

Meeting Minutes

Board of Directors of The Highland Pines Domestic Water Improvement District

May 9, 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 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, Celia Carr, Sandy McClintock and David Barnard present. Robert Hafen absent.

Also present and participating in the meeting: Jennifer Bartos, District Clerk and Diana King, District Administrator, Improvement District Services, Inc.; Ken Karkula, Bryan Crossley and Holly Bosch, Highland Pines residents.

1. Discussion and possible action regarding the operation services contract with Fann Environmental.
Mike Young agreed to renew the contract on an annual basis at an annual amount of \$32,000, and he has agreed to do the emergency notification.
Motion: made by Director McClintock to approve the contract for one year at \$32,000, second by Vice-Chair Carr.
Unanimous Approval
2. Discussion and possible regarding emergency notifications.
IDS was asked to place a notice on the water bills to request that customers send in an email addresses for emergency notification with their payment stubs. Jennifer was asked to provide the email list to Fann Environmental, along with updates from customers.
3. Discussion and possible action regarding requests for annexation:
 - a) Daniel Mussey to annex parcel 100-01-077Y to be combined with parcel 100-01-075A; and if applicable adopt Resolution 2016-3.
 - b) Ken Karkula to annex parcel 100-01-155B to be combined with parcel 100-01-075D; and if applicable adopt Resolution 2016-4.Motion: made by Director McClintock to approve the annexations and Resolutions 2016-3 and 2016-4, second by Director Barnard.
Unanimous Approval
4. Discussion and possible action to review and discuss the FY2016/2017 Budget, rates and fees; if applicable adopt the tentative budget and set the hearing date and time.
Motion: made by Director Barnard to approve the tentative budget, rates and fees, and set the hearing date and time for June 6 at 5:30, second by Vice-Chair Carr.
Unanimous Approval
5. Discussion and possible action regarding administrative issues to include:
 - a) Approve meeting minutes of April 7, 2016;
Motion: made by Director McClintock to approve the minutes, second by Director Barnard.
Unanimous Approval
 - b) Approve warrants written in April 2016.
Motion: made by Director McClintock to approve the warrants, second by Director Barnard.
Unanimous Approval

Jennifer was asked to contact Tom Liuzzo with Granite Basin Engineering for a map to display at the hearing.

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.

Jennifer was asked to place Director Hafen’s report on water loss on the next agenda.

Holly Bosch asked who pays for the water used by the fire district to put out a fire.

Bryan Crossley asked if the District was financially stable.

Jim Kullas suggested the District consider selling the backhoe. He considered the value at about \$9,000. Interested parties should contact Fann Environmental.

**Highland Pines Domestic Water Improvement District
Fiscal Year 2016-2017 Tentative Budget**

Exhibit A

Expense	FY 15/16 Budget	3/31/16 Actual	12 Month Estimate	FY 16/17 Budget
O&M EXPENSE				
Administration				
Administrative Contract	\$46,253	\$30,835	\$46,253	\$47,182
Activation Fees	5,400	3,090	3,390	3,600
Additional Admin Services	1,200	0	0	1,200
Collections	2,825	1,820	2,427	2,500
Annual CCR Report	1,350	1,230	1,230	1,250
Attorney Services	3,000	360	540	750
Banking Expense	50	225	225	100
Directors Compensation	1,875	1,200	3,450	2,250
Elections/County Reimbursement	4,000	0	0	0
Insurance	9,204	0	9,204	9,480
On-line Payment Processing	300	238	357	360
Postage	345	0	172	172
Professional Services - CPA	12,000	0	3,500	3,500
Publishing	650	59	350	350
Registrations	800	0	800	800
Storage	600	351	600	600
WIFA Loan Payments:				
Loan Payment 92A144-09	9,662	6,588	9,662	9,662
Loan Payment 920220-12	46,532	34,899	46,532	46,532
WIFA Loan Payment Reserve	39,400	0	39,400	39,400
Operations				
Buildings & Structure Repairs	1,000	0	0	1,000
Electricity	13,000	7,967	12,747	13,500
Emergency Services	15,000	5,804	8,706	15,000
Engineering - GIS Updates	18,000	0	18,000	24,000
Lab Analysis	500	0	0	500
Line, Meter & Valve Replacement	1,786	0	0	51,900
Machinery (Quad / Backhoe)	2,500	0	0	2,500
Meter & Backflow Installation	1,000	0	500	500
Operating Equip & Supplies	7,500	1,827	2,923	3,500
Operations Contract	29,043	21,140	29,910	32,000
Operations Additional Svcs	4,800	1,977	2,966	4,800

Propane	60	51	51	60
Sales Tax	12,000	2,166	5,351	5,430
Station 3 - 3rd pump replacement	0	0	0	5,100
Telephone & Dialer	1,640	426	639	700
Water Purchase - City of Prescott	89,960	51,651	77,477	80,000
City Buy-in Fees (prior to 2014)	80,000	0	0	0
Contingency	46,324	216	216	41,590
Emergency Reserve Fund	0	0	10,000	10,000
Total O&M Expense	\$509,559	\$174,120	\$337,577	\$461,768

CAPITAL EXPENSE

Capital Fund Balance	\$94,141	\$0	\$0	\$94,737
City of Prescott Buy-in Fees	11,000	3,875	3,875	10,000
Capital Improvements - Other	0	0	0	0
Total Capital Expense	\$105,141	\$3,875	\$3,875	\$104,737

TOTAL EXPENSE BUDGET	\$614,700	\$177,995	\$341,452	\$566,505
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Revenue

O&M REVENUE	FY 15/16 Budget	03/31/16 Actual	12 Month Estimate	FY 16/17 Budget
Activation/Transfer Fee	\$5,400	\$2,655	\$3,390	\$3,600
Ad Valorem Tax	0	0	0	0
City Buy-in Fees (prior to 2014)	80,000	0	0	0
Collection Fees	2,825	6,084	6,200	2,800
Miscellaneous Income	0	0	0	0
O&M Interest	250	614	921	250
Permit Fee	0	500	500	0
Pumping Fees	2,400	0	500	500
Sales Tax - Water	12,000	4,540	5,351	5,430
User Fees:	253,680	-489	-489	
Base Fee		159,515	201,493	201,600
Water Sales		65,174	82,325	83,544
Total O&M Revenue	\$356,555	\$238,593	\$300,191	\$297,724

CAPITAL REVENUE

Capital Interest	\$200	\$252	\$378	\$378
City of Prescott Buy-in Fees	11,000	3,875	3,875	10,000
Hook up Fee	3,000	3,000	3,000	0
Miscellaneous Cap Income	0	0	0	0
Total Capital Revenue	\$14,200	\$7,127	\$7,253	\$10,378

TOTAL REVENUE BUDGET	\$370,755	\$245,720	\$307,444	\$308,102
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