

Meeting Minutes

Board of Directors of The Highland Pines Domestic Water Improvement District
May 20, 2015 - 11:00 a.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 and David Barnard present. Julie Holst absent.

Also present and participating in the meeting: Jennifer Bartos, District Clerk/Administrator, and Diana King, District Administrator, John Davidson and Jerry Woodward, Highland Pines residents.

1. Discussion and possible action regarding a GIS update project.
Chairman Kullas said after review of the proposal from Granite Basin Engineering he has concerns about portions of the agreement. He said the compensation for additional services is anticipated as \$1,000, which is in addition to the Board approved amount. Also, in Exhibit B one of the services not included is permit costs, which is unknown at this time. Chairman Kullas also expressed concerns about the meaning of Paragraph 25. Director Barnard said the Board agreed for a lump sum only of \$18,800. Jennifer was asked to contact Granite Basin to confirm the lump sum that was approved in April 2015 without any additional costs.
No action taken
2. Discussion and possible action regarding field operations, to include:
 - a) Monthly operations report by Fann Environmental.
No discussion or action.
3. Discussion and possible action regarding a contract amendment for operation services with Fann Environmental.
Motion: made by Director Carr to approve the contract amendment with Fann Environmental, second by Director Barnard.
Unanimous Approval
4. Discussion and possible action regarding a request by Mickey Hunt to annex parcel 100-01-136D, 5015 W. Lonesome Hawk.
Jennifer told the Board that on Friday, May 15, 2015, at 12:01 p.m. she received a voice mail message from Leslie Graser with the City of Prescott. The following is a summary of Ms. Graser's message: "The Lonesome Hawk Drive property owner came in October 2014 and I told him we would not be part of or agree to an annexation into the Highland Pines water district because we cannot increase the number of services. The Ferris annexation was for two properties combined but no additional service was added. The City of Prescott will not approve modifications to the agreement, additional services or annexations."
5. Discussion and possible action to adopt the Fiscal Year 2015/2016 Tentative Budget, rates and fees, and Ordinance amendments; if appropriate set the hearing date and time as Monday, June 22nd at 5:30 p.m.
Motion: made by Director Barnard to adopt the Fiscal Year 2015/2016 Tentative Budget, rates and fees, and Ordinance amendments and set the hearing date and time as Monday, June 22nd at 5:30 p.m., second by Director Carr.
Unanimous Approval

6. Discussion and possible action to fill the open position on the Board of Directors.
John Davidson was asked to consider filling the open position.
No action

7. Discussion and possible action regarding administrative issues to include:
 - a) Discussion and possible action to approve a new meeting schedule for the remainder of 2015 and regular meetings in 2016.
Change to August 24, 2015 at 1:00
 - b) Delinquent accounts report;
 - c) Water usage/loss report;
 - d) District financials;
 - e) Approve meeting minutes of April 10, April 13, and May 14, 2015;
Motion: made by Director Carr to approve the meeting minutes for April 10, April 13 and May 14, second by Director Barnard.
Unanimous Approval
 - f) Approve warrants written in April 2015.
Motion: made by Director Carr to approve the warrants written in April 2015, 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.

Jerry Woodward said he left a message at the Thrane cabin to contact the committee regarding their questions.

**Highland Pines Domestic Water Improvement District
Fiscal Year 2015-2016 Tentative Budget**

Exhibit A

Expense

O&M EXPENSE		<u>FY</u> <u>14/15</u> <u>Budget</u>	<u>5/1/15</u> <u>Actual</u>	<u>12</u> <u>Month</u> <u>Estimate</u>	<u>FY</u> <u>15/16</u> <u>Budget</u>
	Administration	-	-	-	-
1	Administrative Contract	\$32,938	\$24,774	\$33,032	\$46,253
2	Activation Fees	500	3,105	4,140	5,400
3	Additional Admin Services	0	0	0	1,200
4	Collections	0	0	0	2,825
5	Annual CCR Report	455	1,318	1,318	1,350
6	Attorney Services	3,000	318	468	3,000
7	Banking Expense	25	67	67	50
8	Directors Compensation	4,500	1,200	1,800	1,875
9	Elections/County Reimbursement	0	0	0	4,000
10	Insurance	5,282	9,204	9,204	9,204
11	On-line Payment Processing	250	232	309	300
12	Postage	167	0	0	345
13	Professional Services - CPA	7,000	0	0	12,000
14	Publishing	250	189	400	650
15	Registrations	800	381	800	800
16	Storage	800	387	480	600
17	WIFA Loan Payments:				
18	Loan Payment 92A144-09	9,662	8,198	9,662	9,662
19	Loan Payment 920220-12	46,532	38,776	46,532	46,532

20	WIFA Loan Payment Reserve	52,976	0	52,976	39,400
	Operations				
21	Buildings & Structure Repairs	1,000	0	0	1,000
22	Electricity	13,470	8,838	12,477	13,000
23	Emergency Services	15,000	7,269	10,262	15,000
24	Engineering - GIS Updates	1,500	0	1,500	18,000
25	Hauling & Disposal	900	0	0	0
26	Lab Analysis	500	22	500	500
27	Line, Meter & Valve Replacement	1,000	2,316	3,474	1,786
28	Machinery (Quad / Backhoe)	3,000	2,206	2,206	2,500
29	Meter & Backflow Installation	1,000	160	1,000	1,000
30	Operating Equip & Supplies	3,700	5,889	7,852	7,500
31	Operations Contract	29,043	18,970	29,043	29,043
32	Operations Additional Svcs	500	3,555	4,740	4,800
33	Propane	60	51	51	60
34	Sales Tax	10,012	10,801	16,202	12,000
35	Telephone & Dialer	1,640	516	774	1,640
36	Water Purchase - City of Prescott	75,111	57,929	81,782	89,960
37	City Buy-in Fees (prior to 2014)	80,000	0	0	80,000
38	Contingency	26,960	2,880	4,066	46,324
39	Total O&M Expense	\$429,533	\$209,551	\$337,117	\$509,559

CAPITAL EXPENSE

40	Capital Emergency Fund	\$93,591	\$0	\$0	\$94,141
41	City of Prescott Buy-in Fees	10,000	10,334	10,334	11,000
42	Capital Improvements - Other	0	0	0	0
43	Total Capital Expense	\$103,591	\$10,334	\$10,334	\$105,141

44	TOTAL EXPENSE BUDGET	\$533,124	\$219,885	\$347,451	\$614,700
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Revenue

		FY		12	FY
		14/15	05/01/15	Month	15/16
O&M REVENUE		Budget	Actual	Estimate	Budget
45	Activation/Transfer Fee	\$1,000	\$3,254	\$4,339	\$5,400
46	Ad Valorem Tax	0	0	0	0
47	City Buy-in Fees (prior to 2014)	80,000	0	0	80,000
48	Collection Fees	0	1,674	2,232	2,825
49	Miscellaneous Income	0	154	154	0
50	O&M Interest	120	470	480	250
51	Permit Fee	0	0	0	0
52	Pumping Fees	2,400	2,212	2,400	2,400
53	Sales Tax - Water	10,012	14,935	19,913	12,000
54	User Fees - Residential	273,197	235,582	269,237	253,680
55	Total O&M Revenue	\$366,729	\$258,281	\$298,755	\$356,555

CAPITAL REVENUE

56	Capital Interest	\$0	\$285	\$295	\$200
57	City of Prescott Buy-in Fees	10,000	0	0	11,000
58	Hook up Fee	3,000	0	0	3,000
59	Miscellaneous Cap Income	0	13	13	0
60	Total Capital Revenue	\$13,000	\$298	\$308	\$14,200

61	TOTAL REVENUE BUDGET	\$379,729	\$258,579	\$299,063	\$370,755
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Fund Balances

<u>O&M Fund Balance</u>	
Balance as of May 1, 2015	\$240,096
Estimated Expenses 14/15	<u>-127,566</u>
Subtotal	112,530
Anticipated Revenue 14/15	<u>40,474</u>
Estimated Ending Balance 14/15	153,003
Est. Beginning Balance 15/16	153,003
Estimated Revenue 15/16	<u>356,555</u>
Subtotal	509,558
Estimated Expense 15/16	<u>509,559</u>
Estimated Ending balance 15/16	0

<u>Capital Fund Balance</u>	
Balance as of May 1, 2015	\$90,931
Estimated Expenses 14/15	<u>0</u>
Subtotal	90,931
Anticipated Revenue 14/15	<u>10</u>
Estimated Ending Balance 14/15	90,941
Est. Beginning Balance 15/16	90,941
Estimated Revenue 15/16	<u>14,200</u>
Subtotal	105,141
Estimated Expense 15/16	<u>105,141</u>
Estimated Ending balance 15/16	0

<u>WIFA Reserve Fund</u>	
Balance as of May 1, 2015	\$0
Anticipated Revenue 14/15	<u>52,976</u>
Estimated Ending Balance 14/15	52,976
Est. Beginning Balance 15/16	52,976
Estimated Revenue 15/16	<u>39,400</u>
Estimated Ending balance 15/16	\$92,376