HAVASU HEIGHTS DOMESTIC WATER IMPROVEMENT DISTRICT
PUBLIC SESSION MINUTES

January 20, 2026

PUBLIC MEETING

1. **Call to Order.**
   Chairperson, Mark Schroeder called the PUBLIC MEETING to order at 6:00 p.m. on January 20, 2026

2. **Roll Call.**
   Present were Mark Schroeder, Chairperson; Lucetta Richard, Clerk; Bill Fisher, Board Member Michele Hannah, Board Member, Todd Burlingham, Board Member

3. **Pledge of Allegiance.**

4. **Call to the Public**
   No Comment

5. **A. System Operator's Report.**
   Operator Don Shed reported we have one stuck valve. Issues well #2 with CL2. At Well #3 keeps eating fans. (Exhaust fans) Not sure why. Reaching out to the fan company tomorrow. No evidence of corrosion? Their sealed. Cut one apart and see possible what's happening. No evidence or reason. Well #3 is highest producer, no electrical issues. Are they getting surged? Put them on surge protectors. (low pressure, low volume, just an exhaust fan) Will get surge protectors for all 3 wells. Lubed up the locks on the hydrants, had some sticky ones. Tied down one of the tarps on the pipes. Well #2 on the Telemetry it says its running, but it's not. Well or hour meter in not running. Took everything apart, checked amps, fuse, checked power coming in. Now it's working again. No reason for it, unless it's Telemetry or possibly losing a well. If happens again we will call them to come out. We know when we see the hour meter & pump meter hasn't moved that well did not come on. Usually, we get a fault. Also checked battery. Happened twice in 3 days.
   Operator Jamie Wilson reported, had several locates, filled in for Don while he was gone, Help do meter reads before the holiday. Don and I started turning valves in preparation for new construction. Checked a meter, Repair tank road.

B. Administrative Manager Report.
Jacqueline Moore Manager reported. Got some quotes for the audit. $9K, $10K, $16-$17K, one refused. We were paying $8K-$9K with Gene. Gene gave us the list for all that we quoted. $9K Located in Phoenix. Extra for travel, etc, Is it required? Ask Gene, CPA where he sends the audits. (Mohave County?) What's Arizona law require? The money from the previous loan with WIFA do we want the money back or applied to the new loan? Mark Schroeder, Chairperson made motion to return the funds to HHDWID. Lucetta Richard, Clerk second the motion. Motion carried unanimously. (Possibly put in a short tern CD.) Business as usual.

6. Consent Agenda Items:
Lucetta Richard made a motion to approve item A-D, Todd Burlingham second the motion. Motion carried unanimously.

7. Regular Agenda Items.

A. Discussion and possible action re: Current Update on Construction of Tank and Lines. (Pat Berns will be available to do a pre-construction get together.)
Jacqueline, manager reported still working with ADEQ to get the Approve to Construct. Got the information from M3 that ADEQ requested. Gave to both operators. M3 submitted to ADEQ. ADEQ was asking about businesses/ commercial. All accounts are under Residential. Fire suppression.
Drew (Pat Berns) reported had piping brought to the site. Our next steps would be to sign a contract for the tank supplier. They are ready to give submittals. Want a firm contract. Want blessing from Board before they (Pat Bern) signs. Time frame: Submittals go to engineer, hopefully back in 2 weeks. Probably a month, design, approvals etc. 2 months to build on tank. Pipeline will take about the same amount of time as the tank. Still have grading at the location (tank). Sent invoice for material, plus the 5% down. Vault will be stored securely. As soon as we get the go ahead, we are ready. Pipe submittal been submitted, only waiting for the tank submittal.

B. Discussion and possible action re: Annual election of Board Chairperson & Clerk. Lucetta Richard made a motion to have Mark Schroeder Chairperson, and Lucetta Richard, Clerk. Michele Hannah, Board Member second the motion. Motion carried unanimously.

C. **Discussion and possible action re: Review of current budget ending June 30, 2026** Bill Fisher, Board Member We should be paying attention to the budget throughout the year to make sure we stay on target. Did a report from budget, the actuals on our expensive July through December and did a percentage check to see if we are in the ball park. Most budget items should be around 50%. Which they are. Bill went through the budget review spread sheet. He suggests that we do this quarterly. Bill asked to have any expense that contain to the construction project (legal, permits etc.) to go into the Construction project coding. He also asked to have Accounting Angels to reclassify some of the expense to go under the project. (Lawyer fee for the Construction contract.) Jacqueline will contact Accounting Angels and have the coding changed. The question was brought up if we need to have a CPA handle our budgets? Or is this something the board can do? This could potentially save the district money. Should we let Gene Newman, CPA go? What does he send to the county? Most budget information is sent by us. Reach out to the lawyer and get clarification on the budget and audit.

D. **Discussion and possible action: Investment Committee Report Review** (Sub-Committee Members – Bill Fisher, Board Member and Michele Hannah, Board Member) Michele Hannah and Bill met in December and view the investment policy. We are suggesting that we follow the guidelines outlined in the investment policy. Checking account should have 15%-20%, Money Market 20%-30% and Certificates of Deposit (CD) 50%-65%. We suggest to move all funds excess of $160K to investment accounts. Approximately $215K. 30%-40% in 6–12-month CD (short term) 60%-70% in 2–5-year CD for higher yield. Looking into Arizona Local Government Investment Pool (LGIP) seems to fit with what we want to do. We may want to put some money in that; it gets pretty good yields. 4 ¼% for short term. Very liquid. Insured. Need to compare it to current rates. First glance very comparable or higher. They manage the money. Is there a fee? Michele to call and ask more question. Website was limited information. Mark Schroeder asked How ae they making money? Bill Fisher stated It's a service for small rural districts. Don't think it's a money-making thing. What are the terms? Arizona law states we can't do more than 5 years. Also move money to different institutions rather than just PNC. Might be a good way to do that. Bill Fisher stated that being a government agency within the state anyone we deal with like PNC has to commit to this 102% funding. All money we put into PNC has to verify to Arizona state (Pooled Collateral) that they have $1.02 per dollar. We can't invest in anything we could lose money on. We have options. Lucetta Richard made a motion to approve Moving of funds. Todd Burlingham seconded the motion. Motion carried unanimously. Jacqueline to schedule appointment with bank. Bill Stellhorn, public asked about the bylaws regarding money funds without the full knowledge of the board?

Discussion and possible action: Invest Committee Report and Review cont.
Bill Fisher, board member stated we made an investment policy that gave permission to sub-committee to monitor investments. It will still be discussed and reported in a board meeting. They have certain guidelines that they have to follow.

8. Announcements.

A. Future Meeting Date
The next **Board Meeting** will be **Tuesday, February 17, 2026** at 6:00 p.m.

B. Future Board Agenda Items
CPA and Audit Requirements

9. Adjournment.
Mark Schroeder made a motion to adjourn at 7:27 p.m. Lucetta Richard seconded the motion. Motion carried unanimously.

Administrative Service Manager

Acknowledged...Chairperson or Clerk

2-17-26
Date