

Meeting Minutes

**Board of Directors of The Highland Pines Domestic Water Improvement District
August 28, 2017, 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.

Jim Kullas, Robert Hafen, David Barnard, Sandra McClintock present. Celia Carr present telephonically. Also present and participating: Dave Dirren, Sunrise Engineering, Jennifer Bartos, District Clerk, Diana King and Dakota King, Improvement District Services.

1. Discussion and possible action regarding a future project to upgrade District water lines and, if applicable, obtain the services of Sunrise Engineering and a WIFA loan.

Dave Dirren stated that, after physical review, the main line itself will be the primary focus for the WIFA application. Dave reviewed the information on the online application form. Dave stated that the tax rate on the application was calculated based on the zip code of Highland Pines (86305). Dave stated that it is possible that the higher tax rate may hurt the application chance of grant acceptance. However, he further stated that the percentage of water loss is quite high, which may urge WIFA to award the grant. Dave stated that the application must be submitted this week. Diana recommended that the statement regarding the transmission line should include that the line is quite old to ensure WIFA knows that the line wasn't put in negligently. Regarding the water loss charts, Chairman Kullas stated that the months of December, January and February had several water leaks, so it may not be completely attributed to the main line. Director Carr recommended using a median water usage percentage, which would be approximately 31% water loss. The Board agreed with this idea, and Dave stated that he would make this change for the application. Dave recommended that the Board read through the application and notify him if there are any necessary changes. Dave asked how the Board plans to finance the construction itself, to which Jennifer stated that the Board's intention is to go to WIFA for a construction loan at a later date. Director McClintock stated that the Board intends to get a WIFA grant for technical assistance because doing so on the Board's own terms would use all of the District's reserves.

The Board reviewed the statement regarding the project as a "Green" project. Chairman Kullas asked about the independent contractor's part of the application, to which Dave responded that Sunrise would be working under the Davis-Bacon Act. Reviewing the scope portion of the application, Dave stated that, because the line is on a 15-foot easement, an environmental impact study will need to be performed. Diana stated that the cost of the technical part of the construction, as stated on the application, is approximately \$51,000, and 60% of this amount is \$30,000. She further stated that if the total number can be increased to approximately \$58,000, the District can raise the 60% to match the \$35,000 max as stated by WIFA. Chairman Kullas expressed his concern with raising the total amount, as the District may need to pay more.

Dave asked if the Board is awarded the grant, will the District be ready to move forward with construction. The Board stated they were ready to proceed with construction. Director McClintock stated that November 1st would be the deadline to begin the technical part of the project. Director Carr asked if there was an estimate to how much money the District would request from WIFA for the construction itself, and Dave stated that it would be approximately \$900,000.00. Split amongst the Highland Pines customers, Diana stated that this would be an increase of approximately \$22.00 per customer per month.

The Board decided that the WIFA line item will be on the next public meeting in November.

2. Discussion and possible action regarding administrative issues to include:

a) Approve meeting minutes of July 13, 2017;

Motion: made by Director Carr to approve the meeting minutes of July 13, 2017, second by Director McClintock. Unanimous Approval.

b) Approve checks written in July 2017.

Motion: made by Director McClintock to approve checks written in July 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.