

**HIGHLAND PINES DOMESTIC WATER IMPROVEMENT DISTRICT
GOVERNING BOARD MEETING
MAY 17, 2021
PUBLIC SESSION MINUTES**

1. **CALL TO ORDER:** Board Chair Celia Carr called the meeting to order at approximately 1:00 p.m. 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”); Dave Dirren and Jarom Hlebasko of Sunrise Engineering; Stephanie Sherwood of Shephard Wesnitzer, Inc.; Tamara Woodbury and Matt Thesing with the Arizona Cactus Pine Girl Scout Council; Natalie Galgano-Pinkley, District Bookkeeper/Administrator of Municipal Accounts & Consulting, LP (“MAC”); and Jerry Woodward and Russel Laing, members of the public.

3. **APPROVAL OF MINUTES:** Director McClintock made a motion to approve the minutes of the April 13, 2021 and April 14, 2021 Regular Sessions. Director Crossley 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 April 2021 maintenance report from Fann Environmental.

B. **Administrative Report:** Ms. Galgano-Pinkley presented and summarized the April 2021 Financial Report and the checks issued to date for the Board’s review and consideration. Director McClintock made a motion to approve the April Financial Report and the checks issued to date. Director Crossley seconded. The motion passed unanimously.

6. **BUSINESS:**

A. **Discussion and Possible Action re: Geographical Information System (GIS) Proposals from Sunrise Engineering and Shephard-Wesnitzer, Inc.:** The Board was presented GIS proposals from both Sunrise Engineering and Shephard-Wesnitzer. Each company reviewed their proposal for the Board. The Board Chair gave the Board a brief comparison document summarizing the differences between the proposals. It was noted that Shephard-Wesnitzer’s system is published for view only access to the District and operators; any updates are made by their office. Director Crossley suggested that references for both companies be contacted before a final selection is made. He stated he would check references and report back to the Board at the next meeting if possible.

Stephanie Sherwood and Jarom Hlebasko left the meeting at 1:57.

In order to allow the Girl Scout Camp representatives to leave the meeting early, the Board next moved to Agenda item 6D.

- D. Discussion and possible action re: Agreement between HPDWID and Arizona Cactus Pine Girl Scout Council:** Board Chair Carr gave the Board a brief update on the contract negotiations. The 1974 Agreement included a 90-day cancellation provision. The drafted Agreement originally included a 180-day cancellation provision. However, due to the importance of the Agreement, the Girl Scout Camp is asking for a longer cancellation provision – 2 years notice with a unanimous vote of the Board if an interruption in water supply would prevent the District from fulfilling its obligations. The District’s attorney has provided a few other options to consider as well. The Board discussed the options and considered comments from Ms. Woodbury and Mr. Thesing.

Director McClintock made a motion to approve the proposed form of contract between the District and the Arizona Cactus Pine Girl Scout Council, draft currently dated May 17, 2021, providing for a revised fee schedule, and further providing for the following cancellation provision: “Upon a unanimous vote of the Board of HPDWID, this Agreement may terminate, without penalty or recourse, one year after delivering written notice of termination to the Council, if, an interruption in the water supply would prevent HPDWID from fulfilling its obligations under the Agreement”; and further conditioned upon (1) approval of the Agreement by the City of Prescott, (2) reimbursement by the Council of any cost or expenses required by the City pursuant to that certain IGA by and between the City and HPDWID dated November 13, 1997, as thereafter amended, and (3) the effective date of said proposed Agreement to be the later of the date of execution of said Agreement by the City, and authorizing the Board Chair to complete and execute the same. Director Crossley seconded the motion. The Board 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.

Tamara Woodbury and Matt Thesing left the meeting at 2:15.

- B. Discussion and Possible Action re: DRAFT 2021-2022 Budget/Rates and Fees; Possible approval of tentative budget/rates/fees/tax levy; authority of publication of same; notice of public hearing relating to same:** The Board was provided two drafted budgets for their consideration. Ms. Galgano-Pinkley reviewed the two scenarios in detail. The main item to note in both drafts is the impact of the new 2021 WIFA Loan – which increased the District’s annual expenses by approximately \$126,500. The first draft was a “baseline” or “status quo” budget that included a 2.4% increase to the water rates to match the rate increase from the City of Prescott this year. This draft was discussed at length, especially with the infrastructure project getting started and other large items in the budget. The second budget included a \$60 monthly base fee, a new monthly base fee to vacant lots, and a 10% raise in water rates. A rate fee schedule was also included for review for each scenario. The Board discussed the two budgets at length.

Director McClintock made a motion for the Board approve the budget with the increase in base fees and water rates, and that the District request Yavapai County to continue assessing the District’s ad valorem tax at the current rate of \$2.7677. Director Cook seconded the motion. Director Crossley commented that he did not support the rate and base fee increases.

He believes the District's reserves are adequate to cover the large construction project this year, and the rate increase is not needed. The Board voted on the motion as follows:

Sandra McClintock – Voted Yes
David Cook– Voted Yes
Patti Ferguson– Voted Yes
Bryan Crossley– Voted No
Celia Carr– Voted Yes

The motion passed with a majority vote.

Director McClintock made a motion that the Board approve the rates and fees schedule with the proposed 10% rate increase, with the change that any copies provided via flash drive be charged at a rate of \$1 per page. Director Cook seconded the motion. The motion passed unanimously.

- C. Discussion and Possible Action re: Parcel 100-01-030A Request to Amend Boundaries of HPDWID:** The Board Chair noted that Mr. Whittington had not received a response from the Carmen Law Firm as of today. This item will be removed from further agendas unless a response is received.
- E. Discussion and Possible Action re: Main transmission line/Madizell infrastructure project construction timeline/issues:** The Board Chair provided the Board with an updated construction timeline. There is a Board meeting currently set for June 24th for contractor selection.
- F. Discussion and Possible Action re: HPDWID Newsletter:** The Board Chair noted the Board had previously discussed doing a newsletter twice a year, the second one scheduled for July. She thought the July newsletter could provide updates on: Mr. Gosar helping the District get the Forest Service approval, an infrastructure and WIFA update, the budgets and rates and fees, and a note that water is a precious resource. Board Chair Carr noted she would begin working on a draft for the Board to review.
- 7. UPCOMING 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 6/10/2021 in at 5pm at the Rock Haven cul-de-sac for the public hearing, 6/24/21 at 10am, 7/12/21 at 10 am, 8/12/2021 at 10:00 am and 11/12/21 at 10 am.
- 8. ADJOURNMENT:** There being no further discussion, the meeting was adjourned at 3:08 p.m.