

FOREST LAKES DOMESTIC WATER IMPROVEMENT DISTRICT
WORK SESSION
June 21, 2018

The Forest Lakes DWID Work Session was called to order by Chairman Lou St. Germain at 10:00 am at The Water District Office. Present were Board Members: Mary Hume, Sally Rottier, and Paul Studer. Staff Members present was Grant Cooper and Amy Belch. Mr. Ray Grimmett was absent.

1. Presentation from Shelby Winstead on Servline Insurance Program

Ms. Winstead states servline is an underground utilities coverage insurance policy. Companies can offer it as a line item on the customer's bill or FLDWID can up the base rate and each customer would have insurance through servline. If FLDWID offered the insurance as a line item any customer has the option to opt out of the program. This residential leak coverage only covers the water usage. Option 1 is \$1.30 a month with limit of insurance \$500.00 per occurrence, option 2 is \$1.55 with limit of insurance \$1,000 per occurrence, and option 3 is \$1.80 per month limit of insurance \$2,500 per occurrence. Ms. Winstead offers residential water line coverage for an additional \$4.95 a month limit of insurance is \$10,000 per occurrence with a waived deductible.

2. Discussion with Monti Hancock on Insurance Policy

Mr. Hancock reports after speaking with Mr. Cooper and Ms. Belch last week in his opinion FLDWID is properly covered if something catastrophic were to ever happen. Mr. Hancock states the coverage is blanket building and content of \$2,673,195. Mr. Cooper points out the \$500K above the \$2,673,195 for the equipment. Mr. Cooper spoke with Mr. Dewalt and the cost for SCADA would be \$40K for each well building. Mr. Studer suggest taking pictures of all items. The policy is \$17,246.00 for fiscal year 2018/2019.

3. Discussion of Master Plan Review

Mr. Studer reports there is only three items to review. Start with page 8, objective 4 change to engineering on Wildcat Trail upgrade in 2021-2022. Page 9 objective 4 add the year 2017 to the hydrant testing. Mr. Studer states on page 12 it should read "after 14 years of no property tax increase." Mr. St. Germain suggest taking out the section after 2005. Ms. Hume agrees with Mr. St. Germain. Mr. Studer suggest on page 18 change Objective 4 to the engineering on Wildcat Trail.

4. Discussion of Coalition Fee – Fiscal Year 2018 -2019

Mr. Cooper spoke with Mr. Brown from Brown and Brown law and for fiscal year 2018-2019 the coalition fee is \$38,000 25% up from last year. Mr. Studer expressed his concern of not paying the \$38,000 and FLDWID needs to put a cap on the amount paid. General consensus of the board is not to opt out of the coalition but with the main trunk line project approaching \$38K is just not in the budget. Mr. Studer suggest \$29,000 for fiscal year 2018/2019. Mr. St. Germain suggest calling Mr. Brown and writing a letter detailing FLDWID plans with the coalition. Mr. St. Germain suggest bringing light to the community about being involved in the LCR Coalition in the newsletter. Mr. Cooper reports Ms. Belch added a summary of the coalition to the newsletter.

5. Discussion of Credit Line Through National Bank of Arizona

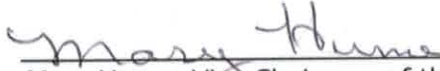
Ms. Belch and Mr. Studer met with National Bank of Arizona for information on an unsecured loan of \$250,000. Ms. Belch states \$250,000 loan will cost FLDWID for document fees and annual fee of \$300.00 dollar for the first year. The loan would be in house from National Bank of Arizona and would take up to 2 weeks to processes loan. Ms. Hume expressed great concern of why FLDWID should not assume a loan. Mr. Studer states the loan is for emergency purpose only. Mr. Studer suggest getting the credit line prior to signing a contract for the main trunk line upgrade.

6. Discussion of 2018 – 2019 Preliminary Budget

Mr. Studer reports that property tax is at \$297,573, Health insurance \$44,200, Liability Insurance is \$17,300, Coalition is capped at \$29,000, and Bank Charges are \$3200. Adjust the operating reserve to correct number.

Mr. Lou St. Germain Closed meeting at 11:55 am.

Forest Lakes DWID
Minutes by: Amy Belch



Mary Hume, Vice Chairman of the Board



Sally Rottier, Secretary

6-26-2018
Date