

**HIGHLAND PINES DOMESTIC WATER IMPROVEMENT DISTRICT  
GOVERNING BOARD MEETING  
MAY 24, 2022  
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 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 via telephone conference call were: Natalie Galgano-Pinkley, District Bookkeeper/Administrator of Municipal Accounts & Consulting, LP (“MAC”); Dave Dirren and Zach Pemberton of Sunrise Engineering; and William Whittington of the firm Boyle, Pecharich, Cline, Whittington, and Stallings PLLC (“BPCWS”). Two members of the public joined the telephone conference: Mr. Emil Sechter and Bob Graff.

3. **REFLECTION:** Board Chair Carr provided a reflection for today’s meeting.
4. **APPROVAL OF MINUTES:** Board Chair Carr noted the highlights from the April 7<sup>th</sup> minutes. Director McClintock made a motion to approve the minutes of the April 7, 2022 Regular Session. Director Ferguson seconded. The motion passed unanimously.
5. **CALL TO THE PUBLIC:** A call to the public was made for comments relating to District matters. Mr. Sechter made a comment to the Board. His house is located on Happy Valley Road and is not in the District, but his neighbor is. He asked if the District’s system will have more capacity when the project is done, and if it will be easier for neighboring parcels to annex into the District. If possible, he would like to be annexed into the District. If the project of connecting to the system is expensive, it may be possible to get a group of the neighbors on Happy Valley Road to cover those costs. Board Chair Carr responded that the Board will be considering an annexation policy later during the agenda, and if approved it would help provide guidance on the annexation process.

Mr. Graff then made a comment to the Board along the same lines. His home is on Skyline Drive and his son lives on Lonesome Hawk. He asked if the District has any plans to expand their service area. If not, he’d like to know if annexation is possible and if it is possible would like to be considered to be added in the future. Board Chair Carr responded that the District currently has no plans for expansion, but is focusing on maintaining and repairing the existing system. She also noted there is a process for annexation, and each request or petition is reviewed on a case by case basis.

Both Mr. Sechter and Mr. Graff left the meeting at 1:20 pm. Jarom Hlebasko of Sunrise Engineering joined the meeting at 1:23 pm.

## 6. REPORTS AND CORRESPONDENCE:

- A. Chair Report:** Board Chair Carr gave the Board an update on several items. She summarized the April maintenance report from Fann Environmental. She noted that Fann has received the four new pumps, which were \$30,000. One was installed yesterday and they are working to replace the others. She noted at the last meeting the Board discussed having a Welcome Letter to send to new residents. Director Angeleri noted he has a draft and will send a copy to the other Board Members by the end of next week.

Board Chair Carr noted she received the District's old Policy and Procedure manual back from Mr. Whittington today. She will review his changes/additions and prepare for the Board's two July workshops. She asked that Ms. Galgano order flash drives so a PDF copy could be given to each Board Member prior to the workshops. Board Chair Carr provided an update on the ARPA funds. The District was one of 38 applicants that was awarded funds. They were awarded \$300,000 to help replace/repair the pumps, water tanks, and possibly help pay for the GIS system. It was also noted that Board Chair Carr and Vice Chair McClintock decided to run for re-election.

- B. Administrative Report:** Ms. Galgano-Pinkley presented and summarized the April Bookkeeper Report and Financials. Director Cook made a motion to approve the Financial Report and checks as presented. Director Ferguson seconded. The motion passed unanimously.

## 7. BUSINESS:

- A. Discussion and possible action re: GIS system:** The system is almost ready for training. The District purchased licenses for two editors and three viewers. Board Chair Carr noted there is a lot scheduled for the next few months, so September might be best for training. Mr. Pemberton noted the training would take approximately two hours. The Board noted Fann might need to be a user, so they will need to check with Jim. Director Angeleri would like to be an editor along with a Fann representative. Directors Cook, Ferguson and Carr will be viewers. The two hour training session was scheduled for September 27<sup>th</sup> at 1pm at the Municipal Accounts office. Board Chair Carr asked that Sunrise prepare a training agenda for that day.
- B. Discussion and possible action re: main water line/Madizell construction project:** Mr. Dirren provided the Board with an update on the project status. They are scheduling a walk through with the Forest Service and will reseed. Board Chair Carr and Director Cook requested they get notice of the walk through so they could join. Board Chair Carr also asked Mr. Dirren to prepare a paragraph on the status so they could update the website. Mr. Dirren noted two more change orders are coming that are minimal in amount. Mr. Dirren reviewed Sunrise's contract with the Board. There has been a significant increase in costs for the construction observation since the contract was signed. They have been balancing the contract between the administration and observation budget, but that will not be enough to finish the project. Mr. Dirren requested an increase to the expense budget of \$9,200 to account for the rise in costs. Director McClintock made a motion to approve the increase in expense allowance to the Sunrise contract by \$9,200. Director Cook seconded the motion. The motion passed unanimously.
- C. Discussion and possible action re: HPDWID water line easement:** Mr. Dirren provided the Board with a copy of the easement map showing the location of the easement vs. the location of the line. Board Chair Carr said this issue needed to be fixed once the line replacement was complete. Once the legal descriptions are ready Mr. Whittington's office will work to get the easements all current. Mr. Dirren noted they installed the new water line as close to the existing

line as they could. The easement work was approved at the last Board meeting, and approximately \$1,500 has been spent so far. The surveyor will continue working on the project and will prepare the legal descriptions for each affected parcel.

- D. Discussion and possible action re: Sunrise Engineering recording Skibiski property survey:** Board Chair Carr noted that when this survey was prepared over a year ago, the property owner at the time, Mr. Skibiski, disputed the easement and fought against the update being recorded. At that time, Mr. Whittington did not recommend recording the survey in order to mitigate the dispute with Mr. Skibiski. Now that Mr. Skibiski has sold the property, the Board would like to clean up the record for the easement/survey. Director Cook made a motion to accept the survey as completed on March 10, 2020 and authorize the recording of the same. Director Ferguson seconded the motion. Director McClintock provided a brief history of the Skibiski debate for Director Angeleri. The motion passed unanimously.

Dave Dirren left the meeting at 2:11.

Director McClintock made a motion to go into Executive Session pursuant to A.R.S. § 38-431.03(A)(3) for legal advice and pursuant to A.R.S. § 38-431.03(A)(4) to give instructions to legal counsel regarding Agenda Items 7(C) – 7(G). Director Ferguson seconded the motion, which passed unanimously.

The Board left the public meeting teleconference to move into Executive Session at approximately 2:15 pm. and noted they would return to public session at approximately 3:00 pm.

The Board rejoined the public session at 3:00 p.m.

- E. Discussion and possible action re: Annexation policy:** The Board reviewed a draft annexation policy. Director Cook questioned if having this in writing would cause problems for the Board being held to only what is written in the policy. Director McClintock questioned some of the consideration items on page 3. She does not want the policy to sound as if the Board makes decisions capriciously, and she does not think those items are the property owner's concern. Director Ferguson agreed a policy would be helpful to have, but Director Angeleri noted the language is difficult to follow. It was noted that the first few pages are from statute, and are helpful for the public to know the procedure. Director Cook made a motion to approve pages 1 and 2 of the annexation policy. Director Ferguson seconded the motion. The motion passed unanimously. It was noted the policy would not be posted on the website at this time.

- F. Discussion and possible action re: Girl Scout contract, fees, and proportionate share for main water line project:** Director McClintock made a motion to table this item for a future meeting. Director Cook seconded the motion. The motion passed unanimously.

- G. Discussion and possible action re: Vacant lot receivables lien procedure:** Board Chair Carr noted she thinks the District is able to lien the vacant lots for unpaid fees. Director McClintock made a motion to place liens on vacant lots when the owner has not paid the monthly fees and has a debt of \$240 or more. Director Cook seconded the motion. The motion passed unanimously.

Mr. Whittington left the meeting at 3:18.

- H. Discussion and possible action re: HPDWID 2022-2023 draft budget, rates and fees:** Ms. Galgano-Pinkly reviewed the drafted budget with the Board along with the proposed rate and fee schedule for the upcoming fiscal year. She noted that in light of the water line break that happened today, she suggests the line items for Operations- Additional and Line, Meter and

Valve replacement be increased. The District is having larger repair items come up more often. There was discussion regarding the ad valorem tax rate. The Board wants to reduce the tax rate, but the District still has several large maintenance and repair projects coming up. After discussion, the Board decided to budget for a tax rate of \$2.50 – reduced from last year’s rate of \$2.7677. The increased property values in the District allows for a rate reduction and still accomplish the large projects that are planned for the year. Director Angeleri mentioned that a lot of residents thought the ad valorem tax was unique for a year or two, but now it is staying for a while longer. He suggested that the Board provide more information to the public to educate and communicate with the residents on this tax. The Board decided to do an online post and newsletter after the final budget is adopted. Director McClintock made a motion to approve the draft budget with a tax rate of \$2.50 and the changes to the maintenance lines items because of the District’s infrastructure issues and current cost inflation. Director Angeleri seconded the motion. The motion passed unanimously.

- I. Discussion and possible action re: Annual audit:** The Board discussed if an audit should be conducted this year. The Board considered the cost of the audit, and if one would be required by WIFA. Ms. Galgano said she would verify with WIFA if an audit is required. The Board took no action on this item.
- J. Discussion and possible action re: HPDWID insurance policy:** Board Chair Carr noted the policy was renewed on May 6<sup>th</sup>. They were not able to obtain the limit increase due to the potential Skibiski dispute that had been disclosed. They hope they can attain the increase next year.
- K. Discussion and possible action re: Pumps and pump station updates:** Director Angeleri had no updates at this time. The estimate for the insulation and heater was cancelled, but he will continue to work on this. The Board noted they plan to paint the pump houses on June 12<sup>th</sup> now that the exterior has been replaced/repared. Greg McClintock did extensive repairs to pump house 1 & 2 gables. Director Angeleri asked that Mr. McClintock submit his time spent so the District could compensate him for the work done.
- L. Discussion and possible action re: Fire hydrant scope of work:** Director Angeleri had requested that the Fire District let him know when they come out so he can observe and get a scope of work needed. Director Cook and McClintock did look at each hydrant for landscaping items that needed to be cleaned up. It was noted the Fire District was there in the last day or so looking at some of the hydrants.

## **8. FUTURE MEETING DATES**

- A.** The next Board meeting is set for June 10 at 4 pm. This will be the public hearing on the budget and rates. It was noted the August meeting was changed to August 15<sup>th</sup>.
- B.** The Board discussed the frequency of the meetings lately. They decided to table this matter and discuss at the August meeting once the construction project is completed.

- 9. ADJOURNMENT:** There being no further discussion, the meeting was adjourned at 4:04 pm.