

**HIGHLAND PINES DOMESTIC WATER IMPROVEMENT DISTRICT
GOVERNING BOARD MEETING PUBLIC SESSION MINUTES
JUNE 11, 2020 5:30 P.M.
ROCK HAVEN CUL-DE-SAC**

Open Public Hearing and Special Meeting
Presentation and Public Review/Comment on proposed HPDWID FY2020/2021
Budget, Rate and Fees

1. **CALL TO ORDER:**
5:36 p.m.
2. **ROLL CALL OF BOARD MEMBERS:**
Celia Carr, Pat Ferguson, Dave Cook, Bryan Crossley present. Sandy McClintock present telephonically. Also present and participating in the meeting Natalie Galgano-Pinkley, Administrator, Municipal Accounts and Consulting, L.P.
3. **CALL TO PUBLIC:**
Chair Carr provided an overview of the Arizona Open Public Meeting Law and informed the public that if an item is not on the agenda, it cannot be discussed during a Board meeting. She noted that posting of meeting notices/agendas are made on the HPDWID website and at the community bulletin board outside the Firehouse on Happy Valley Road. She reported that the next regular scheduled meeting on 8/13/2020 at 10 a.m. is scheduled to take place at the Prescott Public Library or in the conference room at Municipal Accounts and Consulting.
 - Jerry Woodward suggested posting the Fann Environmental emergency contact information related to HPDWID on the community bulletin boards at the Firehouse and the County Yard.
4. **PUBLIC HEARINGS:**
 - a. **Open Public Hearing on FY 2020/2021 Budget**
Chairperson Carr explained budget priorities in FY 2020/2021:
 1. Replacement of the 47-year-old main water transmission line which runs from Spence Springs Road through 2 miles of the Prescott National Forest to the HPDWID boundary (increased engineering expense).
 2. Investigation of two easement issues affecting 3 property owners (increased legal expense).Natalie Galgano-Pinkley presented the Draft HPDWID FY 2020/2021 Budget and described the major variances of it compared to the 2019/2020 budget.
 - b. **Public Comment**
 - Jerry Woodward asked for clarification on budget line item 16600 Payroll Expenses. Ms. Galgano-Pinkley explained that each board member receives \$75 for each meeting they attend which comports with public law.
 - c. **Close Public Hearing on FY 2020/2021 Budget**
 - d. **Open Public Hearing on FY 2020/2021 Rates and Fees**
Natalie Galgano-Pinkley presented and described the Draft HPDWID FY 2020/2021 Rates and Fees, compared to the 2019/2020 Rates and Fees. She noted that the water rate fee proposes a 3% increase due to increased rates from the City of Prescott and an increase in document copy fees that keeps in line with the document copy fees charged by Yavapai County.
 - e. **Public Comment**
 - Jerry Woodward stated that in the past 10-15 years, HPDWID has not passed on the City of Prescott water rate increases to customers which total about 45%.

- Sandy McClintock reported that she is drafting a new Girl Scout Agreement which would include a cost increase to the Girl Scouts to account for the increased water delivery costs to HPDWID on their behalf. This new agreement will replace the 1974 Agreement.
- Paul Carr asked the Board if a flat user fee may be a better funding alternative to the property assessed valuation ad valorem tax for the main water line replacement transmission project. Ms. Galgano-Pinkley described the pros and cons of having property assessments rather than a flat fee assessment, noting that a flat fee puts the HPDWID at risk for the collection of fees and that those fees are not income tax deductible. She further explained that using the property tax assessment vehicle shifts the collection burden to the county since it would be included in the property owners tax bill. It should be noted that the Board researched this matter before making the decision last year in favor of an ad valorem tax.

f. Close Public Hearing on FY 2020/2021 Rates and Fees at 6:14 p.m.

5. SPECIAL MEETING

a. Open Special Meeting at 6:14 p.m.

b. Action on FY 2020/2021 Final Budget and possible adoption of Resolution No. 2020-1.

A motion was made by Dave Cook and seconded by Bryan Crossley to approve the FY 2020/2021 Budget and adopt Resolution No. 2020-1. There was no further discussion. The motion passed unanimously.

c. Action on FY 2020/2021 Final Rates & Fees and possible adoption of Resolution No. 2020-2.

A motion was made by Sandy McClintock and seconded by Dave Cook to approve the FY 2020/2021 Final Rates & Fees and adopt Resolution No. 2020-2. There was no further discussion. The motion passed unanimously.

d. Close Special Meeting at 6:15 p.m.

6. ADJOURNMENT at 6:15 p.m.