

**Holiday Island Suburban Improvement District  
June, 2010 District Manager's Report**



**TO:** HISID Board of Commissioners  
**FROM:** Kevin Crosson, District Manager *KC*  
**DATE:** June 24, 2010

The June 2010 Manager's Report will provide you with an updated status report on 2010 goals and objectives and the detailed department reports. A summary financial report for the month of month of May 2010 is also attached.

**Financial Summary for May, 2010**

**Assessments**

	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>
Current Collected	\$470,184	\$1,711,165	\$1,240,981
Delinquent Collected	58,566	341,878	283,312
Penalties Collected	16,014	91,237	75,223
Sewer Debt	72,528	154,270	81,742
<b>Total Collected</b>	<b>\$617,292</b>	<b>\$2,298,550</b>	<b>\$1,681,258</b>

**Capital Expenditures**

	<b>Actual</b>	<b>Budget</b>	<b>Balance</b>
Budgeted-Facilities/Equip	\$ 19,000	\$242,000	\$223,000
Equipment Reserve	25,000	66,000	41,000
2010 Projects/Unbudgeted	14,000	0	(14,000)
Sewer Debt Funds-Offset	0	0	
<b>Totals</b>	<b>\$ 187,000</b>	<b>\$308,000</b>	<b>\$250,000</b>

**Operating Income/Expenses (ytd)**

	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>
Income	\$1,108,000	\$3,249,000	\$(2,141,000)
Expense	(1,173,000)	(3,039,000)	1,866,000
<b>Net Income (&lt;depr)</b>	<b>\$ (65,000)</b>	<b>\$ 210,000</b>	<b>\$ (275,000)</b>

**Cash & Investments**

	<b>Dec. 2009</b>	<b>May 2010</b>	<b>Inc./Dec)</b>
Cash	\$ 959,000	\$1,013,000	\$54,000
Designated Res.	138,000	138,000	0
Undesignated Res.	1,063,000	1,072,000	9,000
<b>Totals</b>	<b>\$2,160,000</b>	<b>\$2,223,000</b>	<b>\$63,000</b>

**Actual/Budget Comparison**

	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>
Income	\$ 1,108,000	\$ 3,249,000	\$ (2,141,000)
Expense	(1,173,000)	(3,039,000)	1,866,000
<b>Net Income (&lt;depr)</b>	<b>(65,000)</b>	<b>210,000</b>	<b>(275,000)</b>
Capital Expenditures (CE)	(19,000)	(242,000)	223,000
<b>Net Income After Initial CE</b>	<b>(84,000)</b>	<b>(32,000)</b>	<b>(52,000)</b>
CE – Equip Reserve	(25,000)	(66,000)	41,000
CE – 2010 Projects/Unbudgeted	(14,000)	0	(14,000)
CE-Offset by Sewer Debt	0	0	0
<b>Final Net Income</b>	<b>\$ (123,000)</b>	<b>\$ (98,000)</b>	<b>\$ (25,000)</b>

**Summary Balance Sheet, May 31, 2010****ASSETS**

Unrestricted Cash	955,169.04
Restricted Cash	570,128.19
Unrestricted Invested Funds	1,553.34
Restricted Invested Funds	1,087,158.73
Debt Service Funds	356,742.24
Accounts Receivable	469,181.52
Allowance for Uncollectible Debt	(86,214.19)
Resale Inventory	61,673.56
Prepaid Expense (Insurance)	50,172.72
Land & Buildings	37,479,517.45
Accumulated Depreciation	<u>(18,322,321.52)</u>
	22,622,761.08

**LIABILITIES**

Short Term Payables	200,949.36
Long Term Payables	0.00
Bond Payable	4,630,062.00
Fire Wise Grant	6,709.35
Encumbered Funds-Sewer Debt	393,839.73
Contributed Capital	1,525,652.72
Retained Earnings	<u>15,865,547.92</u>
	22,622,761.08

**2010 Work Plan**  
**District Goals and Objectives**

**Goal #1:** Protect and systematically improve the District's infrastructure, including the water production, storage and distribution system; wastewater collection and treatment system; and road and drainage system.

**Objectives:**

1. Monitor the *project performance period* of the District's wastewater treatment plant upgrade and expansion project, following agreed-upon observation/inspection protocol with the project engineers, to ensure all elements of the construction project function as specified.  
*Status: Painting of original treatment structure 95% complete; BRB initiating work on sludge drying beds; staff, MWY finalizing mechanical bar screen project for BOC approval in July*
2. Continue the development and implementation of an energy conservation program for District operations, and provide the Board a report that recommends specific policies, operational strategies and quantifiable efficiency goals to direct and control the use of non-renewable resources, including electricity, water, and fossil fuels.
3. Continue the systemic review of the District's water distribution system for the purpose of locating and repairing water leaks, and thus reducing the District's overall water loss percentage.  
*Status: Contractor finished with pilot leak detection work on Island; report/findings presented at May BOC Work Session; funding recommendations for an annual allocation to be made at June Regular Meeting*

**Goal #2:** Ensure the integrity and stability of the District's revenue sources, and evaluate all opportunities to expand the revenue base.

**Objectives:**

1. Continue to coordinate with the District's state representatives to pursue a modification of SID statutes regarding the timing and frequency of assessment payments.
2. Develop a revised policy proposal requiring a rental fee for all Holiday Island groups and organizations when using District facilities.  
*Status: Preliminary options presented at February board meetings; for Amendment #15 to Regulation #26-2002 approved by Board at May Regular BOC Meeting \*Completed\**

3. Develop a detailed recommendation regarding the establishment of franchise fees for Holiday Island as both a revenue source and as a protection of District rights-of-way, and initiate negotiations with affected utility organizations.  
*Status: Staff to prepare preliminary recommendations for solid waste franchise to be presented at July BOC Work Session*
4. Develop recommendations for further operational modifications at the District's golf courses, with the intent to complement the "semi-private" course designation and generate additional income.  
*Status: Addition of a limited game room (pool table, dart boards) completed and available for use in bag storage are in lower level of clubhouse; based on comments received to date, staff is indefinitely postponing planning for an evening meal program*

**Goal #3:** Ensure that all District operations, procedures and regulations are in compliance with all applicable federal, state and local laws, and are geared towards minimizing exposure and risk.

**Objectives:**

1. Conduct a detailed review of the District's foreclosure process to assess the program's effectiveness, from both a cost and retention standpoint, and develop a revised plan, in conjunction with HIDC, to address lot turn-backs and foreclosures which result in a shrinking assessment base for the District.  
*Status: Detailed presentation delivered by HI Developer in February; current process under way and awaiting formal notification from Capital Source on 2009 Assessments*
2. Determine the legality and feasibility of offering "wi-fi" internet services to Holiday Island property owners through the use of the District's water system telemetry infrastructure.
3. Determine the legality and feasibility of offering financial incentives to successful candidates running for the Board of Commissioners.

**Goal #4:** Ensure the integrity/success of the District is maintained from the standpoints of future growth and aesthetics.

**Objectives:**

1. Conduct a comprehensive review and update of the 2004 District Marketing Plan and develop planning details for both the marketing of the community and for the use of District golf facilities.

*Status: Limited golf course marketing strategy in process of implementation; evaluating the utilization of an independent property owner committee to conduct a thorough community marketing plan review, and compile a series of low/no cost marketing strategies for a defined planning period, with presentation of committee recommendation scheduled for June Regular BOC Meeting*

2. Continue the process of developing a deer management plan for the community by coordinating with the Holiday Island Deer Management Advisory Committee.  
*Status: Staff currently cooperating with placement of deer crossing signs at strategic locations*
3. Continue the process of identifying, refining and implementing cost-effective techniques to communicate with the property owners of Holiday Island.  
*Status: Staff evaluating possibility of cancelling "Coffee with Crosson" due to poor/no attendance*

**Goal #5:** Maintain quality District amenities for the property owners of Holiday Island as cost-effectively as possible.

**Objectives:**

1. Evaluate the utilization of recently-completed amenity improvements, including the Leatherwood Walking Trail and the handicapped fishing pier, and formulate recommendations regarding the development, expansion and management of the facilities from a long-range planning standpoint.  
*Status: Trail counter ordered; to be installed July to evaluate utilization*
2. Develop and present a reporting model that provides a comparison of District amenities operations against comparable communities/operations for the purpose of evaluating cost-effectiveness.

**Goal #6:** Ensure District support of actions and methods that provide for and retain a competent, dedicated, and well-motivated work force that can respond to the evolving needs of the community.

**Objectives:**

1. Develop comprehensive set of administrative *standard operating procedures* to be used as a guide for District management and employees in the performance of their individual responsibilities.  
*Status: Completion and presentation of draft manual scheduled for July BOC meetings*

2. Evaluate and implement expanded in-house employee training programs, and implement procedures as needed to protect and improve District employee/property owner relationships.
3. Review the District's current incentive package to assist with volunteer firefighter recruitment and make modifications as necessary.
4. Conduct thorough review of the District's *Employee Handbook* and make all changes necessary to ensure compliance with state and federal employment and labor laws.

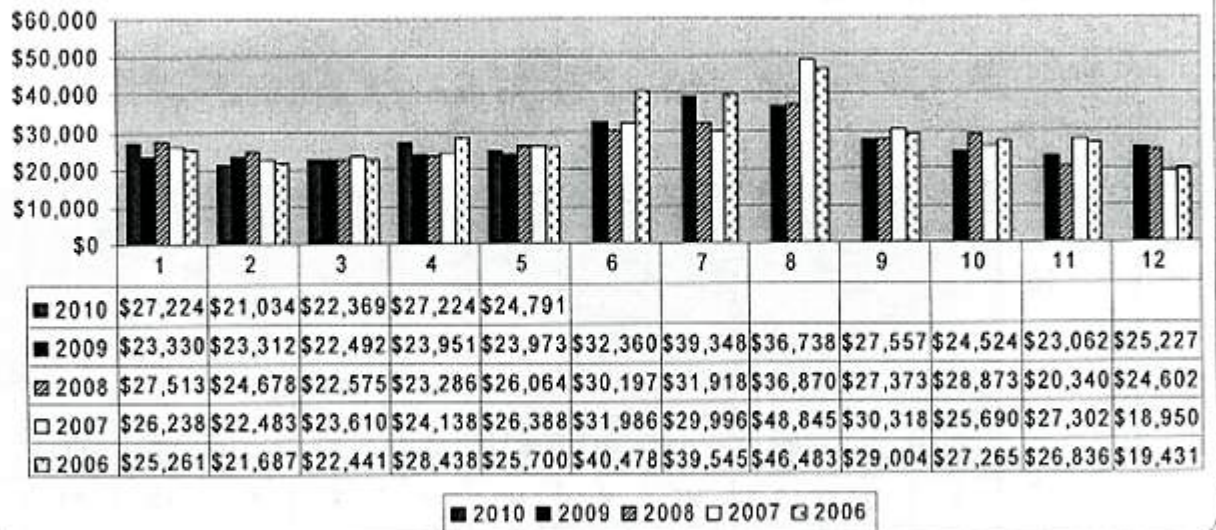
*Status: Compliance review to be conducted by RKF&L, District's risk management contractor, with draft modifications presentation to BOC at May meetings, now scheduled for BOC presentation at June Regular Meeting*

**Department Operations**

<b>Access Cards</b>	<b>YTD '10 - \$</b>	<b>YTD '10 - #</b>
Family Golf	\$51,975	99
Individual Golf	\$44,100	126
Family Rec	\$4,125	33
Individual Rec	\$2,375	32
Extended Family Rec	\$6,525	29

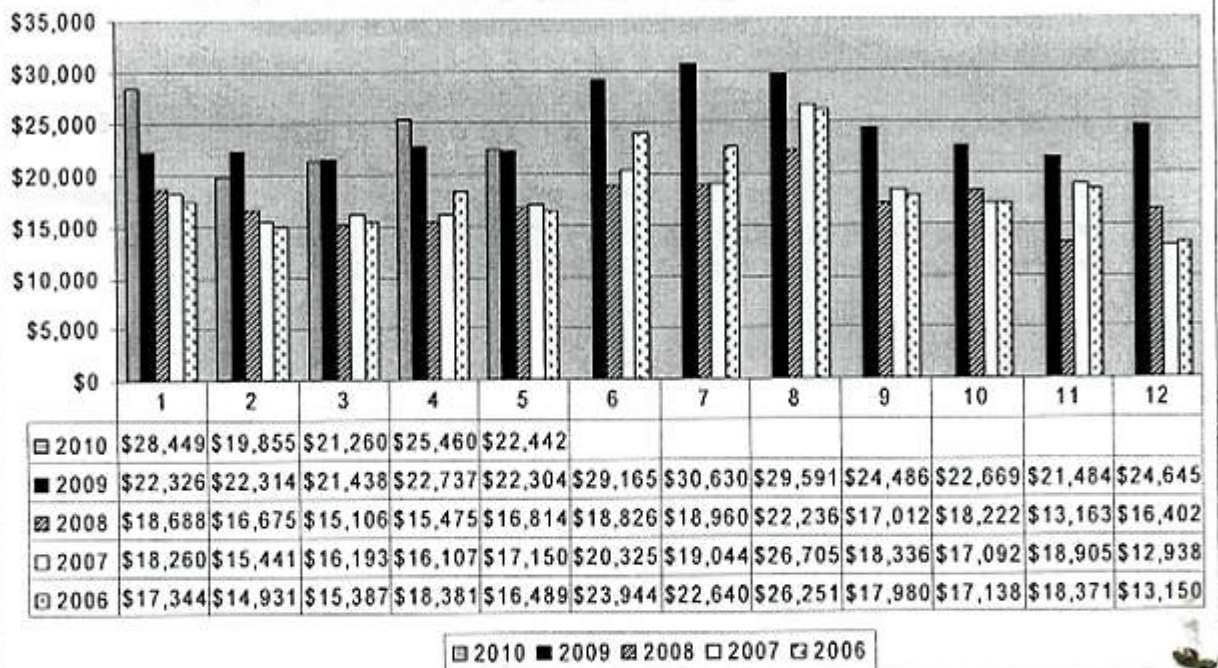
	<b>YTD '09 - \$</b>	<b>YTD '09 - #</b>
Full Access Family	\$63,900	152
Full Access Individual	\$36,600	122
Limited Family	\$4,650	31
Limited Individual	\$3,093	35

### Water Billed

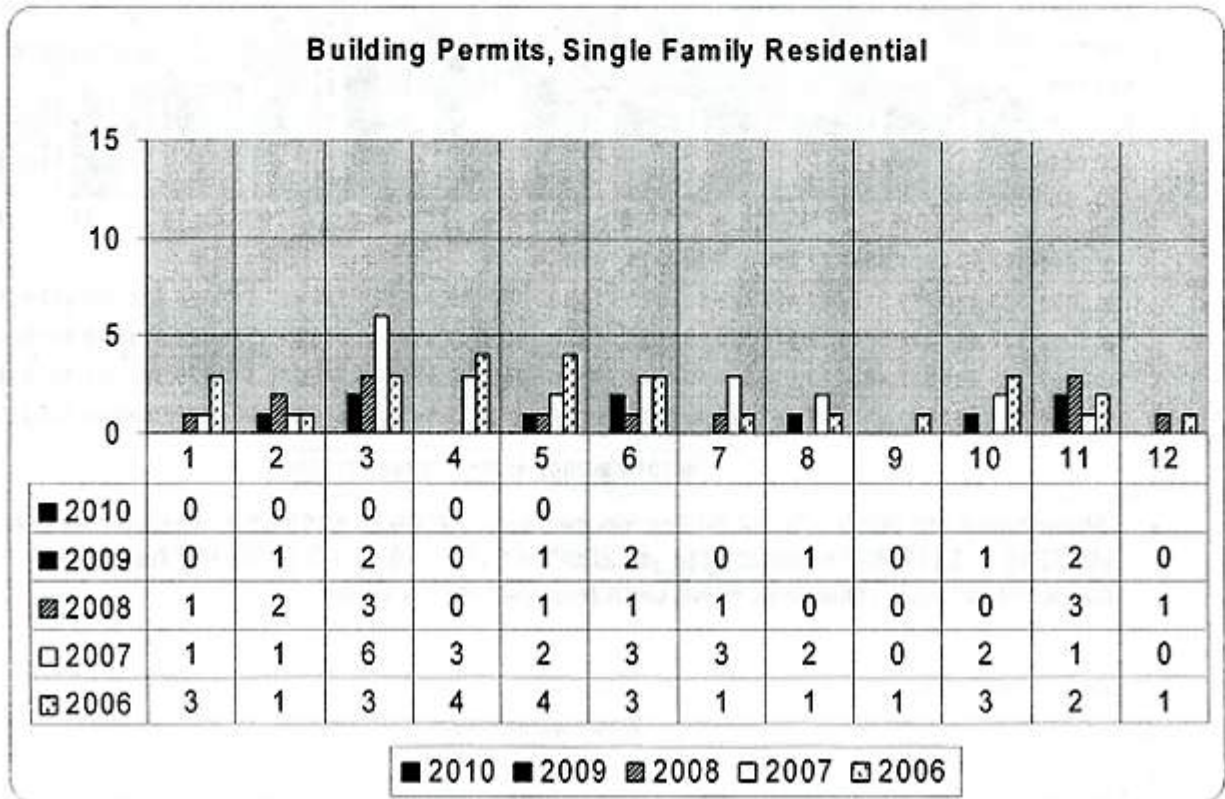


- Water billed ytd 2010 is \$122,642 compared to ytd 2009 of \$117,058; wastewater billed ytd 2010 is \$117,466 compared to ytd 2009 of \$111,119. YTD \$139,167 has been collected for WW Treatment Plant Debt (Assessment & Water)

### Wastewater Billed



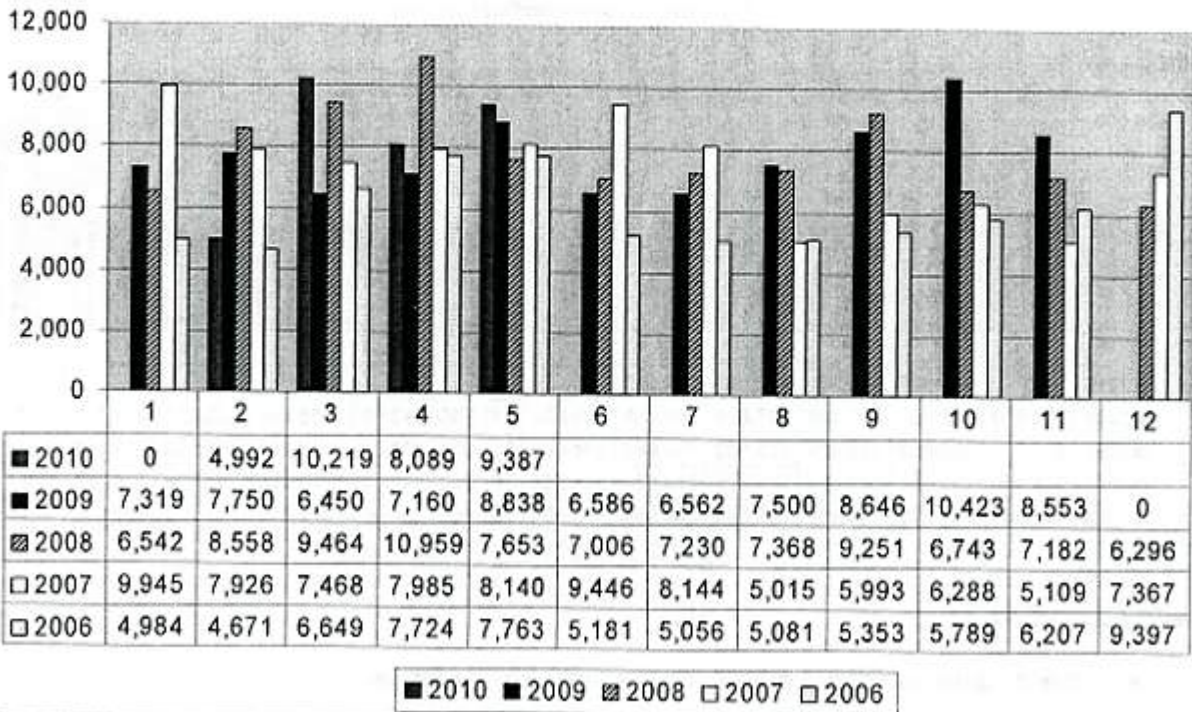
- Holiday Island Planning Commission - Single family residential permits are our key indicator of community growth. No single family residential permits have been issued by the HIPC yet in 2010.



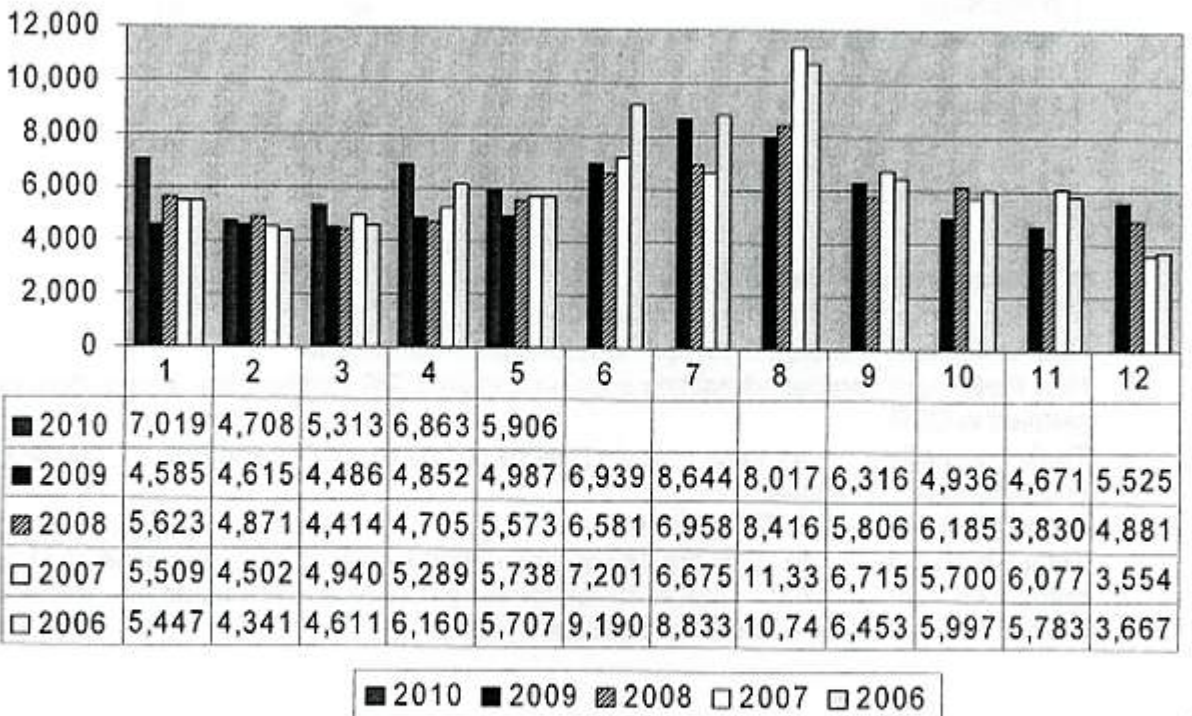
Public Works

- Billed water ytd 2010 is 29.8. million gallons compared to ytd 2009 of 23.5 million gallons
- Continue negotiation with Home Depot concerning generators
- Sand filters ready to be backwashed/cleaned for use with completion of painting
- Visual approval by Corps representative last week of may
- Final Road Damage Inspections for 2010 - 5

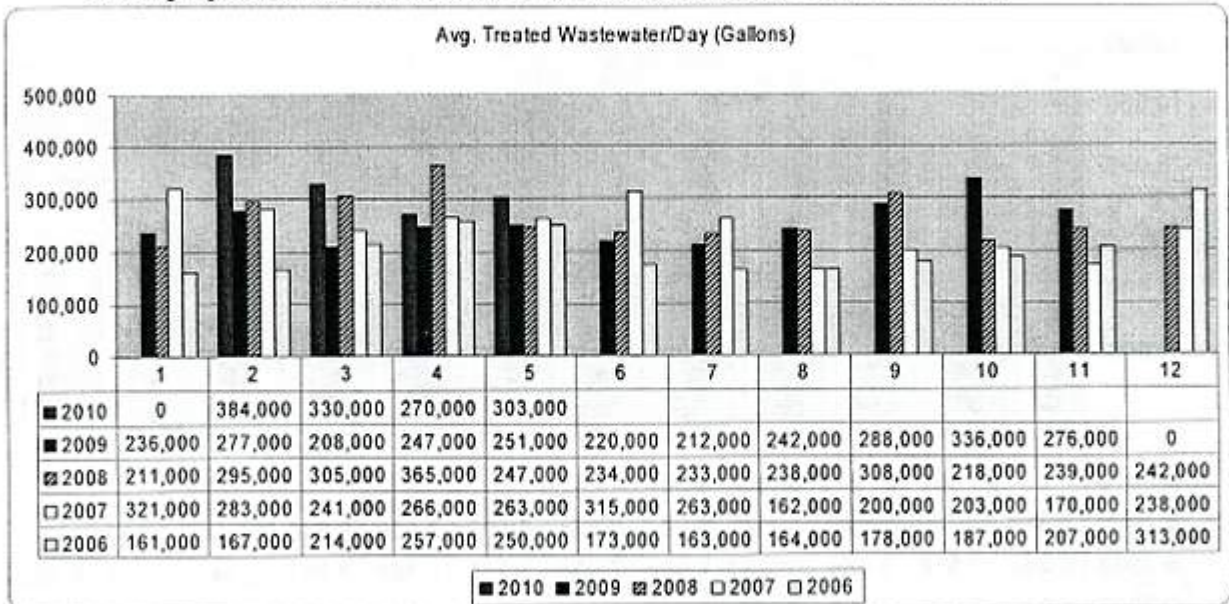
Treated Wastewater (Gallons x 000)



Billed Water (Gallons x 000)



- The 2010 treated wastewater statistics are available beginning mid-February; the average gallons treated per day for this period through April is 303,000.



### Law Enforcement

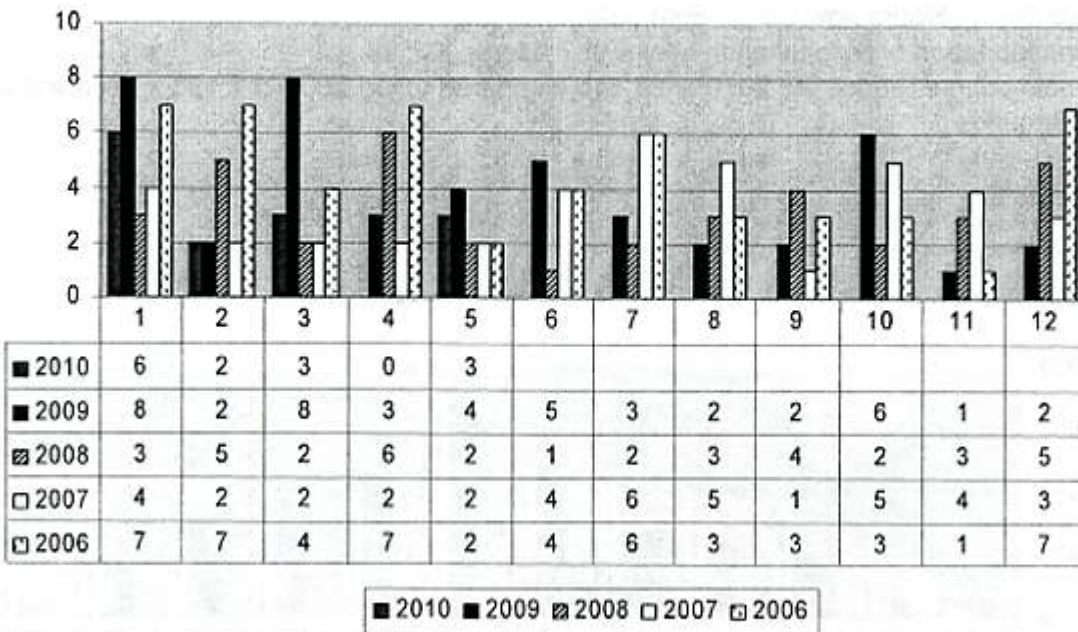
- Year to date law enforcement reports includes the following:

	May, 2010	YTD 2010	YTD 2009
Accidents Investigated	4	6	17
Traffic Stops	33	130	278
Verbal Warnings Issued	27	117	72
Citations Issued	6	48	150
Physical Arrests	3	10	10

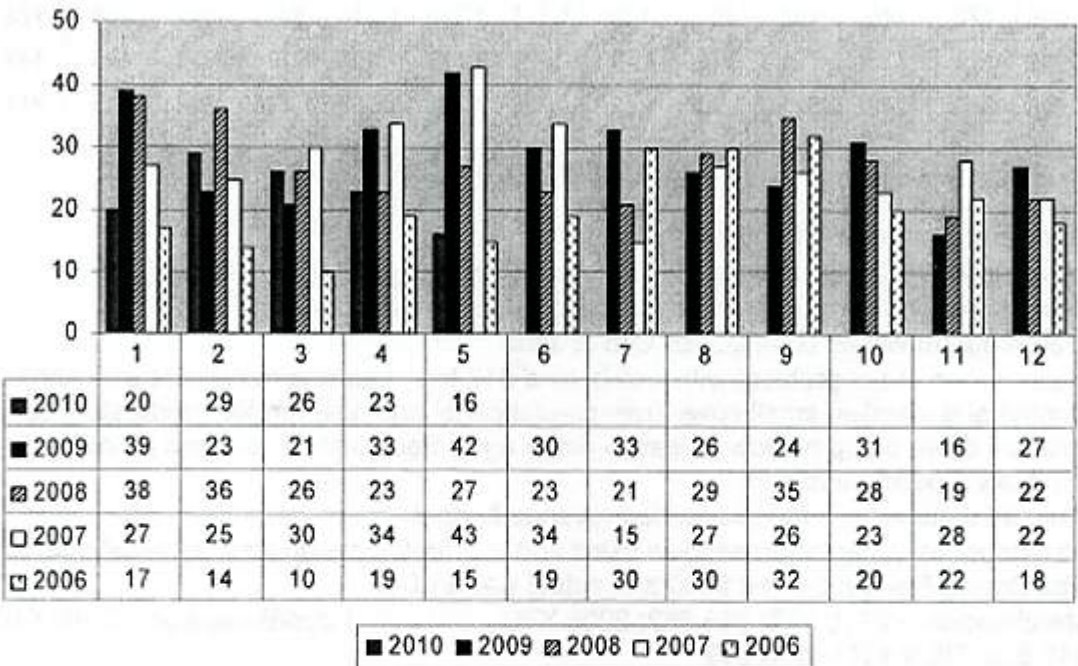
### Fire Protection

- SCBAs and turn out gear ordered
- 1<sup>st</sup> response vehicle delay until end of June
- New firefighters completed 16-hour in-house fire hose course
- New firefighters completed training session and are CPR certified; first responders re-certified in CPR
- Tank mounted on newer truck chassis (purchased by Rural Department) with more HP and automatic transmission
- Preparing for 4<sup>th</sup> of July Celebration
- Total fire responses ytd 2010 are 14 compared to ytd 2009 of 25, a decrease of 11 fire responses from last year. Total EMS responses ytd 2010 are 114 compared to ytd 2009 of 158, a decrease of 44 calls from previous year

### Total Fire Responses



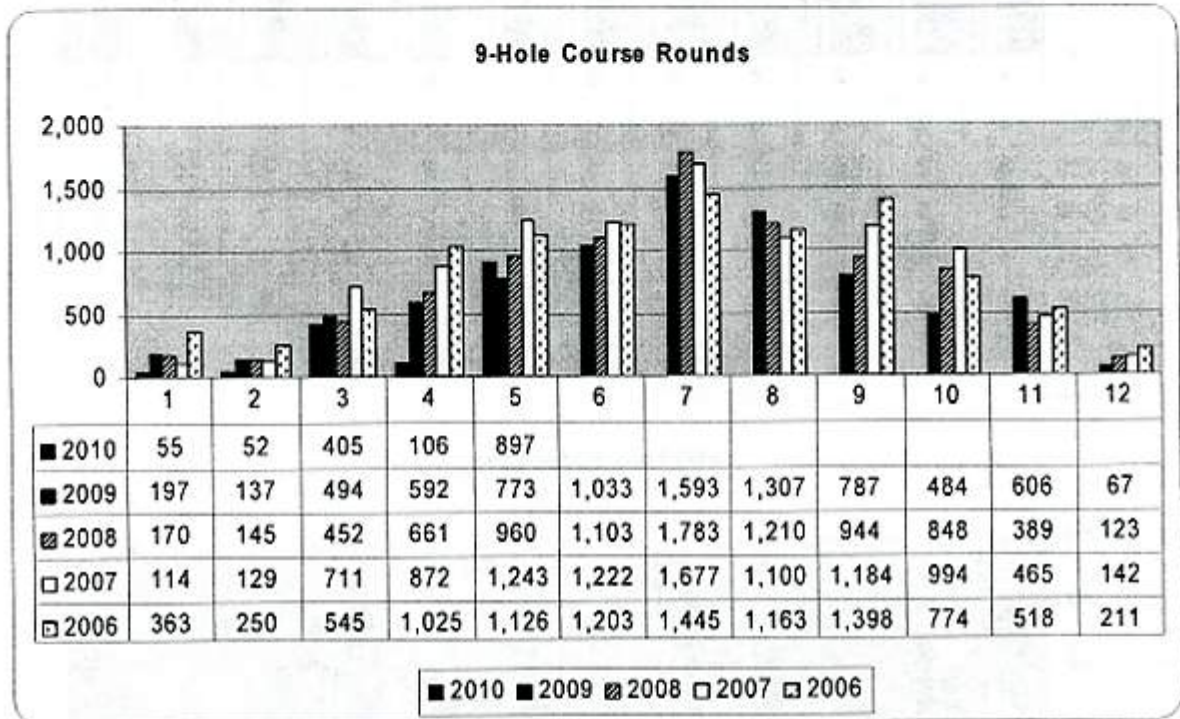
### Total EMS Responses



Recreation

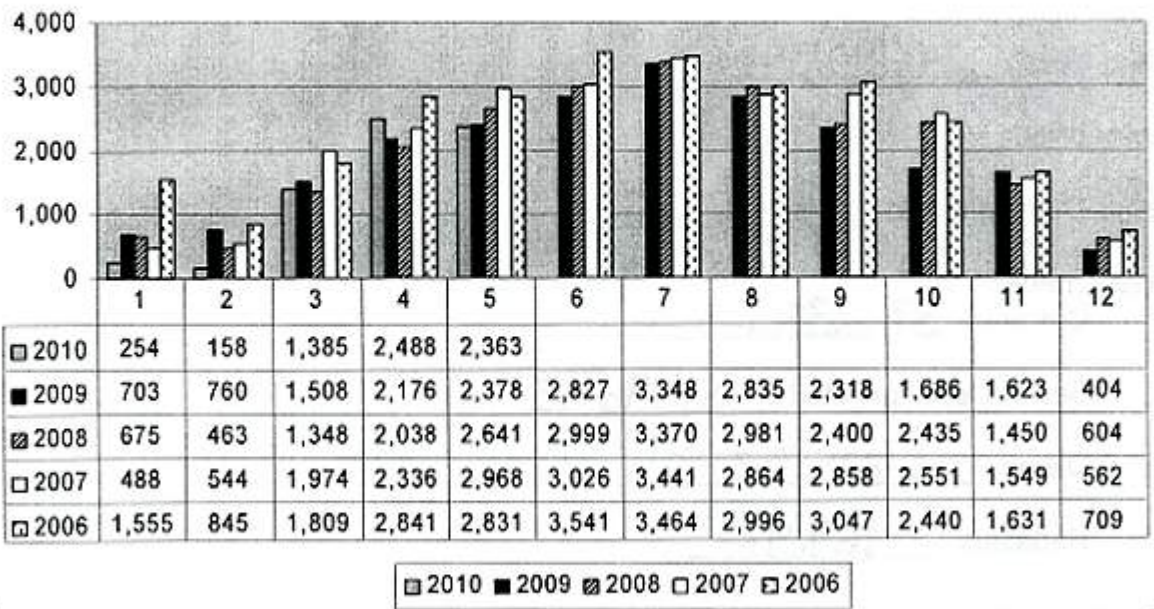
- Rec Center Hours now 8am – 8pm daily
- Transportation – 1 trip taken in May with 7 riders
- 9-hole course rounds ytd 2010 are 1,515 compared to ytd 2009 of 2,193 a decrease of 678 rounds

Golf Operations



- Greens holding up well under heat, so far
- Spraying fairways for crabgrass; any yellowing will be gone in 10-14 days
- New fairway mower delivered and being used on 9-hole course
- Tree program will be complete by end of June
- Experienced major problem with well behind #17 tee. Our engineers met with AMP Control and installed small cover over control panel and new fan for overheating control; throttled down sump outflow to lessen amperage. Seems to have cured problem; hopefully a permanent cure.
- May, third month in a row, exceeded revenue budget.
- All categories except merchandise sales and trail fees were up for May; most interesting was Driving Range; budget \$400 and actual was \$1,045
- Merchandise – 2010 YTD \$13,862; 2009 YTD - \$17,605; Food/Beverage – 2010 YTD - \$18,626; 2009 YTD - \$18,839
- 18-hole course rounds ytd 2010 are 6,648 compared to ytd 2009 of 7,525; a decrease of 877 rounds

### 18-Hole Course Rounds



### Upcoming Month Review

#### Regularly scheduled Board of Commissioner Meetings

- July Work Session, Monday, July 19 @ 9 a.m. District Office
- July Regular Meeting, Monday, July 26 @ 9 a.m. District Office

#### Community Meetings/Events

- Kick-Off Pool Party, Friday, July 2<sup>nd</sup> with Tradewinds
- Independence Day Celebration, Sunday, July 4<sup>th</sup>, beginning @ 2pm with fireworks @ 9:30pm
- HIHA Meeting, Thursday, July 8<sup>th</sup>, Ballroom
- AARP Picnic, Monday, July 12<sup>th</sup>, Pavilion
- Neighborhood Watch Picnic, Thursday, July 22<sup>nd</sup>, Ballroom

May, 2010

Water billed 24,790.59

Sewer billed 22,442.13

Sewer Debt collected 14,120.87

Assessments

Current 39,238.63

Sewer Debt collected 5,496.93

Delinq 3,825.53

Penalties 969.91

Access Cards	#	amount
Family Golf	<u>0</u>	<u>0</u>
Individual Golf	<u>5</u>	<u>1,750.00</u>
Family Rec	<u>11</u>	<u>1,375.00</u>
Individual Rec	<u>8</u>	<u>600.00</u>
Extended Family Rec	<u>7</u>	<u>1,575.00</u>

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# MATHIS, CARTER & ASSOCIATES, PA

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*Civil / Environmental Consultants*  
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Eureka Springs, AR 72632  
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[mcaengineering@sbcglobal.net](mailto:mcaengineering@sbcglobal.net)

## MEMO

From: Michael Mathis, P.E.  
Re: Engineering Report  
Monthly Update  
Holiday Island, AR

June 1, 2010

### Projects:

- 1) - Generators
- 2) - Wastewater Plant

1: -We have requested Home Depot provide third party inspection and bill of materials lists for the generator at well 4 by Friday June 4, 2010. This is needed before further repairs are made.

2: -We are now on record as the licensed sewer operators at the new plant. We have provided much daily operation and trouble shooting for the new construction. We were on-site as the Districts representative for both the "surprise" visit from ADEQ and their scheduled inspection some weeks later. We believe ( and the lab analyses and sludge levels indicate ) the plants operation has improved drastically since we began involvement, and we have identified and repaired several critical issues that were being overlooked.

**Departmental Manager Report**  
**Water/Wastewater Department**  
 Kenny DeHart, Public Works Director

MAY, 2010

**Statistical Review:**

	<u>EOY</u> <u>2008</u>	<u>EOY</u> <u>2009</u>	<u>EOM</u> <u>2009</u>	<u>YTD</u> <u>2009</u>	<u>EOM</u> <u>2010</u>	<u>YTD</u> <u>2010</u>
<u>Water System:</u>						
Mains ( Miles )	69	69	69	69	69	69
Wells (#)	3	3	3	3	3	3
Valves (#)	480	480	480	480	480	480
PRV's (#)	36	36	36	36	36	36
Meters (#)	1611	1616	1,601	1,601	1,618	1,618
Fire Hydrants (#)	204	204	204	204	204	204
Storage (Gals.)	1,582,613	1,582,613	1,582,613	1,582,613	1,582,613	1,582,613
Avg. Pumped/Day (Gals.)	599,439	676,999	608,114	626,462	697,715	711,586
Water Metered/Pumped (Gals.)	226,781,689	248,661,634	18,243,414	74,966,214	21,629,172	107,423,170
Water Billed (Gals.)	67,844,065	68,572,580	4,851,610	18,537,720	5,906,150	29,838,230
Water Loss (%)	70%	72%	73%	75%	73%	72%
<u>Water Service:</u>						
Main Leaks Repaired (#)	9	16	0	3	0	1
Services Repaired (#)	50	42	2	14	3	16
New Service Installs (#)	18	12	3	8	0	1
Meters Read (#)	20,898	17,802	1,616	6,452	1,618	8,104
Meters Re-read (#)	276	318	25	76	19	96
Meters Repaired/Replaced (#)	134	75	5	14	3	19
Water Samples Taken (#)	48	48	4	16	4	20
Water Samples Passed (%)	100%	100%	100%	100%	100%	100%
<u>Wastewater System:</u>						
Gravity Mains (Miles)	125	125	125	125	125	125
Force Mains (Miles)	N/A	N/A	N/A	N/A	N/A	N/A
Manholes (#)	3224	3224	3224	3224	3224	3224
Lift Stations (#)	27	27	27	27	27	27
Services Installed (#)	10	9	3	6	0	1
Avg. Treated/Day (Gals.)	242,000	N/A	247,000	242,000	303,000	321,750
Wastewater Treated (Gals.)	94,252,000	N/A	7,160,000	28,679,000	9,387,000	32,687,000
<u>Wastewater Services:</u>						
Overflows (#)	9	1	0	1	0	0
Overflows (Est. Gals.)	38,193	0	0	1,000	0	0
Treatment Violations (#)	0	0	0	0	0	1
Breaks Repaired (#)	4	0	0	0	0	1
Lift Stations Repaired (#)	577	234	16	95	32	131
Manholes Repaired (#)	0	6	1	2	0	1
Lines TV Inspected (Ft)	2,902	0	0	0	0	0
Lines Smoke Tested (Ft)	0	0	0	0	0	0
Lines Cleaned (Ft)	10,448	0	0	0	0	700

**Accomplishments:**

**1. Capital Improvements**

**a. PRV Rehabilitation**

Status Report: PRV's are currently being prioritized to recommend the most critical one to start with.

% Completed: Ongoing

**b. Lift Station Rehab**

Status Report: Lift stations currently being prioritized to recommend the most critical one to start with.

% Completed Ongoing.

**2. Major Projects**

**a. Sand Filters - Treatment Plant**

Status Report: Sand Filters Ready To Be Backwashed And Cleaned And Put Into Use as Soon as Painters are Done With Rehabbing Old Package Plant. Middle Of June.

% Completed: Ongoing.

**b. Water Loss**

Status Report: Mathis, Carter And Associates Made Presentation To Board at Mays Meeting With Results and Possible More Funding for Year 2010.

% Completed: Ongoing

**c. Sewer Rehab**

Status Report: Sewer Rehab on hold. Manhole patching still going on.

% Completed: Ongoing

**3. Other/Miscellaneous**

**a. Meter Change Out For 2010**

Will be changing out approximately 100 meters in 2010.

**b. Generator at well # 4 & nine hole booster station.**

Generator at nine hole booster station up and running as of January 28, 2010  
Generator at Well 4 Cannot be Re-wired as Manufacturer Specified. Engineers and Electrician Negotiating With Home Depot to Ship Correct Generator That H.I.S.I.D has Already Paid For. ( Ongoing )

**Next Month's Goals:**

- 1 Manhole Repair
- 2 Mains and Service Line Leaks.
- 3 Lift Station Repair and Maintenance.

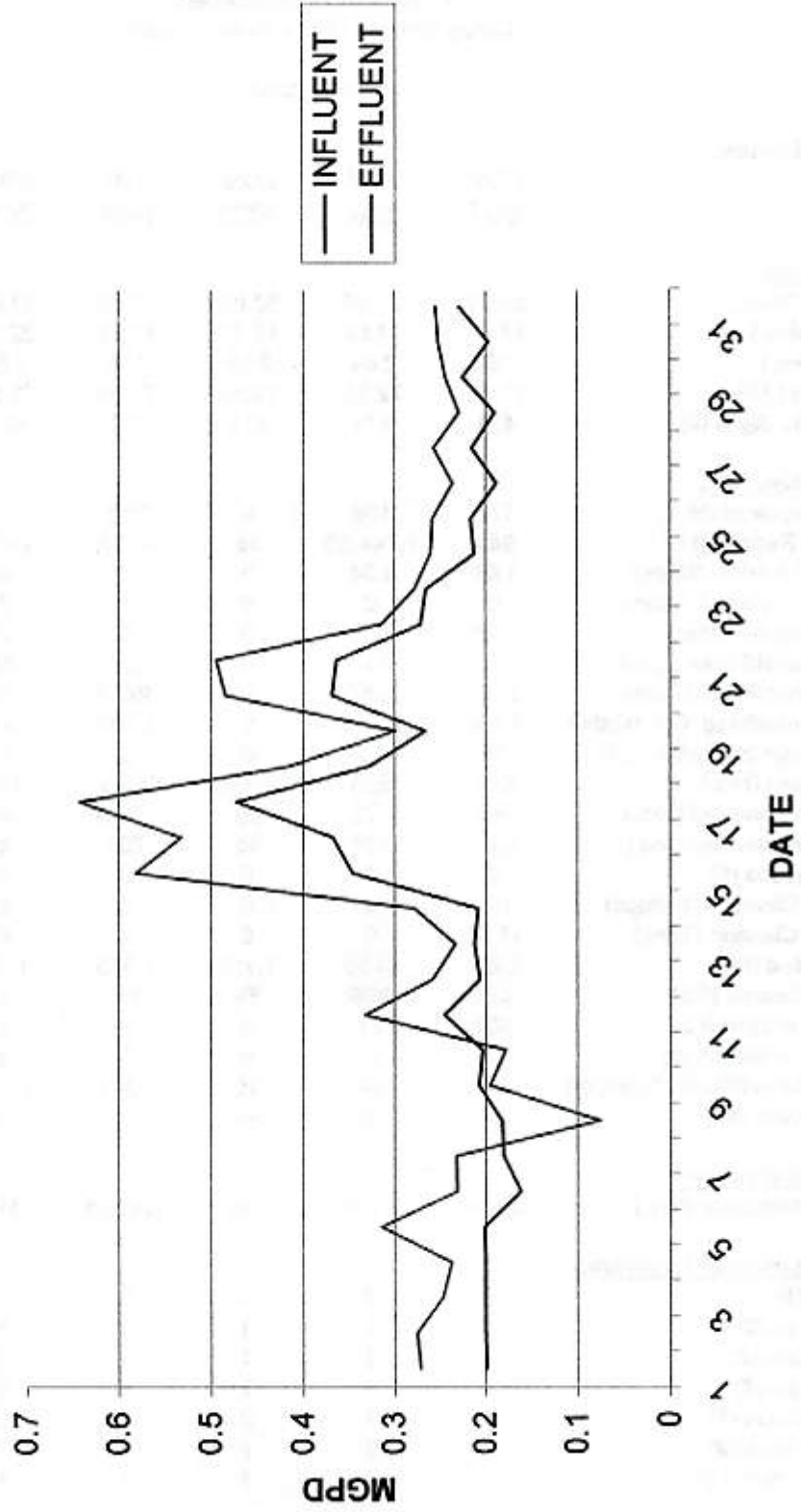
**Notes:** Generator at well # 4 was shipped as 208 volts instead of 480 volts. Installer hooked up generator per manufacturers specifications. Burned up wiring in gen-set. Manufacturer sent replacement part. When fired up another componet burned up. Engineers demanding that the correct generator be sent to H.I.S.I.D. Waiting on decision.

After staff replaced some new parts in the vault for the fire station tank, no problems with overflowing so far.

Staff installed new backflow valve at booster # 1 at nine hole to correct 45 gallon a minute running backwards to the tank. ( No water loss, but electrical savings at that the booster. )



# MAY 2010 - INFLUENT & EFFLUENT FLOW PER DAY



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**Departmental Manager Report**  
**Public Works Department**  
**Kenny DeHart, Public Works Director**

MAY, 2010

**Statistical Review:**

	<u>EOY</u> <u>2008</u>	<u>EOY</u> <u>2009</u>	<u>EOM</u> <u>2009</u>	<u>YTD</u> <u>2009</u>	<u>EOM</u> <u>2010</u>	<u>YTD</u> <u>2010</u>
<b><u>Road System:</u></b>						
Chip/Seal ( Miles )	52.00	52.00	52.00	52.00	47.69	47.69
Asphalt ( Miles )	17.89	17.89	17.89	17.89	22.20	22.20
Gravel ( Miles )	2.66	2.66	2.66	2.66	2.66	2.66
Total Roads ( Miles )	72.55	72.55	72.55	72.55	72.55	72.55
Street/Traffic Signs (#)	471	471	471	471	471	471
<b><u>Road Maintenance:</u></b>						
Potholes/Repaired (Hrs.)	174	106	0	30.5	0	63
Cold Patch Repairs (Hrs.)	981	1,744.50	95	420.5	178.5	511
Single C/S Overlaid (Miles)	1.09	4.34	0	0	0	0
Double C/S Overlaid (Miles)	0	0	0	0	0	0
Asphalt Overlaid (Miles)	1.81	1.6	0	0	0	0
Snow Removal/Plowed (Hrs.)	373.5	544	0	364	0	783
Snow Removal/Chat (Tons)	380.9	565.5	0	397.8	0	535.3
Snow Removal/Mag. Chl. (Gals.)	1,100	2,655	0	2,655	0	330
Road Damage Inspections (#)	15	10	0	3	0	0
ROW Hogged (Hrs.)	615	623	118	236.7	119	178
ROW Hand Trimmed (Hrs.)	393	275	96	166.5	35	43
ROW Tree/Limb Removal (Hrs.)	1,307	994	55	753	8	25
Brush Collection (#)	0	0	0	0	0	1
Spring/Fall Cleanup (# Stops)	188	0	0	0	0	0
Spring/Fall Cleanup (Tons)	11.91	0	0	0	0	0
Ditches Pulled (Ft)	9,285	6850	1,150	1,925	1325	3465
Drain Tile Cleared (Ft)	671	336	56	65	0	190
Drain Tile Installed (Ft)	407	71	0	26	0	68
Driveway Transitions (#)	15	17	0	3	1	8
New/Repl Street/Traffic Signs (#)	56	44	16	24	3	5
Deer Collection (#)	n/a	n/a	n/a	n/a	1	3
<b><u>Facility Maintenance:</u></b>						
Facility Maintenance (Hrs.)	3,731	3,782	195	1,436.5	319	2,477.5
<b><u>Vehicle/Equipment Inventory:</u></b>						
Backhoes (#)	3	3	3	3	3	3
Dump Trucks (#)	1	1	1	1	1	1
Road Graders (#)	1	1	1	1	1	1
1-Ton Dumps (#)	7	7	8	9	9	9
3/4 Ton Pickups (#)	1	1	2	3	3	3
1/2 Ton Pickups (#)	7	7	7	7	7	7
Skid Steer Loader (#)	1	1	1	1	1	1

