

**FOREST LAKES DOMESTIC WATER IMPROVEMENT DISTRICT
WORK SESSION
October 20, 2022**

The Forest Lakes DWID Work Session called to order by Chairman Joe Taylor at 10:02 am at The Water District Office. Present were Board Members: Lou St. Germain, Mary Hume, and Paul Studer. Staff member present Grant Cooper and Amy Belch. Absent was Bryan Hawk.

1. Discussion and Review of Central State Resources

Mr. Taylor states right after last month's board meeting, he was contacted by Central State Resources via email. Central State Resources inquire if Forest Lakes Domestic Water Improvement District was interested in selling. This is a company that purchases small water districts or wastewater districts.

Mr. Taylor states he would bring it to board members. Mr. Taylor does not believe its an option seems how Forest Lakes DWID is customer owned and under Coconino County. Mr. St. Germain states as a board member he is not interested. Mr. Taylor states he had to bring it to boards attention. Mr. Taylor request any feed back on the Central State Resource. Mr. St. Germain see's no upside to selling and Ms. Hume agrees. Mr. Cooper states it would be the customers vote if board entertained the idea and he states it would have to be over 85% of customers to say yes. Mr. Studer states bottom line is the board can not vote on it until it is on the agenda. Mr. Taylor will email them after the meeting and let Central Water Resources know the decision of the board members.


2. Discussion and Review of Budget VS Profit and Loss for Projects

Mr. Taylor states that there has been some back and forth between himself, Ms. Belch, Mr. Cooper, and Mr. Studer. Mr. Taylor and Ms. Belch meet with Mr. Cooper for about three hours going over profit and loss specifically pertaining to projects. Mr. Cooper pulled the last 5 years of budgets and profit and loss to compare. Mr. Taylors conclusion is some items were not logged in the correct line item. Mr. Cooper reports the main trunk line project that started in 2018 carried over to 2021 when final payment was made to Tokio Marine bonding company. Mr. Cooper states in 2021 budget there was no project for Sheep Springs, but parts were bought for Sheep Springs Project when the parts could have been in capital systems upgrade. Mr. Cooper states the pipe can be used for breaks or a project but at the time there was no project. Pipe could have been bought for inventory because of the price of pipe and lead time to get the pipe. Mr. Taylor states with the budget for 2022-2023 the projects are detailed, Sheep Springs Project, St. Joe Well Project, and Turkey Trail Project if that passes a vote from board members. There is no more grey area going forward. Mr. Studer states Mr. Taylor brought up a point that he was not aware of, adding a line item and turning in to Coconino County for an amendment. Mr. Studer states he was doing what had been done in years past. Walking down the line with the profit and loss and adding a bullet point to close the main trunkline project with the balance owed to the bonding company. Mr. Studer did not believe that to be an illegal activity. Mr. Studer asked Ms. Belch was the process was for turning in budget, profit and loss, and financial statements to Coconino County. Mr. Belch states she turns the final budget created by FLDWID to Coconino County by July and at year end of fiscal year sends to Coconino County the annual report. Coconino County reconciles the county warrant account monthly and Ms. Irwin, CPA reconciles the National Bank of Arizona account monthly and closes the financials.

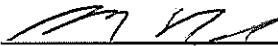
3. Discussion and Review of LCR Coalition Line Item on Profit and Loss and Bank Balance Report

Ms. Belch presents the documentation for LCR Coalition line item for profit and loss and bank balance to show last year's LCR monies will show in 1101 on the balance sheet. The money collected will show for this fiscal year on profit and loss. Mr. Taylor and Mr. Cooper state the monies will be moved at end of fiscal year. Ms. Belch states the \$6823.83 is from monies collected and from monies not spent in 2021-2022. It will stay in that account per FLDWID Lawyer, David Brown for future LCR expenses.

Mr. Joe Taylor closed the meeting at 10:40 am.
Forest Lakes DWID
Minutes By: Amy Belch



Joe Taylor, Chairman of the Board



Bryan Hawk, Secretary

11-17-2022

Date