

**HIGHLAND PINES DOMESTIC WATER IMPROVEMENT DISTRICT
GOVERNING BOARD MEETING
OCTOBER 17, 2022
PUBLIC SESSION MINUTES**

1. **CALL TO ORDER:** Board Chair Celia Carr called the meeting to order at approximately 10:00 a.m. The meeting was conducted in person with a telephone conference option – with all attendees calling into the conference call.
2. **ROLL CALL OF BOARD MEMBERS:**
 - Celia Carr, Board Chair – Present
 - Sandra McClintock, Vice Chair – Present
 - David Cook, Board Member – Present
 - Patti Ferguson, Board Member – Present
 - Angelo Angeleri, Board Member – Present

All of whom participated in the meeting via telephone conference call, thus constituting a quorum.

Also attending the meeting and telephone conference call was Natalie Galgano-Pinkley, District Bookkeeper/Administrator of Municipal Accounts & Consulting, LP (“MAC”).

3. **REFLECTION:** Board Chair Carr provided a reflection for today’s meeting relating to leadership.
4. **APPROVAL OF MINUTES:** Board Chair Carr noted she had edits to the 8/16/2022 minutes. Director Angeleri made a motion to approve the minutes of the August 15 and August 16th, 2022 Regular Sessions with noted corrections. Director Cook seconded. The motion passed unanimously
5. **REPORTS AND CORRESPONDENCE:**

A. Chair Report: Board Chair Carr gave the Board an update on several items. She summarized the June, July, August and September maintenance reports from Fann Environmental. She noted that pump station number 3 is missing a pump. One of the new pumps has been taken to Phoenix to find why it stopped operating. Based on the failed pump and recommendations from Fann and Director Angeleri, she has looked for proposals to get the tank cleaned and have screens or filters installed. Since the pumps are quite expensive, the District needs a solution to keep future pumps from failing. She also noted the District received a letter from the ADWR regarding the District’s water loss rates for the past year, and 3-year average. Director Angeleri said he will review those calculations. Director McClintock noted Fann is placing blue stakes along the roads in preparation for winter; this will allow them to locate valves when there is snow on the roads or in the forest.

The District received the letter from the County verifying the election had been cancelled and Director Carr and McClintock were appointed to their positions. The Board members all verified they have reviewed the ARPA training material and signed the statement regarding the same. Board Chair Carr noted the transmission line plaque was installed on October 16th. A District newsletter has been prepared and will go out with the water bills in the first week of November.

B. Administrative Report: Ms. Galgano-Pinkley presented and summarized the July/August/September Bookkeeper Report and Financials. Director McClintock made a motion to approve the Financial Report and checks as presented. Director Ferguson seconded. The motion passed unanimously.

6. **CALL TO THE PUBLIC:** A call to the public was made for comments relating to District matters. No public comment was made.
7. **BUSINESS:**

The Board was waiting for Mr. Dirren to join the teleconference to do item 7A; so the Board moved to 7B first.

- B. Discussion and possible action re: HPDWID Main Water Line Construction Project, Pump Failures, and Survey/Easement:** Board Chair Carr reviewed the Final Pay Estimate from Mountain High and Sunrise's summary of the final costs of the construction contract. They have located gravel in the lower tank, which they think led to the impeller issue with the new pump. On recommendation, Ms. Carr received two bids to vacuum the tank. Arizona Commercial quoted the District \$8,000 for 3 days of work to clean one tank. Rubicon, who Dave Dirren recommended, quoted the District \$3,650 to clean both tanks. The last time documentation of tank maintenance they have is from 2006 by Rubicon. Director Ferguson made a motion to approve Rubicon cleaning both tanks per their quote for \$3,650. Director Cook seconded the motion. Director Angeleri noted he will follow up with Fann regarding quotes to get filters installed as well. Board Chair Carr noted that Mountain High offered to assist with the tank cleaning costs as well, for \$3,000-\$4,000. The motion passed unanimously.

Board Chair Carr noted Sunrise is working on the easement descriptions for the transmission line. Ms. Carr provided an overview on the easement progress, the letters that were sent to the property owners for notification, and an anonymous text Mr. Whittington received suggesting the District receive legal advice on getting the easements/surveys completed. Ms. Carr has discussed the current progress with Mr. Whittington, and his office will proceed with the easements once the legal descriptions are prepared. Board Chair Carr let the Board know: **any Board Member can contact the District's attorney at any time if they have a District issue they feel needs legal attention. If any Board Member believes that any action or inaction by a Board Member or the District could potentially put the District at risk, they are asked to please contact legal counsel.**

Dave Dirren and Jarom Hlebasko joined the telephone conference at 11:00 am.

Director Angeleri noted when they walked the transmission line with the Forest Service, they were in awe of the good condition of the land after construction. He also noted that some decisions have risk, and some decisions are easy. Sending letters to the properties for the surveys seems to go above best practice and had little risk to the action.

- A. Discussion and possible action re: HPDWID GIS System and Follow up with Jarom Hlebasko:** It was discussed that some refining of the GIS system could still be done. The current GIS includes information for above ground infrastructure located and information from the maps provided to Sunrise. Pot-holing and locating/tracing can be done to locate infrastructure below ground and determine what size/material lines are made of. There is a pending annexation request for 1515 Happy Valley Road. Director Angeleri noted this area is a priority for getting finalized/accurate information. Mr. Hlebasko noted there are currently 37 items flagged for follow up in the GIS. Mr. Dirren had received a rough estimate of \$10,000 to locate the service lines and main for approximately 300 connections. Director Angeleri said he would review the 37 follow up items and review District archives to see if the District has any further information that can be updated. To get the GIS finalized: 1) Directors Angeleri and McClintock will work with Mr. Hlebasko to confirm that all District maps and documents have been provided to Sunrise; 2) Mr. Hlebasko will prioritize the 37 follow up items, with any items near 1515 Happy Valley Road being first priority; 3) Mr.

Dirren will get an updated quote for locating services from Summit ULS, with the cost to locate services lines and main line itemized separately than the cost to identify any lead or copper pipes in the system. The Board will revisit in December after items 1 & 2 can be completed. Sunrise will correspond with Director Angeleri on this.

Mr. Hlebasko left the meeting at 11:42.

- C. Discussion and possible action re: ARPA Award and Project Manager Selection:** Mr. Dirren reviewed Sunrise Engineering's ARPA proposal. The current estimate includes daily construction observation. If Sunrise works closely with the contractor, they may be able to observe a few times per week instead of daily to reduce those costs; but the estimate includes the maximum amount. Director Angeleri asked if the tank removal is included as well. Mr. Dirren noted that will be included with the construction estimates. The construction company will provide a temporary tank, removal, and construct the new tank.

Mr. Dirren also discussed the final transmission project invoice (per agenda item 7A). The final cost for construction observation came in \$3,900 over the budgeted amount, however the entire project came in under cost. He asked for Board approval for the observation overage. Director Angeleri made a motion to increase the budget and pay for the construction observation by \$3,900. Director Ferguson seconded the motion. The motion passed unanimously.

Mr. Dirren left the meeting at 11:51.

Board Chair Carr noted she requested three proposals for ARPA administration. Babineck Consulting declined to submit a proposal. Proposals were received from Cherry Bekaert and Sunrise Engineering. Cherry Bekaert's proposal included consulting and advising to assist the District to manage the ARPA process. At the August Board meeting, the Board decided they would not accept the ARPA funds unless they could find a consultant to manage the project for them. Board Chair Carr stated she was the District point of contact for the transmission line project; she would like another Board member(s) to head up the ARPA and tank project. Director Angeleri agreed the Board should make high level decisions and hire consultants they trust to perform the specialized tasks. The District will always have a project going on, and they need to define how the Board operates with these projects. Director Ferguson agreed, but noted \$300,000 is a lot of money, she would hate for the District to lose it due to the ARPA process. Directors Angeleri and McClintock will discuss the possibility of them heading the tank project together. Board Chair Carr noted the Change of Scope request has been submitted to WIFA to use the surplus funds towards the tank project. The outcome from WIFA may dictate how the Board wants to proceed. The Board tabled selection of the ARPA administration proposals to the December meeting.

The Board took a lunch recess from 12:07 – 12:45.

The Board continued business at 12:45.

- D. Discussion and possible action re: Application/Ratification WIFA Loan Project Scope Change:** Board Chair Carr noted that Ms. Galgano-Pinkley prepared the Scope Change packet and worked with Director McClintock to submit to WIFA on October 6. Director McClintock made a motion to approve the Change of Scope application filed with WIFA for the tank replacement project. Director Ferguson seconded the motion. The motion passed unanimously.
- E. Discussion and possible action re: HPDWID Manuals:** Board Chair Carr and Director Angeleri have been working on storage for District documents. The legacy/historical documents will be kept at the Vice Chair's home. The document directories will be stored

online to work in perpetuity. The Policies and Bylaws will also be stored online and as controlled documents. Director Angeleri is working on compiling all the policies into a single electronic document. He will send the document out prior to the December meeting. In January, Board Chair Carr and Director Angeleri are meeting with Fann to review the policies and Fann's contract. At the December meeting the Board can decide if they want to independently review the policies or have another workshop, and if any policies need legal review. Director Angeleri mentioned he was looking at DropBox's annual subscription to manage District documents. Director McClintock made a motion to move forward with a District DropBox and pay the annual subscription fee. Director Ferguson seconded the motion. The motion passed unanimously.

- F. Discussion and possible action re: Girl Scout Proportionate Share Payment of the Main Water Line construction project options and updated 2021 Girl Scout Contract:** Director McClintock has revised the drafted contract, adding Section 5 relating to the transmission line replacement and a provision that the contract will be reviewed every two years at the request of either party. She asked the Board to review the updated contract in the next week or so. For the transmission line project, they will include the pumps at pump house two, the proportionate share of Sunrise invoices (removing the Madizell share using the Mountain High percentage). Director McClintock noted Mr. Whittington had reviewed the drafted contract and he added the 2 year review provision. The proportionate share will be calculated on the last 5 fiscal years use – which comes to approximately 8.7%.

As for payment timing, she noted that per the Arizona Constitution the District cannot loan credit or subsidize any customers. Director Cook voiced concern about violating the Constitution provision with any payment plan, and Director Angeleri voiced concern about a long repayment if the contract is reviewed every two years. Director Angeleri suggested paragraph 5 be updated to show the transmission project is completed, not in progress. The Board agreed to ask for payment in full due to the Constitution provisions. Director McClintock will work on the agreement and draft the letter to the Girl Scouts. Ms. Galgano-Pinkley will work on an updated calculation example.

- G. Discussion and possible action re: Pump Station Proposal including but not limited to investigation and actions regarding slumpage, replacement/storage of new pumps in Pump House 3, and rebuilding storage shed near Pump House #3:** Director Angeleri noted the slumpage has been fixed. They have made a trench to direct water away from the pump house. He suggested they consider installing a French drain when the new tank is installed. A few months ago the District purchased 4 new pumps; 3 pumps have been installed but the District needs to designate where the spare pump is to be stored. Director Angeleri will follow up with Fann verifying where it is stored. Director Angeleri noted the storage shed is very poorly constructed. The Board should plan to eventually replace the shed. Each pump house should also have a metal locking wall cabinet for storage.
- H. Discussion and possible action re: Pump House Construction Work Reimbursement to Greg McClintock:** Director McClintock noted that Greg has been reimbursed for all his out of pocket expenses. He will not accept payment for his labor from the District.
- I. Discussion and possible action re: Fire Hydrant Scope of Work Proposal:** Director Angeleri noted there is now a policy for the scope of fire hydrant maintenance. Fann should oversee the Fire Department's maintenance and make sure it is completed and done properly. He will review this policy with Fann when they meet in January. He'd also like to request them to log the maintenance so it is documented.
- J. Discussion and possible action re: Water Bill Negotiations:** Board Chair Carr submitted two requests to the Board for review. The owner at 1337 Skyline is disputing the base fee

while her meter is locked. The Board discussed including a locked base fee in next year's rate schedule. The Board provided billing instructions to Ms. Galgano-Pinkely for this delinquent account. The owner at 906 Smoki is asking for consideration for their bill after a leak. The Board provided billing instructions to Ms. Galgano-Pinkely for this account.

K. Discussion and possible action re: BPCWS legal work and invoice amounts: Board Chair Carr noted that the legal fees have decreased from last year, but there has been a lot of work done already this year. Mr. Whittington provided a discount to the District on the last invoice. She asked the Board if the District would like to accept the discount. The Board agreed he would not offer the discount if he didn't mean it. They appreciate his consideration.

L. Discussion and possible action re: Annexation Requests and policy: Board Chair Carr has talked with the owner of 1515 Happy Valley who is planning to submit an annexation request. They have two wells on the property; one is dead and the other is struggling. The property is at a high elevation and service lines would need to cross other properties to reach them. Director Angeleri stated he would meet with the owner and check the property and possibility of connecting.

8. FUTURE MEETING DATES: The next Board meeting is set for December 12th at 10 am.

9. ADJOURNMENT: There being no further discussion, the meeting was adjourned at 2:11 pm.