

**HIGHLAND PINES DOMESTIC WATER IMPROVEMENT DISTRICT
GOVERNING BOARD MEETING
AUGUST 25, 2025
PUBLIC SESSION MINUTES**

1. **CALL TO ORDER:** Director Ferguson called the meeting to order at approximately 10:11 a.m. The meeting was conducted in person with a telephone conference option.

2. **ROLL CALL OF BOARD MEMBERS:**

Sandra McClintock, Board Chair – Present via teleconference
Kent Eaton, Board Member – Present
Carlos Padilla, Board Member – Present
Patti Ferguson, Board Member – Present
William Kiel, Board Member – Present

All of whom were present thus constituting a quorum.

Also attending the meeting was Elizabeth Riopel of Municipal Accounts & Consulting, LP (“MAC”); Bill Whittington and Tomas Montoya of Boyle, Pecharich, Cline, Whittington & Stallings, P.L.L.C.; and Gordan Bean and Daniel Langsmith of Sunrise Engineering. The conference call line was open for the entire board meeting.

3. **APPROVAL OF MINUTES:** Director Kiel motioned to approve the Regular Session Meeting Minutes from April 21, 2025 and May 21, 2025, the Special Session Meeting Minutes from June 6, 2025, and the Emergency Session Meeting Minutes of July 4, 2025. Director Eaton seconded. The motion passed unanimously.

The Board moved Agenda Items G and H to the top of the discussion to allow consultants to leave the meeting early as needed.

4. **BUSINESS**

A. Update and possible action regarding Lower Water Tank: Mr. Langsmith from Sunrise Engineering introduced himself to the Board. He informed the Board that construction has started on this project as well as on electrical installation. There was discussion about the pump station. Mr. Langsmith informed the Board the pump station might need to be updated sooner rather than later and wanted to bring the matter to Board attention for cost savings and efficiency. Mr. Bean concurred it would be prudent to begin the process of replacement for the pump station. Mr. Padilla inquired about the scope and estimate cost of this replacement to ensure the District has enough grant funds to cover the expense. Mr. Langsmith said the project would involve a pump replacement, controls, access and entry modifications. The Board restated that grant funds must be used by the end of 2026. Getting ahead on this project will also ensure smoother compliance. There was some discussion about three-phase setup and the cost involved with that. Mr. Bean will discuss this matter further with APS.

Director Padilla motioned to direct Sunrise Engineering to do a brief design memorandum to size pumps for pump house and to ascertain the most cost-effective electrical setup for grant purposes. Sunrise will also contact APS. Director McClintock seconded. The motion passed unanimously.

Mr. Bean told the Board about discovering one service line shared between Director Eaton and his neighbor. It is best practice to have one service line per home and Robb from Fann asked him about upgrading the other services as well to ensure this is the standard. They also found a combined service that was running off of a pressure reducing valve that could

cause some issues in the future with more residences affected. Mr. Bean asked if the Board would like Sunrise and Fann to look into this issue while the equipment is still on site. This would prevent the cost of having to dig again.

Director Kiel motioned to pre-approve a change order not to receive four service lines not to exceed \$12,000 from Ligon. Director Padilla seconded. Mr. Whittington requested the record reflect a conflict of interest for Director Eaton. The motion passed unanimously with one abstention from Mr. Eaton.

- B. Update and possible action regarding Valley View:** The waterline extension has completed and submitted to the County for pressure and bacterial testing. They are waiting on approval to put into service. Director McClintock informed the Board she had received communication from the County this morning at 9 a.m. The County approved the work but with correction requirements to be completed before the District could put into service. The County requires a sampling of a minimum of three risers and the submittal isn't complete until the District is in compliance with the ADEQ. Mr. Langsmith will respond with what is needed. The total contract value is \$130,433. There was some discussion on pricing and the length of pipe. Mr. Bean commented on the possibility of needing a change order for the three sample risers and will look into this.

Mr. Langsmith and Mr. Bean exited the meeting at 10:57 a.m.

- C. Discussion and possible action regarding July Fann Report to the Chair:** Director McClintock email the Fann report to the Board for review prior to meeting. The report was light with no comment from her. Director Padilla will call Robb directly. No further discussion.
- D. Discussion and possible action regarding Fann discovery of two buried valves on Smoki:** Fann discovered two valves of unknown use that have been buried. It is best practice to have them brought to the surface in case they can turn water off in the event of a leak nearby. The two valves are about six feet below ground. A sleeve would be placed to grant access to them. Director Padilla commented again about the importance of exercising valves to ensure more buried valves are found and prevent waste. Director Padilla will look into bids and will add them for discussion and possible approval at the next District meeting.
- E. Discussion and possible action regarding Fann discovery of leakage on the District side:** The Board discussed this leak caused from a rusty pipe. Director Padilla said the biggest concern is there was no valve to isolate the leak. He believes this is an emergency that should be addressed immediately. There was some discussion about the District's contract with Fann and the language therein.
- F. Bookkeeper's Report:** Ms. Riopel presented the bookkeeping report and the District's financial position to the Board. Director McClintock motioned to approve them as presented. Director Kiel seconded. The motion passed unanimously.

Director Ferguson made a motion to go into Executive Session pursuant to A.R.S. § 38-431.03(A)(3) for legal advice and instructions pursuant to A.R.S. § 38-431.03(A)(4) regarding the District's annexation processes and related considerations for potential district expansions. Director Kiel seconded this motion. This motion passed unanimously and the District moved into Executive Session at 12:39 p.m.

The Board resumed the public session at 1:25 p.m.

Director McClintock made a motion to proceed with instructions provided by legal counsel in Executive Session. Director Padilla seconded. The motion passed unanimously.

G. Discussion and action regarding Patti Ferguson stepping down as Vice Chair to nominate Carlos Padilla to that position and return to Clerk of the Board position:

After brief discussion, Director Kiel made a motion for Director Ferguson to return to the Clerk of the Board position and nominated Director Padilla to the Vice Chair position. Director Eaton second. The motion passed unanimously.

5. **CALL TO PUBLIC:** A call to the public was made for comments relating to District matters. There was no public comment.

FUTURE MEETING DATES: The next regular session meeting date will be on October 20th at 10:00 a.m. in person or via conference call at Director Ferguson's home address located at 1005 N. Zuni Lane Prescott, AZ 86305. Please enter the circular driveway from the left to ensure ease of exit.

6. **ADJOURNMENT:** There being no further discussion, Director Ferguson motioned to adjourn the meeting. Director Padilla seconded. The motion passed unanimously and the meeting was adjourned at 1:32 p.m.