

**HIGHLAND PINES DOMESTIC WATER IMPROVEMENT DISTRICT
GOVERNING BOARD MEETING
APRIL 13, 2021
PUBLIC SESSION MINUTES**

1. **CALL TO ORDER:** Board Chair Celia Carr called the meeting to order at approximately 10:00 a.m. Due to the COVID 19 Pandemic, the meeting was conducted remotely by telephone conference – 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
Bryan Crossley, Treasurer – Present
Patti Ferguson, Board Member – Present

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

Also attending the meeting via telephone conference call were: William R. Whittington, District Attorney of Boyle, Pecharich, Cline, Whittington, and Stallings PLLC (“BPCWS”); and Natalie Galgano-Pinkley, District Bookkeeper/Administrator of Municipal Accounts & Consulting, LP (“MAC”). Brian, a member of the public also attended the meeting.

3. **APPROVAL OF MINUTES:** Director McClintock made a motion to approve the minutes of the March 9, 2021 Regular Session. Director Ferguson seconded. The motion passed unanimously.

4. **CALL TO THE PUBLIC:** A call to the public was made for comments relating to District matters. No public comments were made.

5. **REPORTS AND CORRESPONDENCE:**

A. **Chair Report:** Board Chair Carr summarized the March 2021 maintenance report from Fann Environmental. Fann noted one account was locked off for non-payment, they completed one blue staking project, and had no other significant findings for the month. Board Chair Carr also updated the Board with the tentative construction timeline she had received from Dave Dirren and noted that an invoice was received from the Forest Service for their work on approving the transmission line project.

B. **Administrative Report:** Ms. Galgano-Pinkley gave the Board a brief update on the fire hydrant insurance repair claim. She has received a response from the insurance company since the last Board meeting. The insurance company has agreed to cover the water loss charges but did not remove the depreciation from their offer. She asked the offer be put on the next agenda for consideration.

Ms. Galgano-Pinkley presented and summarized the March 2021 Financial Report and the checks issued to date for the Board’s review and consideration. She noted check #7117 was to NFP Property & Casualty Services for the District’s annual insurance renewal. The check would be signed and released if the policy was approved under business item 6H on today’s agenda. Director McClintock made a motion to approve the March Financial Report and the checks issued to date. Director Cook seconded. The motion passed unanimously.

6. BUSINESS:

Board Chair Carr noted that the representatives from Sunrise Engineering would join the meeting later, so she will move the Sunrise Engineering items to the bottom of the Agenda.

A. Discussion and Possible Action re: HPDWID WIFA Borrowing Resolution; Approval of WIFA Loan Agreement and Loan Agreement Addendums required for Funding of the Main Water Transmission Line/Madizell Infrastructure Project.

B. Discussion and Possible Action re: a) Legal Opinion of HPDWID attorney (WIFA Exhibit G) and other legal agreements, and b) Tax Compliance Certificate (WIFA Exhibit H) required for WIFA Funding. Board Chair Carr asked that Mr. Whittington address Business Items 6A and 6B together. She noted WIFA sent the final draft loan documents yesterday for final review. Mr. Whittington noted that his team is working on a comparison between the draft documents from last month and the copies received yesterday. Mr. Whittington spoke with the WIFA representative yesterday and went over a few questions regarding the closing and distribution process. Mr. Whittington stated that his prepared legal opinion is different than the WIFA stock opinion, and contains a few other documents and certificates.

After his conversation with the WIFA representative, Mr. Whittington amended his draft legal opinion to meet some of WIFA's requirements. The new draft has been sent to WIFA for their review and approval. Board Chair Carr had previously emailed a request for an additional Board meeting tomorrow to approve the Certificate of Authority and Board Resolution needed to finalize the WIFA documents. While the Board had previously approved the Board Chair and Vice Chair to execute the WIFA documents and collateral documents, they want specific Board approval for these key items and for them to be listed specifically on the Agenda. The Board noted that if the County's documents that will be attached to the legal opinion aren't ready by tomorrow, the loan closing would get moved to April 23rd.

Director McClintock made a motion that if the WIFA closing date is delayed, the Board authorizes the Board Chair and Vice Chair to resign documents with the later closing date, and to allow the Board Chair and Vice Chair to modify the date of any relevant documents to the Loan Agreement and execute those documents with the modified date. It was noted this would allow the date to be changed, but no substantive parts of the loan documents. Director Ferguson seconded the motion. The Board then voted on the motion as follows:

- Sandra McClintock – Voted Yes
- David Cook– Voted Yes
- Patti Ferguson– Voted Yes
- Bryan Crossley– Voted Yes
- Celia Carr– Voted Yes

The motion passed unanimously.

Board Chair Carr noted the Tax Compliance Certificate also needed to be reviewed and approved. Director Crossley commented he reviewed it and it is a complex document. Mr. Whittington noted he did not review the Tax Compliance Certificate since he wasn't previously asked to do so. After discussion, Director Crossley asked that Mr. Whittington now review the document. Director McClintock made a motion that the Board Chair and Vice Chair be authorized to sign all documents related to the WIFA loan including the Tax Compliance Certificate and any other exhibits required by WIFA. Director Crossley seconded the motion. The Board then voted on the motion as follows:

Sandra McClintock – Voted Yes
David Cook– Voted Yes
Patti Ferguson– Voted Yes
Bryan Crossley– Voted Yes
Celia Carr– Voted Yes

The motion passed unanimously.

- C. Discussion and Possible Action re: Parcel 100-01-030A Request to Amend Boundaries of HPDWID.** Mr. Whittington sent a response to the Carmen Law Firm notifying them of the City of Prescott costs associated with amending the boundaries, and that the District is working on a large construction project, so it may be better to delay this request. The letter was sent out on March 8th and Mr. Whittington has not received a response as of today's meeting. The Board deferred action on this matter, and will remove it from future agendas unless a response is received.

Dave Dirren and Jarom Hlebasko from Sunrise Engineering joined the teleconference at 10:34.

- E. Discussion and Possible Action re: Skibiski Actions, Adult Protective Services Carol Wilson Investigation, Prescott National Forest Service Intervention and Parcel 100-01-009D.** Board Chair Carr reminded the Board of the public comment at the last meeting that Mr. Skibiski had placed a fence and some brush trimmings on land the District leases from the National Forest. There was some discussion if the District should remove the brush from around the Upper Tank. Mr. McClintock had called the Forest Service last week to see if he could remove the brush – as to not interfere with the Forest Services' investigation of Mr. Skibiski using their land. The Forest Service representative was out of the office until next week and Mr. McClintock is waiting for a call back on removing the brush. The Board deferred on this item, pending a response from the Forest Service.

- F. Discussion and Possible Action re: Agreement between HPDWID and Arizona Cactus Pine Girl Scout Council.** Board Chair Carr updated the Board that she met with the Girl Scout director Matt Tiesing. The Agreement has been passed to the attorneys on each side of the matter – Mr. Whittington and the Girl Scout's attorney - for review and to finalize the terms. The Chair is hopeful it can be finalized by May.

- H. Discussion and Possible Action re: HPDWID NFP Insurance Policy Renewal (current policy expires 5/6/2021).** Board Chair Carr noted the current insurance policy expires on May 6th. The renewal application was submitted last month and the premium for the Policy renewal is \$6,405. Director McClintock made a motion to approve the NFP Insurance Policy and authorize the Board Chair to execute any required documents. Director Cook seconded the motion. The motion was approved unanimously.

The Board moved back to the Sunrise Engineering items.

- D. Discussion and Possible Action re: Sunrise Engineering Global Information System and Cost Analysis Proposal/Bid. Q&A with Dave Dirren and Jarom Hlebasko.** Mr. Hlebasko went over the proposal for putting a Global Information System in place for the District. It was noted that it would be beneficial if someone from Fann Environmental could be out in the field with them when locating the District assets. Mr. Hlebasko noted this project would take approximately 2 months to complete, so the system could be up and running by the end of May. The proposal included the full cost for the project, which would be billed by percentage complete. The Board Chair noted that the Board may need some time to review the proposal. Mr. Whittington stated that the agreement would need to have an addendum completed to include the statutorily mandated language for District contracts. Director McClintock made a motion for the District's attorney to review the terms and conditions for this contract, and to

add any items that are legally required. Director Ferguson seconded the motion. The motion passed unanimously.

- G. Discussion and Possible Action re: Sunrise Engineering Contract Renewal.** Dave Dirren reviewed the updated cost estimate for the Transmission Line Project. This estimate is updated with the new construction time estimate of 7 months and all the WIFA requirements. The prior estimate was more than 2 years old. He noted that the construction administration and observation provider (CA) will need to come out of the area, so the expense for travel/lodging is included in the new estimate. Director McClintock made a motion to approve the updated cost summary for the Transmission Line project, and amending the original contract with this updated cost summary. Director Crossley seconded the motion. The motion passed unanimously.
7. **FUTURE MEETING DATES:** The Board Chair mentioned the upcoming meeting dates. Pending COVID, the next meeting will be held at either the Library, at Municipal Accounts & Consulting's office or via telephone conference. The next meetings are tentatively scheduled for April 14th at 3:00 pm and May 17th at 1:00 pm – location to be determined.
8. **ADJOURNMENT:** There being no further discussion, the meeting was adjourned at 11:24 a.m.