12) months



# CODE STEEL

## INDUSTRIAL INSPECTIONS

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from the time the new equipment is placed into service; or, (ii) eighteen (18) months from the date of delivery to the Customer. MMI's warranty for new equipment shall apply only if Customer properly stores, maintains and operates said equipment in accordance with the original equipment manufacturer's procedures and specifications. EXCEPT FOR MMI'S EXPRESS WARRANTY CONTAINED HEREIN, MMI IS NOT MAKING AND HEREBY EXPRESSLY DISCLAIMS ANY OTHER IMPLIED OR EXPRESS WARRANTIES WITH RESPECT TO THE SERVICES AND PRODUCTS. WITHOUT LIMITING THE FOREGOING, MMI EXPRESSLY DISCLAIMS ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

7. Indemnification. MMI will indemnify and hold Customer harmless from and against any claims, damages or liability, including reasonable attorney's fees and costs, resulting from MMI's negligence or willful misconduct. Customer will indemnify and hold MMI harmless from and against any claims, damages or liability, including reasonable attorney's fees and costs, resulting from Customer's negligence or willful misconduct. Under no circumstances will either party be liable to the other party for indirect, consequential, special or liquidated damages.

8. Shortages, Defects or Errors. Customer shall give prompt written notice to MMI of any shortages, defects or errors in any Products shipped, which notice shall be given to MMI no later than ten (10) business days of Customer's receipt of the Product.

9. Title. Title to Products provided by MMI shall not pass to Customer until MMI has received full payment of all amounts due for all Services performed and Products provided by MMI.

10. Cancellation. Customer may cancel a Purchase Order by providing written notice to MMI, provided, however, Customer will be obligated for all unpaid Work completed up to and including the date that MMI receives written notice of cancellation, plus MMI's reasonable profit for uncompleted Work under the Purchase Order.

11. Force Majeure. Neither MMI nor the Customer shall be liable for any damages, claims or liability of any kind arising from delay in performance caused by a "Force Majeure Event". As used herein, "Force Majeure Event" shall mean acts of God; acts of terrorism; explosion; fire; extreme weather conditions; flood; drought; epidemic; earthquake; riot; insurrection; blockade; war or other hostilities; strike, lockout or other industrial disturbance; act or restraint of governmental authority whether valid or invalid; the refusal or failure of any governmental authority to promptly issue or grant any necessary governmental authorizations, permits, licenses, certificates or approvals or the action or inaction of any governmental authority which causes the lapse or expiration of any of the foregoing; shortages of materials or Products to be incorporated in the Work, and any other cause or event which is reasonably beyond the control of the party and which the party is not able to overcome by the exercise of reasonable diligence, provided, however, that neither party shall be required to settle any strike, work stoppage or other labor dispute on terms which, in its opinion, are unsatisfactory. If any delay in MMI's performance is attributable to a Force Majeure Event, the time for performance shall be extended for a period equal to the time of the delay caused by the Force Majeure Event.

12. Access and Cooperation. Customer shall provide MMI access to the Work site at all times during MMI's normal hours of business to enable MMI to complete the Work and shall otherwise cooperate with MMI so that the Work may be completed on a timely and efficient basis. Such cooperation shall include, without limitation, providing information to MMI necessary to obtain permits or other required governmental approvals for the Work and coordination with Customer's other contractors or employees to enable MMI to complete the Work without interference or interruption.

13. Jurisdiction, Venue and Waiver of Jury Trial. These Terms & Conditions and all Purchase Orders between MMI and Customer shall be interpreted and enforced according to State and County substantive laws, without regard to the State and County's choice of law provisions. Any disputes between the parties arising from these Terms & Conditions and any Purchase Order shall be brought and maintained in a court of competent jurisdiction in the State and County in which the Work under the applicable Purchase Order is being completed. MMI and Customer hereby irrevocably waive any and all rights they have to demand that any action, proceeding or counterclaim arising out of or in any way related to these Terms & Conditions or any Purchase Order be tried by jury.

14. Attorney Fees. In the event that either party hereto institutes an action or other proceeding to enforce any rights arising under these Terms & Conditions or any Purchase Order, the party prevailing in such action or other proceeding shall be paid all reasonable costs and reasonable attorney's fees by the other party.

15. Entire Agreement, Incorporation and Modification. These Terms & Conditions and the applicable Purchase Order contain the entire agreement between the parties and all prior understandings or agreements are merged into these Terms & Conditions. These Terms & Conditions and the Purchase Order have been negotiated among the parties and, if there is any ambiguity, no presumption construing these Terms & Conditions or the Purchase Order shall be imposed because the same were prepared by such party or its attorney. These Terms & Conditions are hereby incorporated in and as a part of all Purchase Orders. To the extent that there is any conflict in the terms of these Terms & Conditions and the terms of a Purchase Order, these Terms & Conditions shall control, unless the Purchase Order, by its express terms, supersedes these Terms & Conditions by specific reference to the provision of these Terms & Conditions so modified. No modification of these Terms & Conditions or any Purchase Order shall be of any force or effect

# CODE STEEL

## INDUSTRIAL INSPECTIONS

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unless such modification is in writing and executed by both of the parties. These Terms and Conditions shall control over all additional and/or conflicting terms and conditions that may appear on Customer written documents, including purchase orders, delivery tickets, service order tickets, invoices or any other document and MMI's signature on any Customer written document shall not constitute MMI's consent to any terms and conditions set forth in such document.

16. Notices. All notices or other communications required or provided to be given by either party shall be in writing and shall be hand delivered, transmitted electronically, sent via facsimile or by United States first class mail, postage prepaid. Notices shall be deemed given upon hand delivery, or if sent electronically or via facsimile, upon confirmation of transmission of the communication, or if mailed, three (3) calendar days after such notice is deposited in the mail as aforesaid and addressed to the parties to the addresses set forth in the Purchase Order. Any party may change the address to which notice shall be delivered or mailed or sent electronically or via facsimile by written notice duly given.

17. Severability and Waiver. The invalidity or unenforceability of any provision hereof shall in no way effect the validity or enforceability of any other provision hereof. Any waivers must be in writing and signed by the party sought to be charged. The waiver by any party of a right provided there under shall not be deemed to be a continuing waiver of that right or a waiver of any other right.

### Contractor's Information:

MMI Tank & Industrial Services, Inc. is licensed as a General Engineering Contractor including but not exclusively to the following states:

- Alaska AZ ROC 281028
- Arizona AZ ROC 281028
- California 911996
- Colorado 20091587365
- Idaho PWC-C-16870-C-4
- Nevada 0070127
- New Mexico 351686
- North Dakota AZ ROC 281028
- New York AZ ROC 281028
- Oregon 190749
- Texas AZ ROC 281028
- Utah 9206444-5501
- Washington AZ ROC 281028
- Wyoming AZ ROC 281028

## Highland Pines DWID Budget vs. Actual FY16/17

#4

	Jul '16 - Jan 17	Budget	% of Budget
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
<b>Capital Income</b>			
Capital Interest	175.17	378.00	46.3%
City of Prescott Buy-In Fee	0.00	10,000.00	0.0%
Hook-Up Fee	0.00	0.00	0.0%
<b>Misc. Capital Income</b>			
NCFE Bankruptcy Repayment	0.00	0.00	0.0%
Misc. Capital Income - Other	0.00	0.00	0.0%
<b>Total Misc. Capital Income</b>	0.00	0.00	0.0%
<b>Total Capital Income</b>	175.17	10,378.00	1.7%
<b>O&amp;M Income</b>			
Activation Fees	1,937.48	3,600.00	53.8%
Advalorem Tax	0.00	0.00	0.0%
City of Prescott Buy-In Fee	0.00	0.00	0.0%
Collections	1,441.21	2,800.00	51.5%
Miscellaneous Income	0.00	0.00	0.0%
<b>O&amp;M Interest</b>	403.21	250.00	161.3%
Permit Fees	0.00	0.00	0.0%
Pumping Fees - Girl Scout Camp	0.00	500.00	0.0%
Sales Tax	4,334.16	5,430.00	79.8%
<b>User Fee-Residential</b>			
Base Fee	125,785.04	201,600.00	62.4%
Water Usage	63,906.18	83,544.00	76.5%
User Fee-Residential - Other	-170.92		
<b>Total User Fee-Residential</b>	189,520.30	285,144.00	66.5%
<b>Total O&amp;M Income</b>	197,636.36	297,724.00	66.4%
<b>Total Income</b>	197,811.53	308,102.00	64.2%
<b>Gross Profit</b>	197,811.53	308,102.00	64.2%
<b>Expense</b>			
<b>Capital Expense</b>			
Capital Emergency	0.00	0.00	0.0%
Capital Fund Balance	0.00	94,737.00	0.0%
<b>Capital Improvements</b>			
New Lines, Meters & Valves	0.00	0.00	0.0%
Capital Improvements - Other	0.00	0.00	0.0%
<b>Total Capital Improvements</b>	0.00	0.00	0.0%
City of Prescott Buy-In Fee	0.00	10,000.00	0.0%
Contingency	0.00	0.00	0.0%
<b>Total Capital Expense</b>	0.00	104,737.00	0.0%
<b>O&amp;M Expense</b>			
<b>Administrative Expenses</b>			
<b>Administration</b>			
Activation/Reimb. Fees	1,650.00	3,600.00	45.8%
Additional Admin Services	0.00	1,200.00	0.0%
Administrative Contract	26,980.80	47,182.00	57.2%
Collections	2,133.00	2,500.00	85.3%
<b>Total Administration</b>	30,763.80	54,482.00	56.5%
Annual CCR Report	0.00	1,250.00	0.0%
Attorney Services	0.00	750.00	0.0%
Banking Expense	251.89	100.00	251.9%
Directors Compensation	447.30	2,250.00	19.9%
Election Fees	0.00	0.00	0.0%
Insurance	0.00	9,480.00	0.0%

## Highland Pines DWID Budget vs. Actual FY16/17

02/07/17

Cash Basis

	Jul '16 - Jan 17	Budget	% of Budget
Online Payment Processing	233.00	360.00	64.7%
Postage	0.00	172.00	0.0%
Professional Services-CPA	0.00	3,500.00	0.0%
Publishing	0.00	350.00	0.0%
Reg. - ADEQ/ADWR Blue Stake	0.00	800.00	0.0%
Storage	0.00	600.00	0.0%
WIFA Loan Payment			
Loan 920220-12	5,123.72	9,662.00	53.0%
Loan 92A144-09	27,143.48	46,532.00	58.3%
<b>Total WIFA Loan Payment</b>	<b>32,267.20</b>	<b>56,194.00</b>	<b>57.4%</b>
WIFA Loan Reserve	0.00	39,400.00	0.0%
Administrative Expenses - Other	750.00		
<b>Total Administrative Expenses</b>	<b>64,713.19</b>	<b>169,688.00</b>	<b>38.1%</b>
City Buy-In Fees (Prior to 2014	0.00	0.00	0.0%
Contingency	7.59	41,590.00	0.0%
Emergency Reserve Fund	0.00	10,000.00	0.0%
Operations			
Building & Structure Repair	0.00	1,000.00	0.0%
Electricity	5,721.77	13,500.00	42.4%
Emergency	1,500.00	15,000.00	10.0%
Engineering-GIS Updates	14,100.00	24,000.00	58.8%
Lab Analysis	50.60	500.00	10.1%
Lines, Meter & Valve Replcmnt	0.00	51,900.00	0.0%
Machinery (Quad/Backhoe)	0.00	2,500.00	0.0%
Meter & Backflow Installation	485.00	500.00	97.0%
Operating Equip. & Supplies	3,183.07	3,500.00	90.9%
Operator			
Operator -Additional Services	1,142.50	4,800.00	23.8%
Operator Contract	18,970.00	32,000.00	59.3%
<b>Total Operator</b>	<b>20,112.50</b>	<b>36,800.00</b>	<b>54.7%</b>
Propane	0.00	60.00	0.0%
Station 3 - 3rd pump replacemen	0.00	5,100.00	0.0%
Telephone/Dialer	341.49	700.00	48.8%
<b>Total Operations</b>	<b>45,494.43</b>	<b>155,060.00</b>	<b>29.3%</b>
Sales Tax	3,995.83	5,430.00	73.6%
Water Purchase-City of Prescott	50,630.91	80,000.00	63.3%
<b>Total O&amp;M Expense</b>	<b>164,841.95</b>	<b>461,768.00</b>	<b>35.7%</b>
<b>Total Expense</b>	<b>164,841.95</b>	<b>566,505.00</b>	<b>29.1%</b>
<b>Net Ordinary Income</b>	<b>32,969.58</b>	<b>-258,403.00</b>	<b>-12.8%</b>
<b>Net Income</b>	<b>32,969.58</b>	<b>-258,403.00</b>	<b>-12.8%</b>

3:40 PM  
02/07/17

Highland Pines DWID  
**ACCOUNT BALANCES**

February 7, 2017

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<u>Account</u>	<u>Balance Total</u>	<u>Description</u>
Chase	37,848.70	Clearing Account
Foothills	22,562.64	WIFA Payment Account..
OneAZ Checking	54,154.69	
OneAZ Saving	5.00	
Treasurer Capital 6-56040	94,549.67	Capital Account
Treasurer O&M 6-55940	178,417.75	Operation & Maintenance
WIFA R&R 56140-2000	3,513.36	WIFA Repair and Replacemen...

## Jennifer Bartos

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**From:** Celia Carr <celiacarr@cox.net>  
**Sent:** Friday, January 27, 2017 11:39 AM  
**To:** Jim Kullas; jskullas@cableone.net; Jennifer Bartos; Diana King  
**Subject:** Fwd: WIFIA

Jennifer and Jim-

Is this something we want too research? Maybe agenda item for February?

Celia

Sent from my iPhone

Begin forwarded message:

**From:** Jerry Borgelt <jborgelt@live.com>  
**Date:** January 27, 2017 at 10:39:11 AM MST  
**To:** Carr Celia <celiacarr@cox.net>  
**Subject:** WIFIA

Celia, FYI - Doesn't look like much here, but I didn't check the website (below).

Jerry

**NEARLY 1 BILLION IN CREDIT ASSISTANCE FOR WATER INFRASTRUCTURE PROJECTS ANNOUNCED**  
Under the new Water Infrastructure Finance and Innovation Act (WIFIA) program, the Environmental Protection Agency (EPA) will provide long-term, low-cost credit assistance in the form of direct loans and loan guarantees to creditworthy water projects.

The program is available to state, local, and tribal governments; private entities; partnerships; and State Revolving Fund programs. It is estimated that funds appropriated to the WIFIA program (\$17 million in FY 17) can be leveraged at a ratio greater than 50 to one, and are a step forward for modernizing our nation's aging water infrastructure. WIFIA offers a new opportunity to provide billions of dollars in low-interest loans to communities to build large infrastructure projects, significantly accelerating investments that benefit our nation's public health and water security.

To evaluate projects, criteria such as the following are used:

- Is the project nationally or regionally significant?
- How would it help maintain or protect public health or the environment?
- How would it protect against extreme weather?
- How would it serve regions with significant water resource challenges?

EPA estimates that the U.S. needs about \$660 billion in investments for drinking water, wastewater, and storm water infrastructure over the next 20 years.

Additional information about some of EPA's WIFIA projects can be found at: <http://www.epa.gov/wifia>

#5

Improvement District Services, Inc.  
Administrators for the  
**Highland Pines Domestic Water Improvement District**  
1965 Commerce Center Circle, Suite A, Prescott, AZ 86301  
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To: Highland Pines DWID Board of Directors  
From: Dakota King, District Administrator  
Date: 2/7/17  
Subject: Integration of the Square Program

With the upgrade to OneAZ Credit Union from Chase Bank, we are now able to expand our ability to take customer payments across several platforms. The Square application allows us to take credit card payments over the phone or in person. We currently have a Square reader, which will give customers the ability to pay in person. We have tested the Square ability with improvement districts using another district as a test, to which the customers seem quite happy with the result.

There is no monthly fee for the Square service, however, there is a convenience processing fee included with transactions. This includes 2.75% for an in-person transaction, or a 3.5%+ 15 ¢ for over-the-phone transactions.

The board must consider whether or not to use the Square system, and whether or not the transaction fees will be paid by the customer or the district.

#6

RESOLUTION NO. 2016-2  
Exhibit A

User Fee Residential:	\$50.00 per month flat rate plus usage
Water Usage Fee Per 1,000 gallons:	1-2,000 gallons @ \$11.62 2,001-4,000 gallons @ \$17.43 4,001-6,000 gallons @ \$24.16 6,001-8,000 gallons @ \$36.24 8,001-10,000 gallons @ \$45.30 Over 10,001 gallons @ \$58.83
Administrative Fee for Disconnected Accounts:	\$50.00 per month per account
Girl Scout Camp:	\$0.60 per 1,000 gallons
Late Fee:	\$5.00 + 1.5% per month
Residential Hook-up Fee:	\$3,000.00 per connection
Commercial Hook-up Fee:	The hookup fee is equal to and based on a calculation pursuant to the City of Prescott guidelines and rates for the specific requested use.
Permit Fee:	\$500.00 per application (includes one 5/8" meter installation)
Activation/Transfer Fee:	\$150.00 per activation/transfer of ownership
Service Calls:	Actual cost as invoiced by contractor(s) for labor & supplies and
Reconnection Fee:	\$500.00 per shut-off/turn-on, reconnection
Ad Valorem Tax:	\$0
Copies:	\$.60 per page
Historic Research:	\$65.00 per hour
Ownership Research:	\$35.00 per parcel (no notification of ownership transfer)
Bill Reprint or Account History Printout:	\$1.25 per page
Duplicate Billing:	\$5.00 per bill
Past Due Notice:	\$5.00 (Stamped for accounts w/past due balance)
Lien Notice:	\$60.00 plus postage (sent prior to Lien - accounts 180-days delinquent)
Second Lien Notice:	\$25.00 plus postage (1st notice returned)
File Lien:	\$65.00 plus postage & recording fee
Lien Release:	\$25.00 plus postage & recording fee
Return Check Fee:	\$25.00 per return check
City of Prescott Impact Fee:	The connection fee is based on a calculation pursuant to the City of Prescott guidelines for the specific requested use.



#7a

Draft  
Meeting Minutes

Board of Directors of The Highland Pines Domestic Water Improvement District  
November 14, 2016, 1:00 p.m. at  
Improvement District Services, Inc., 1965 Commerce Center Circle, Suite A, Prescott, Arizona

*District Board Meeting Guidelines: The meeting will be held in accordance with A.R.S. Title 38 Open Meeting Laws. Board and attendees participation shall be civil and courteous. Any disruptive behavior could result in removal from the meeting. Comments and questions from the public shall be called upon by the Board Director, and shall begin with stating and spelling of the speaker's name and address. All comments and questions shall be directed to the Board Chairperson. Persons with a disability may request a reasonable accommodation such as a sign language interpreter, by contacting Jennifer Bartos, Improvement District Services, Inc. at (928) 443-9484. Requests should be made as early as possible to allow time to arrange the accommodation. Requests for copies of Board Meeting minutes or other District documents, inquiries, or complaints should be submitted in writing to: Improvement District Services, Inc., 1965 Commerce Center Circle, Suite A, Prescott, AZ 86301.*

Call to Order – Jim Kullas, Celia Carr, Robert Hafen, Sandra McClintock, and David Barnard present.

Also present and participating in the meeting: Jennifer Bartos, District Clerk / Administrator, Diana King and Dakota King, Administrators, Improvement District Services, Inc.; Tom Liuzzo, Granite Creek Engineering; Jerry Woodward, Holly Bosch, and Linda Polachek, Highland Pines residents.

1. Discussion and possible action regarding an update on the GIS project with Granite Basin. Tom Liuzzo showed the Water System Atlas to Board Members. He stated that the presentation of this document signifies the end of Phase 1 of the GIS project. Chairman Kullas stated that the report does not need the owner names and mailing address. Director Carr suggested updating the owner names once a year. Diana King asked to add a column separating the meters that read per gallon and those that read per cubic meter. Jennifer Bartos recommended having a set of Water System Atlas plans at the lower tank site on Madizell. Three sets of the full size Water System Atlas are requested from Tom, for the lower tank site, for the I.D.S. office, and for Fann Environmental. Tom stated that Phase 2 of the project would be at the discretion of the Board. Chairman Kullas stated that a priority for the district would be replacing the main line from the master meter to Highland Pines, but it would cost the District a significant sum. Tom Liuzzo stated he would bring prices for the different types of pipes to provide an estimate for creating the main line. Director Carr stated she wanted Tom to bring the prices to discuss at the next meeting. Holly Bosch asked if the line has been evaluated, to which Tom responded that the lines could not be videoed due to ADEQ requirements. Director Carr pointed out that the previous meeting minutes discussed hiring a leak detection firm, and Chairman Kullas pointed out this action was not undertaken because the numbers were run between himself and Jennifer.
2. Discussion and possible action regarding a request from Darren Tosetto for relief of a large bill due to a water leak. Chairman Kullas suggested creating a payment schedule. Motion: made by Director McClintock to deny the request, second by Director Barnard. Unanimous Approval
3. Discussion and possible action regarding administrative issues: Direction to staff was to replace the wood fence with chain link between the District's property at 901 N. Madizell Drive and the Lemme property at 925 N. Madizell Drive.

Diana King presented a letter from Highland Pines customer Linda Polachek. Diana stated that there had been a title request sent and completed in July, and received a closing check on August 9<sup>th</sup>. Mrs. Polachek stated that she had moved in July 1<sup>st</sup>, and that the title check was sent soon after the title request was completed. She stated that Highland Pines had adequate

knowledge to change the customer info into her name. She stated that had she known about the bill, she would have paid it and fixed the leak. She asked for a credit of approximately \$300.

Diana responded to Mrs. Polachek's comments that, when she called, Diana notified her that the account would not be transferred until the deed was received from the title company. Diana suggested that Linda take the amount she asked for from her title company.

Director Hafen stated that not only is this not the districts problem, but they do not want to set a precedent for such cases in the future. Staff was directed to not pursue this further.

- a) Meeting dates for 2017;  
Meetings dates were established as the second Monday of the second month of every quarter (the next meeting being February 13), and an additional meeting to discuss the FY 17/18 budget will be scheduled at a later date.
- b) OneAZ Credit Union;  
Jennifer stated the benefits of OneAZ with other districts and how it can help the customers of Highland Pines.  
Motion: made by Director McClintock to replace the Chase bank account with an account with OneAZ Credit Union with Jennifer Bartos and Diana King as approved signers, second by Director Carr.  
Unanimous Approval
- c) Approve meeting minutes of August 8, 2016;  
Motion: made by Director McClintock to approve the meeting minutes of August 8, 2016, second by Director Hafen.  
Unanimous Approval.
- d) Approve warrants written in August through October 2016.  
Motion: made by Director McClintock to approve the warrant written in August through October, second by Director Carr.  
Unanimous Approval.

Jennifer discussed the moving of money for the WIFA fund. She said that WIFA is requesting there be two reserve funds established, one for repair and one for a payment reserve.

**Public Comment Period:** The public will be given the opportunity to comment to the Board of Directors on non-agenda item issues pertaining to the District. This is the time for the public to comment. Members of the Board may not discuss items that are not specifically identified on the agenda. Therefore, pursuant to A.R.S. § 38-431.01(G), action taken as a result of public comment will be limited to directing staff to study the matter, responding to any criticism or scheduling the matter for further consideration and decision at a later date. Two minutes will be allowed for each speaker.

Holly Bosch asked about the progress for looking at the billing for the Girl Scout camp.

Jerry Woodward repeated the comment made at the last meeting, stating that a previous board in 1998-1999 had put in a meter across the street from Brain's Manor to begin taking reads for the Girl Scouts and master meter to figure out the water loss. According to Jerry, the meter with two heads still exists. He stated that the loss was about 4%. He suggested fixing the meter to figure out the water loss.

3:39 PM  
02/07/17

Highland Pines DWID  
Warrants - Detailed  
November 2016 through January 2017

#76

Num	Date	Name	Memo	Account	Paid Amount
	11/01/2016	WIFA -1	92A144-09	Foothills	
			92A144-09	Loan 92A144-09	-3,877.64
TOTAL					-3,877.64
	11/01/2016	WIFA -2	920220-12	Foothills	
			920220-12	Loan 920220-12	-731.96
TOTAL					-731.96
	11/30/2016		Service Charge	Foothills	
			Service Charge	Banking Expense	-8.00
TOTAL					-8.00
	12/01/2016	WIFA -1	92A144-09	Foothills	
			92A144-09	Loan 92A144-09	-3,877.64
TOTAL					-3,877.64
	12/01/2016	WIFA -2	920220-12	Foothills	
			920220-12	Loan 920220-12	-731.96
TOTAL					-731.96
	12/31/2016		Service Charge	Foothills	
			Service Charge	Banking Expense	-8.00
TOTAL					-8.00
	01/01/2017	WIFA -1	92A144-09	Foothills	
			92A144-09	Loan 92A144-09	-3,877.64
TOTAL					-3,877.64
	01/01/2017	WIFA -2	920220-12	Foothills	
			920220-12	Loan 920220-12	-731.96
TOTAL					-731.96
NSF	12/05/2016	NSF Check	HP080-1 Carro	Chase	
			HP080-1 Carro	User Fee-Residential	-89.91
TOTAL					-89.91

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02/07/17

**Highland Pines DWID  
Warrants - Detailed**  
November 2016 through January 2017

Num	Date	Name	Memo	Account	Paid Amount
1060	11/20/2016	Highland Pines DWID	Transferred to OneAZ	Chase	
			Transferred to OneAZ	OneAZ Checking	-49,945.16
TOTAL					-49,945.16
1061	12/06/2016	Yavapai County Trea...	44172	Chase	
			44172	Treasurer O&M 6-55940	-20,940.57
TOTAL					-20,940.57
6417	11/07/2016	Granite Basin Engin...	Inv 4371 GIS	Treasurer O&M 6-55940	
	08/25/2016		Inv 4371 GIS	Engineering-GIS Updates	-3,760.00
TOTAL					-3,760.00
6418	11/07/2016	Granite Basin Engin...	Inv 4349 GIS	Treasurer O&M 6-55940	
	11/01/2016		Inv 4349 GIS	Engineering-GIS Updates	-1,880.00
TOTAL					-1,880.00
6419	11/07/2016	APS	03691284	Treasurer O&M 6-55940	
	10/24/2016		acct #038691284	Electricity	-780.82
TOTAL					-780.82
6420	11/07/2016	Arizona Department ...	October EIN: 860680720	Treasurer O&M 6-55940	
	10/20/2016		October EIN: 860680720	Sales Tax	-479.59
TOTAL					-479.59
6421	11/07/2016	Fann Contract	October Contract	Treasurer O&M 6-55940	
	10/31/2016		October Contract	Operator Contract	-2,710.00
TOTAL					-2,710.00
6422	11/08/2016	City of Prescott	1160730812, 1160830813	Treasurer O&M 6-55940	
	10/21/2016		Acct #1160730812	Water Purchase-City of...	-6,589.39
			Acct #1160830813	Water Purchase-City of...	-34.68
TOTAL					-6,624.07
6423	11/08/2016	Improvement Distric...	October 2016 charges	Treasurer O&M 6-55940	
	10/31/2016		October 2016 charges	Administrative Contract	-3,854.40
			3 activations	Activation/Reimb. Fees	-450.00
			5 duplicate bills	Collections	-25.00
			45 past due	Collections	-225.00
TOTAL					-4,554.40

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## Highland Pines DWID Warrants - Detailed

November 2016 through January 2017

Num	Date	Name	Memo	Account	Paid Amount
6424	11/17/2016	Century Link	928-776-0578 354B	Treasurer O&M 6-55940	
	11/01/2016		Acct 928-442-1143 491B	Telephone/Dialer	-48.77
TOTAL					-48.77
6425	11/17/2016	City of Prescott	1160730812, 1160830813	Treasurer O&M 6-55940	
	11/04/2016		Acct #1160730812 Acct #1160830813	Water Purchase-City of... Water Purchase-City of...	-6,678.71 -34.68
TOTAL					-6,713.39
6426	11/17/2016	Fann Environmental...	October Extras	Treasurer O&M 6-55940	
	11/01/2016		Final Read 5821 Pine Cove Bradshaw Lab Pump Parts Ace Hardware	Operator -Additional Se... Lab Analysis Operating Equip. & Sup...	-55.00 -25.30 -21.33
TOTAL					-101.63
6427	12/05/2016	APS	03691284	Treasurer O&M 6-55940	
	11/22/2016		acct #038691284	Electricity	-888.46
TOTAL					-888.46
6428	12/05/2016	Arizona Department ...	November EIN: 860680720	Treasurer O&M 6-55940	
	12/20/2016		November EIN: 860680720	Sales Tax	-525.45
TOTAL					-525.45
6429	12/05/2016	Granite Basin Engin...	Inv 4485 GIS	Treasurer O&M 6-55940	
	11/17/2016		Inv 4485 GIS	Engineering-GIS Updates	-3,760.00
TOTAL					-3,760.00
6430	12/05/2016	Improvement Distric...	November 2016 charges	Treasurer O&M 6-55940	
	12/05/2016		November 2016 charges 44 past due 4 duplicate bills NSF incorrect read reimbursed by FA...	Administrative Contract Collections Collections Collections Operator -Additional Se...	-3,854.40 -220.00 -20.00 -25.00 -50.00
TOTAL					-4,169.40
6431	12/05/2016	USTI	Inv. 90416	Treasurer O&M 6-55940	
	10/31/2016		Inv. 90416	Online Payment Proces...	-14.40
TOTAL					-14.40
6432	12/05/2016	Void	VOID:	Treasurer O&M 6-55940	
TOTAL					0.00

**Highland Pines DWID  
Warrants - Detailed**  
November 2016 through January 2017

Num	Date	Name	Memo	Account	Paid Amount
6433	12/19/2016	Century Link	928-776-0578 354B	Treasurer O&M 6-55940	
	12/01/2016		Acct 928-442-1143 491B	Telephone/Dialer	-48.77
TOTAL					-48.77
6434	12/19/2016	City of Prescott	1160730812, 1160830813	Treasurer O&M 6-55940	
	12/02/2016		Acct #1160730812	Water Purchase-City of...	-5,330.50
			Acct #1160830813	Water Purchase-City of...	-34.68
TOTAL					-5,365.18
6435	12/19/2016	Fann Contract	November Contract	Treasurer O&M 6-55940	
	12/02/2016		November Contract	Operator Contract	-2,710.00
TOTAL					-2,710.00
6436	12/19/2016	Fann Environmental...	November Extras	Treasurer O&M 6-55940	
	12/02/2016		5646 Oak Cove Meter replacement	Meter & Backflow Instal...	-78.40
			Rob ADEQ Inspector	Operator -Additional Se...	-130.68
			Jim - ADEQ Inspector	Operator -Additional Se...	-323.13
			Overflow pipe @ station #3	Operator -Additional Se...	-78.41
			Jim - follow up/tank leak	Operator -Additional Se...	-161.57
			Jim leak repair	Operator -Additional Se...	-161.57
			Lab supplies	Operating Equip. & Sup...	-24.04
TOTAL					-957.80
6437	12/19/2016	USTI	Annual Fee Inv 91097	Treasurer O&M 6-55940	
	12/06/2016		Annual Fee Inv 91097	Online Payment Proces...	-135.00
TOTAL					-135.00
6438	12/19/2016	USTI	Inv 90852	Treasurer O&M 6-55940	
	11/30/2016		Inv 90852	Online Payment Proces...	-14.40
TOTAL					-14.40
6439	12/19/2016	Celia Carr	11/14/16 Board Meeting	Treasurer O&M 6-55940	
	11/14/2016		11/14/16 Board Meeting	Directors Compensation	-75.00
TOTAL					-75.00
6440	12/19/2016	David Barnard	November 14, 2016 Board Mee...	Treasurer O&M 6-55940	
	11/14/2016		November 14, 2016 Board Meeting	Directors Compensation	-75.00
TOTAL					-75.00

**Highland Pines DWID  
Warrants - Detailed**  
November 2016 through January 2017

Num	Date	Name	Memo	Account	Paid Amount
6441	12/19/2016	Jim Kullas	11/14/16 Board Meeting	Treasurer O&M 6-55940	
	11/14/2016		11/14/16 Board Meeting	Directors Compensation	-75.00
TOTAL					-75.00
6442	12/19/2016	Robert Hafen	November 14, 2016 Board Mee...	Treasurer O&M 6-55940	
	11/14/2016		November 14, 2016 Board Meeting	Directors Compensation	-75.00
TOTAL					-75.00
6443	12/19/2016	Sandra McClintock	November 14, 2016 Board Mee...	Treasurer O&M 6-55940	
	11/14/2016		November 14, 2016 Board Meeting	Directors Compensation	-75.00
TOTAL					-75.00
6444	01/04/2017	APS	03691284	Treasurer O&M 6-55940	
	12/23/2016		acct #038691284	Electricity	-1,109.11
TOTAL					-1,109.11
6445	01/04/2017	Granite Basin Engin...	Inv 4495 GIS	Treasurer O&M 6-55940	
	12/23/2016		Inv 4495 GIS	Engineering-GIS Updates	-940.00
TOTAL					-940.00
6446	01/04/2017	Improvement Distric...	December 2016 charges	Treasurer O&M 6-55940	
	12/31/2016		December 2016 charges	Administrative Contract	-3,854.40
			37 past due	Collections	-185.00
			4 duplicate bills	Collections	-20.00
			NSF	Collections	-25.00
			incorrect read reimbursed by FA...	Operator -Additional Se...	-50.00
			December 2016 charges	Activation/Reimb. Fees	-150.00
TOTAL					-4,284.40