

**HIGHLAND PINES DOMESTIC WATER IMPROVEMENT DISTRICT
GOVERNING BOARD MEETING
JUNE 10, 2021
PUBLIC HEARING AND SPECIAL MEETING MINUTES**

1. **CALL TO ORDER:** Board Chair Celia Carr called the meeting to order at approximately 5:00 p.m.
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

Thus constituting a quorum. Also attending the meeting were: Natalie Galgano-Pinkley, District Bookkeeper/Administrator of Municipal Accounts & Consulting, LP (“MAC”); Bryan Crossley, Jerry Woodward, Ken Karkula, Barb Karkula and other members of the public.

3. **CALL TO THE PUBLIC:** A call to the public was made for comments relating to District matters. It was noted that comments would be limited to 2 minutes and could be made at this time or under an agenda item.

Bryan Crossley made a comment that he resigned from the Board last month. He noted that while on the Board he learned that no other governmental entity oversees the District’s rates and fees. He also reviewed the definition of a tax. He noted what he believed to be the three purposes of water districts, and if in the business-world the residents would be seen as stockholders and expect the company to act in their interest.

Mr. Woodward thanked Mr. Crossley for his service on the Board for the last year and a half.

4. **PUBLIC HEARINGS:**
 - A. **Public Hearing on FY 2021/2022 Rates and Fees:** Board Chair Carr opened the public hearing. Director McClintock made a brief opening statement about District affairs, the rates and fees, and the budget. Director McClintock gave an update on the procurement of the new 2021 WIFA Loan, the payment source and reserve requirements for the loan, as well as the new monthly and annual debt service requirements. She noted the current estimate for the main transmission line project will require \$237,000 of the District’s reserve funds to complete. With that project completed this next fiscal year, the Board hopes to lower the ad valorem tax in the 2022/2023 budget year. She also noted the Board is now considering replacing the lower water tank, and they may be able to use WIFA reserve funds for that project.

Ms. Galgano-Pinkley gave a brief summary of the proposed rates and fees for the upcoming fiscal year.

Mr. Crossley made a comment that the raise in fees seems unjustified. He noted that last year the City raised their water rates by 3.5% and is proposing to raise their rates for the upcoming year by 2.4%. He noted that he equates the base fees for occupied and vacant lots as another tax, and stated he believes most of the vacant lots to be very small in size.

Mr. Woodward made a comment the Board should consider charging base fees based on available water connections instead of by lot. He also speculated on the property values going up or down for ad valorem tax purposes.

Mr. Ken Karkula asked for clarification if the vacant lots are paying into the system. It was noted they pay the ad valorem tax, but don't currently pay any monthly fees to the District. He also noted that while City rates have been raising, last year was the first time District rates had increased in quite a while.

At 5:25pm the public hearing on the rates and fees was closed.

- B. Public Hearing on FY 2021/2022 Budget:** Board Chair Carr opened the public hearing on the 2021/2022 Budget. Ms. Galgano-Pinkley gave a brief summary of the proposed budget for the upcoming fiscal year. The Board gave the public some information on the contemplated GIS system that is included in the budget, and there was a bit of discussion regarding the District's current maps and location of infrastructure.

Mr. Karkula asked what the easement survey was for. The Board has been considering having a survey done of all their easements for utilities in the District. He asked about the legal fee line item. Board Chair Carr gave the itemization of the estimated legal fees for the year. She noted the estimate includes amounts for items likely to come up, like annexation requests and contract reviews. She also noted the WIFA loan comes with arduous requirements the District has to comply which will require legal assistance.

Ms. Karkula noted that the District may be eligible for County funds for water and infrastructure projects. Director Ferguson noted she would look for the article in the paper, and would follow up on that possibility.

There was some discussion on if/when the District can collect monies for annexation requests from the requestors. It was noted the District can only be reimbursed if they approve the annexation request; they cannot collect monies for requests that are denied.

Mr. Crossley made comments about the District's cash positions, and referenced a report that was prepared for the Board in prior budget discussions. He noted if rates weren't raised and the extraordinary expenses were removed, the District would have surplus for the year. Board Chair Carr noted that during budget preparation, the District's attorney and bookkeeper had advised them of their current reserve levels and the industry's general suggestions for annual and total reserve amounts.

At 5:49pm the public hearing on the budget was closed.

6. SPECIAL MEETING:

- A. Discussion and Possible Action re: approval of 5/17/2021 Meeting Minutes:** Director McClintock made a motion to approve the minutes of the May 17, 2021 Regular Session, with the note to leave the tax rate presented in dollars and not in percentage format. Director Ferguson seconded the motion. The motion passed unanimously.
- B. Discussion and Possible Action re: FY 2021/2022 Final Rates and Fees and possible adoption of Resolution No. 2021-9 re: the same:** Director Ferguson made a motion to approve the proposed rates and fees for the FY 2021/2022 as presented, and adoption of Resolution No. 2021-9 relating to the same. Director McClintock seconded the motion. The motion passed unanimously.
- C. Discussion and Possible Action re: FY 2021/2022 Final Budget and possible adoption of Resolution No. 2021-10 re: the same:** Director Cook made a motion to approve the proposed budget for the FY 2021/2022 as presented, and adoption of Resolution No. 2021-10 relating to the same. Director Ferguson seconded the motion. The motion passed unanimously.
- D. Discussion and Possible Action re: acceptance of Bryan Crossley resignation on 5/19/2021 and process to fill the vacancy:** Director McClintock noted that per the District's administrative manual the vacancy should be filled by the Board appointing someone to the vacancy. Director McClintock made a motion that the Board accept Mr. Crossley's resignation and appoint someone to complete the remainder of Mr. Crossley's unexpired term.

Director Ferguson seconded the motion. Director McClintock also noted that the person would need to be a qualified elector pursuant to the County's requirement. The motion passed unanimously.

E. Discussion and Possible Action re: Girl Scout Agreement and BOD decision made 5/17/2021: Board Chair Carr told the Board that their attorney has strongly advised them to rescind the May 17th action to approve the contract with the Girl Scout camp. Board Chair Carr suggested that the Board follow this advice, and to add this matter to the July meeting agenda along with an executive session to receive further legal advice on the contract. Director McClintock made a motion to rescind the Board's prior approval of the Girl Scout agreement, and to review the matter further at the July board meeting. Director Cook seconded the motion. The motion passed unanimously.

F. Discussion and Possible Action re: Development of HPDWID Bylaws and Administrative Manual: Board Chair Carr noted that the District does not currently have Bylaws and the administrative manual is out of date. Director McClintock noted that she was already reviewing the administrative manual, and could work on drafting Bylaws after that. Director McClintock made a motion to that the District develop Bylaws and update their administrative manual. Director Cook seconded the motion. The motion passed unanimously.

7. **UPCOMING MEETING DATES:** The Board Chair mentioned the upcoming meeting dates. The next meeting will be held at either the Library, at Municipal Accounts & Consulting's office or via telephone conference. The next meeting is tentatively scheduled for 6/24/21 at 10am. The Board will consider appointing a new director and the GIS proposals.

8. **ADJOURNMENT:** There being no further discussion, the meeting was adjourned at 6:02 p.m.