

Meeting Minutes

Board of Directors of The Highland Pines Domestic Water Improvement District
May 08, 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.

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

Also present and participating in the meeting: Jennifer Bartos, District Clerk / Administrator, Diana King and Dakota King, Administrators, Improvement District Services, Inc.; and Jerry Woodward, Highland Pines resident.

1. Discussion and possible action to adopt the FY 17/18 tentative budget, rates and fees, and, if appropriate, set the hearing date and time as June 12, 2017 at 5:00 PM.
Director McClintock noted that the revenue will not fully cover the expenses, to which Jennifer responded that the remaining amount is covered by the balance left in the bank.
Motion: made by Director McClintock to adopt the FY 17/18 tentative budget, rates and fees, second by Director Barnard.
Unanimous Approval
Motion: made by Director McClintock to set the hearing date and time as June 12, 2017 at 4:00 p.m., second by Director Barnard.
Unanimous Approval
2. Discussion and possible action regarding an update on the progress of the water tank repair and other operational issues.
Director Hafen wished to ask Mike Young about the polywrap that insulates the metal from the bottom of the tank. Director Barnard asked about the City of Prescott budget line. Director Hafen asked that, when Fann repairs the upper tank, that they be asked to repair the lower tank as well. Director Barnard stated that he doesn't wish to jump the gun on the second tank. The Board gave direction to Chairman Kullas whether to move forward with the second tank until after the first tank repairs are completed.
Chairman Kullas stated that the residents of Highland Pines should be notified by e-mail and by the Highland Pines Facebook page run by Marty Borgelt of a short interruption of service during the upper tank repair.
Motion: made by Director McClintock to begin repair on the upper tank immediately, second by Director Hafen.
Unanimous Approval

Director Kullas expressed concern for the Fann bill in the amount of \$11,645. Director Hafen stated it may be useful to acquire a map with the dates to which water lines were laid. Director McClintock stated that older Highland Pines documents were given to Tom Liuzzo and may have the dates. Director Hafen will request the original documents given by Director McClintock to figure out the dates of when the lines were laid.
3. Discussion and possible action to approve a Call of Election for two Board of Director positions at the March 2018 election.
Motion: made by Director Hafen to approve the Call of Election, second by Director McClintock.
Unanimous Approval

4. Discussion and possible action regarding Engineering proposals for Madizell and a possible WIFA grant/loan.
Director Hafen volunteered for the WIFA workshop in place of Director McClintock.
No action taken.

5. Discussion and possible action regarding administrative issues to include:
 - a) Approve meeting minutes of April 10, 2017;
Motion: made by Director McClintock to approve the meeting minutes of April 10, 2017, second by Director Barnard.
Unanimous Approval
 - b) Approve checks written in April 2017.
Motion: made by Director McClintock to approve checks written in April 2017, second by Director Barnard.
Unanimous Approval

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.

**Highland Pines Domestic Water Improvement District
Fiscal Year 2017-2018 Tentative Budget**

Exhibit A

Expense		FY 16/17 Budget	3/31/17 Actual	12 Month Estimate	FY 17/18 Budget
O&M EXPENSE					
Administration					
1	Administrative Contract	\$47,182	\$34,690	\$47,182	\$48,111
2	Activation Fees	3,600	2,400	3,200	3,600
3	Additional Admin Services	1,200	0	0	1,200
4	Collections	2,500	2,728	3,637	4,000
5	Annual CCR Report	1,250	1,316	1,316	1,320
6	Attorney Services	750	0	0	750
7	Banking Expense	100	246	328	350
8	Directors Compensation	2,250	750	1,875	1,875
9	Elections/County Reimbursement	0	0	0	7,500
10	Insurance	9,480	0	9,480	9,764
11	Office Supplies	0	111	150	300
12	On-line Payment Processing	360	240	360	360
13	Postage	172	0	0	500
14	Professional Services - CPA	3,500	0	0	3,500
15	Publishing	350	0	500	500
16	Registrations	800	65	500	500
17	Storage	600	0	0	0
18	WIFA Loan Payments:				
19	Loan Payment 92A144-09	9,662	7,320	8,784	8,784
20	Loan Payment 920220-12	46,532	38,776	47,215	40,002
21	WIFA R&R Reserve Fund 2009	0	3,513	3,513	1,757
22	WIFA R&R Reserve Fund 2012	0	0	0	7,869
23	WIFA Loan Payment Reserve	39,400	0	0	0
Operations					
24	Buildings & Structure Repairs	1,000	0	0	1,000

25	Electricity	13,500	9,391	14,087	14,500
26	Emergency Services	15,000	15,070	20,093	21,000
27	Engineering - GIS Updates	24,000	15,980	15,980	18,000
28	Engineering - Madizell & Transmission	0	0	0	50,000
29	Lab Analysis	500	127	191	500
30	Line, Meter & Valve Replacement	51,900	0	0	0
31	Machinery (Quad / Backhoe)	2,500	0	0	2,500
32	Meter & Backflow Installation	500	485	485	500
33	Operating Equip & Supplies	3,500	6,429	9,644	10,000
34	Operations Contract	32,000	20,400	30,600	32,000
35	Operations Additional Svcs	4,800	1,775	2,663	4,800
36	Propane	60	151	151	150
37	Sales Tax	5,430	4,914	7,371	7,300
38	Station 3 - 3rd pump replacement	5,100	0	5,100	0
39	Tank Repair	0	0	20,000	0
40	Telephone & Dialer	700	391	587	700
41	Water Purchase - City of Prescott	80,000	71,184	106,776	107,000
42	Contingency	41,590	2,714	4,071	41,249
43	Emergency Reserve Fund	<u>10,000</u>	<u>0</u>	<u>10,000</u>	<u>159,046</u>
44	Total O&M Expense	\$461,768	\$241,166	\$375,837	\$612,787

CAPITAL EXPENSE

45	Capital Fund Balance	\$94,737	\$0	\$0	\$98,127
46	City of Prescott Buy-in Fees	10,000	0	0	10,000
47	Capital Improvements - Other	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
48	Total Capital Expense	\$104,737	\$0	\$0	\$108,127

49	TOTAL EXPENSE BUDGET	\$614,700	\$241,166	\$375,837	\$720,914
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Revenue

		FY	03/31/17	12	FY 17/18
		16/17	Actual	Month	Budget
	O&M REVENUE	Budget		Estimate	
50	Activation/Transfer Fee	\$0	\$2,237	\$3,356	\$0
51	Ad Valorem Tax	0	0	0	0
52	Collection Fees	2,800	2,668	4,002	2,800
53	Miscellaneous Income	0	0	0	0
54	O&M Interest	250	630	800	250
55	Permit Fee	0	500	500	0
56	Pumping Fees	500	0	0	500
57	Sales Tax - Water	5,430	5,086	7,629	7,300
	User Fees:		-181	-272	-250
58	Base Fee	201,600	162,972	244,458	244,458
59	Water Sales	<u>83,544</u>	<u>75,015</u>	<u>112,523</u>	<u>112,523</u>
60	Total O&M Revenue	\$294,124	\$248,927	\$372,996	\$367,581

CAPITAL REVENUE

61	Capital Interest	\$378	\$282	\$376	\$376
62	City of Prescott Buy-in Fees	10,000	0	0	10,000
63	Hook up Fee	0	3,000	3,000	0

64	Miscellaneous Cap Income	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
65	Total Capital Revenue	\$10,378	\$3,282	\$3,376	\$10,376
66	TOTAL REVENUE BUDGET	\$370,755	\$252,209	\$376,372	\$377,957

Fund Balances

<u>O&M Fund Balance</u>	
Balance as of March 31, 2017	\$255,809
Estimated Expenses 16/17	<u>-134,671</u>
Subtotal	121,138
Anticipated Revenue 16/17	<u>124,069</u>
Estimated Ending Balance 16/17	\$245,206
Est. Beginning Balance 17/18	\$245,206
Estimated Revenue 17/18	<u>367,581</u>
Subtotal	612,787
Estimated Expense 17/18	<u>612,787</u>
Estimated Ending balance 17/18	\$0

<u>Capital Fund Balance</u>	
Balance as of March 31, 2017	\$97,657
Estimated Expenses 16/17	<u>0</u>
Subtotal	97,657
Anticipated Revenue 16/17	<u>94</u>
Estimated Ending Balance 16/17	\$97,751
Est. Beginning Balance 17/18	\$97,751
Estimated Revenue 17/18	<u>10,376</u>
Subtotal	108,127
Estimated Expense 17/18	<u>108,127</u>
Estimated Ending balance 17/18	\$0

<u>WIFA Payment Fund</u>	
Balance as of March 31, 2017	\$17,937
Anticipated Revenue 16/17	<u>0</u>
Estimated Ending Balance 16/17	\$0
Est. Beginning Balance 17/18	\$0
Estimated Revenue 17/18	<u>0</u>
Estimated Ending balance 17/18	\$0

<u>O&M Reserve Fund</u>	
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Balance as of March 31, 2017	\$5
Anticipated Revenue 16/17	<u>10,000</u>
Estimated Ending Balance 16/17	\$10,005
Est. Beginning Balance 17/18	\$10,005
Estimated Revenue 17/18	<u>159,046</u>
Estimated Ending balance 17/18	\$169,051

WIFA R&R Fund 2009

Balance as of March 31, 2017	\$3,513
Anticipated Revenue 16/17	<u>0</u>
Estimated Ending Balance 16/17	\$3,513
Est. Beginning Balance 17/18	\$3,513
Estimated Revenue 17/18	<u>1,757</u>
Estimated Ending balance 17/18	\$5,270

WIFA R&R Fund 2012

Balance as of March 31, 2017	\$0
Anticipated Revenue 16/17	<u>0</u>
Estimated Ending Balance 16/17	\$0
Est. Beginning Balance 17/18	\$0
Estimated Revenue 17/18	<u>7,869</u>
Estimated Ending balance 17/18	\$7,869