

Meeting Minutes

Board of Directors of The American Ranch Domestic Water Improvement District

May 14, 2025 at 10:00 a.m.

The American Ranch – Billiard Room

9500 American Ranch Road, Prescott, AZ

District Board Meeting Guidelines: The meeting will be held in accordance with A.R.S. Title 38 Open Meeting Laws. Board and attendees participation shall be civil and courteous. Any disruptive behavior could result in removal from the meeting. Comments and questions from the public shall be called upon by the Board Chairman, and shall begin with stating and spelling of the speaker's name and address. All comments and questions shall be directed to the Board Chairperson. Persons with a disability may request a reasonable accommodation such as a sign language interpreter, by contacting Jennifer Bartos, Improvement District Services, Inc. at (928) 443-9484. Requests should be made as early as possible to allow time to arrange the accommodation. Requests for copies of Board Meeting minutes or other District documents, inquiries, or complaints should be submitted in writing to: Improvement District Services, Inc., 3603 Crossings Drive Prescott AZ 86305.

Call to Order – Cynthia Baker, Gerry Breuer, David Puglia, Bob Wolfe and Mark Kaplan present.

Also present and participating in the meeting: Jennifer Bartos, District Clerk/Administrator, Improvement District Services, Inc.; Derek Scott, A Quality Water (AQW); Jonathan and Braiden Homer, Fever Controls; Scott with Legacy Roofing.

1. Discussion and possible action regarding the condition of the water and wastewater facilities and the necessary corrections and modifications to be performed.
 - a) Purchase & installation of new pump station (approved 4/21/25)
Jonathan Homer said the current skid has to be removed with a crane due to the size and weight and it will not fit through the existing door. He said either the roof of the building has to come off or a large door would need to be cut into the side of the building. Cutting a door into the side of the building is not feasible because of a large number of electric and equipment lines are mounted there. Scott from Legacy Roofing said they could make a removal roof, but the cost would be prohibitive. Also, the current skid has been concreted to the floor and it is unknown if it is possible to even remove it. It was decided that Fever Controls will remove the existing equipment off the existing skid piece by piece, replace with the new equipment piece by piece. Director Wolfe acknowledged that the need for a crane would be eliminated and that will hopefully help with the additional cost.
 - b) Complete rework of Variable Speed Drives at Booster Station
This item is combined with item a) and will be removed from the project list.
 - c) Shade structure for chemicals on the south side of the waste treatment building (ordered)
No update
 - d) VFD for WWTP (approved 4/21/25)
Ordered
 - e) The redundancy project
No action, no discussion
 - f) Water levels (report quarterly)
Vice-Chair Kaplan said that he has received concerns from the property owners regarding the quantity of water that the District has in the well. Chairperson Baker provided some past records for comparison and Derek confirmed that AQW will provide quarterly reports on the water level. It was noted that the District's water supply seems to be static. Vice-Chair Kaplan will write a letter to the residents regarding these figures.
 - g) SCADA system for WWTP (approved 4/21/25)
Ordered
 - h) Fever Controls proposal for surge protection
Motion: made by Vice-Chair Kaplan to approve Fever Controls installing surge protection on the facilities in the amount of \$3,500, second by Director Puglia.
Unanimous Approval
- Director Breuer asked Derek amount the status of the Sensus system. Derek said he has tried several times to get a rep to meet with him and show him how to use the system. He said that when he gets an alarm, it is only a number and he has nothing to reference it to. Diana King at I.D.S. is instructed to not pay the annual fee to Sensus for support until the required support is provided.

2. Discussion and possible action regarding 2025/2026 Tentative Budget, rates and fees, and if appropriate set the hearing date and time as June 19 at 5:30 pm.
The budget was reviewed and modified as necessary. It was determined that the rates and fees will remain the same.
Motion: made by Director Puglia to adopt the tentative budget, current rates and fees and set the hearing date as June 19th at 5:30 pm at the American Ranch, Ranch House, second by Vice-Chair Kaplan.
Unanimous Approval
3. Discussion and possible action to approve meeting minutes of February 12 and April 21, 2025.
Motion: made by Director Puglia to approve the meeting minutes of February 12 and April 21, 2025, second by Director Breuer.
Unanimous Approval
4. Discussion and possible action to approve checks written in February, March and April 2025.
The checks were reviewed.
Motion: made by Director Puglia to approve the checks, second by Vice-Chair Kaplan.
Unanimous Approval
5. Discussion and possible action regarding general administrative issues.
Jennifer told the Board that she shopped several firms for the annual financial review.

Public Comment Period: The public will be given the opportunity to comment to the Board of Directors on non-agenda item issues pertaining to the District. This is the time for the public to comment. Members of the Board may not discuss items that are not specifically identified on the agenda. Therefore, pursuant to A.R.S. § 38-431.01(G), action taken as a result of public comment will be limited to directing staff to study the matter, responding to any criticism or scheduling the matter for further consideration and decision at a later date. Two minutes will be allowed for each speaker.

American Ranch Domestic Water Improvement District
Fiscal Year 2025-2026 Tentative Budget

Exhibit A

	<u>EXPENSE</u>	<u>FY 24/25 Budget</u>	<u>5/7/25 Actual</u>	<u>12 Month Estimate</u>	<u>FY 25/26 Budget</u>
	O&M Expense				
	Administrative Expense				
1	ADEQ Registration	\$3,500	\$1,974	\$3,948	\$4,000
	Administrative Services				
2	Activation Fees	2,500	1,800	1,950	1,500
3	Additional Admin Services	1,300	65	78	250
4	District Admin Contract	47,588	39,656	47,587	49,746
5	Reimbursed Admin Svcs	5,000	4,308	5,170	4,500
6	Annual CCR - Water Quality Report	1,290	0	1,290	1,400
7	Attorney Services	500	1,975	2,475	1,500
8	Bank Charges	70	50	60	75
9	Elections/County Reimbursement	9,000	0	0	0
10	Insurance	17,500	19,118	19,118	20,074
11	Office Supplies	250	0	0	250
12	On-line Payment Processing	75	162	216	250
13	Postage	150	0	145	150
14	Professional Services - CPA	0	0	15,000	15,000
15	Publishing - Newspaper	900	0	650	700
	Operating Expense				

16	Alarm System Monitoring	965	1,795	1,795	1,885
17	Artificial Rocks for Backflow	1,600	0	0	1,600
18	Backflow Testing Program	11,750	0	12,330	12,330
19	Chemicals	6,500	0	0	6,500
20	Electricity	33,000	28,210	33,852	34,000
21	Emergency Services	5,000	9,048	10,858	8,000
22	Exercise Valves	4,250	4,120	4,120	4,250
23	Freeze Protection	900	0	0	900
24	Generator Repair & Maintenance	3,800	6,521	6,521	5,000
25	Hauling & Disposal	24,500	3,888	5,184	8,000
26	Lab Analysis	13,000	5,320	7,093	7,500
27	Lab Equipment	1,000	0	0	0
28	Operating Equip & Supplies	25,000	150	200	13,500
	Operator Services				
29	District Operator Contract	93,346	90,803	108,964	108,964
	Previous Operator Expense		7,267	7,267	4,312
30	Operator Overtime	2,500	2,700	3,600	3,000
31	Remote Meters Annual Service	16,880	0	16,880	17,000
32	Sewer Line Flushing	3,800	3,605	3,605	3,800
33	Telephone & Internet	2,350	2,051	2,735	2,800
34	UV Bulbs - Sewer	750	0	0	750
35	Water Line Flushing	1,500	1,400	1,400	1,500
36	Water Truck	1,250	0	0	1,250
	Special Projects				
37	WWTP Redundancy Project	0	0	0	34,781
38	Spillway	12,200	0	0	12,200
39	Storage	0	0	3,000	0
40	WWTP Equipment (Scada Alarm 25/26)	23,850	0	0	9,878
41	WWTP Blower	0	0	0	16,294
42	Water Facility Equipment (Booster Sta)	10,000	0	0	144,600
43	Sales Tax	2,500	0	2,800	2,800
44	Contingency (10% of 2-42)	<u>35,626</u>	<u>31,021</u>	<u>37,225</u>	<u>34,999</u>
	<i>Subtotal</i>	<i>\$427,440</i>	<i>\$267,007</i>	<i>\$367,115</i>	<i>\$601,788</i>
45	Transfer to Reserve	<u>164,998</u>	<u>0</u>	<u>0</u>	<u>56,710</u>
46	Total O&M Expense	\$592,438	\$267,007	\$367,115	\$658,498

		FY 24/25 Budget	5/7/25 Actual	12 Month Estimate	FY 25/26 Budget
CAPITAL Expense					
47	Capital Reserve Fund	\$127,552	\$0	\$0	\$76,670
48	Meter & Backflow Installation	5,000	8,096	9,100	9,100
49	Capital Contingency	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
50	Total Capital Expense	\$132,552	\$8,096	\$9,100	\$85,770
51	TOTAL EXPENSE BUDGET	\$724,990	\$275,103	\$376,215	\$744,268

	FY 24/25	5/7/25	12 Month	FY 25/26
REVENUE				

O&M Revenue		Budget	Actual	Estimate	Budget
52	Activation/Transfer Fee	\$2,500	\$1,800	1,950	\$1,500
53	Ad Valorem Tax	0	0	0	0
54	Collections	5,000	7,214	7,300	4,500
55	Interest	3,500	7,798	9,358	6,000
56	Reuse Income	0	0	0	0
57	User Fees - Unconnected	49,410	49,152	49,932	49,140
58	User Fees - Community - Sewer	45,000	37,500	45,000	45,000
59	User Fees - Community - Water Flat	24,000	20,000	24,000	24,000
60	User Fees - Community Water Usage	8,200	12,009	12,200	8,800
61	Credit to Equestrian Center		-5,139		
62	Residential Base Fee Water & Sewer	205,920	169,033	200,850	199,680
63	User Fees - Residential - Water Usage	12,000	18,620	18,800	12,000
64	Spillway from HOA	6,100	0	0	6,100
65	Sales Tax - Water	<u>2,500</u>	<u>2,606</u>	<u>2,800</u>	<u>2,800</u>
66	Subtotal	<u>364,130</u>	<u>320,593</u>	<u>372,190</u>	<u>359,520</u>
67	Permit Fees	1,500	3,500	3,500	1,500
68	Miscellaneous O&M Income	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	Total O&M Revenue	\$365,630	\$324,093	\$375,690	\$361,020

		FY		12	
		24/25	5/7/25	Month	FY 25/26
		Budget	Actual	Estimate	Budget
69	CAPITAL Revenue				
70	Hook up Fee	\$16,000	\$56,000	\$56,000	\$24,000
71	Interest	2,800	66	1,200	1,200
	Total Capital Revenue	\$18,800	\$56,066	\$57,200	\$25,200

72	TOTAL REVENUE BUDGET	\$384,430	\$380,159	\$432,890	\$386,220
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Fund Balances

O&M Fund Balance - OneAZ Checking

Balance as of 5/5/2025	\$345,989
Estimated Expenses 24/25	<u>-100,108</u>
Subtotal	245,881
Anticipated Revenue 24/25	<u>51,597</u>
Estimated Ending Balance 24/25	\$297,477
Est. Beginning Balance 25/26	\$297,477
Estimated Revenue 25/26	<u>361,020</u>
Subtotal	658,497
Estimated Expense 25/26	<u>658,498</u>
Estimated Ending balance 25/26	\$0

Capital Fund Balance -

Balance as of 5/5/2025	\$60,440
Estimated Expenses 24/25	<u>-1,004</u>

Subtotal	59,436
Anticipated Revenue 24/25	<u>1,134</u>
Estimated Ending Balance 24/25	\$60,570
Est. Beginning Balance 25/26	\$60,570
Estimated Revenue 25/26	<u>25,200</u>
Subtotal	85,770
Estimated Expense 25/26	<u>85,770</u>
Estimated Ending balance 25/26	\$0

Reserve Fund Balances - as of 5/5/2025

OneAZ Certificates

3-month Business Certificate	\$100,414	Capital
3-month CD	<u>128,103</u>	Capital
	228,517	
Club Savings OneAZ O&M	<u>187,586</u>	O&M
Estimated Ending Balance 24/25	\$416,103	

Yavapai County Treasurer Funds

O&M Reserve	\$41
Capital Fund	<u>\$431</u>
Estimated Ending Balance 24/25	\$472

Total Reserve Funds \$416,575

RATES AND FEES

RESOLUTION NO. 2025-2

Exhibit A

User Fee Residential:	\$130.00 per month flat rate, plus water usage 1 – 15,000 gallons - \$1.00 15,001 – 20,000 gallons - \$2.90 per 1,000 gallons 20,001 – 25,000 gallons - \$3.00 per 1,000 gallons 25,001 gallons and up - \$3.20 per 1,000 gallons
Commercial User Fee Sewer & Water:	\$1,500 per month flat rate, plus water usage 1 – 15,000 gallons - \$1.00 15,001 – 20,000 gallons - \$2.90 per 1,000 gallons 20,001 – 25,000 gallons - \$3.00 per 1,000 gallons 25,001 gallons and up - \$3.20 per 1,000 gallons
User Fee Community - Water:	\$250.00 per month flat rate, plus usage 1 - 80,000 gallons \$5.00 80,001 to 100,000 gallons \$5.00 per 1,000 gallons Over 100,000 gallons \$10.00 per 1,000 gallons
User Fee Community - Sewer:	\$3,750.00 per month flat rate for 3 HOA accounts
User Fee Unconnected Lots:	\$65.00 per month

District Late Fee:	\$7.50 per month, plus interest pursuant to the most current A.R.S.
Duplicate Bill:	\$7.50 per account/bill
Copies:	\$0.25 per page/per side
Return payment:	\$40.00 per return (NSF, stop payment, ACH, etc.)
Hook-up Fee:	\$8,000.00 per application (sewer & water, incl. water meter)
Water Meter for Vacant Lot:	\$2,000.00 per meter (charge to be deducted from current hook-up fee when lot is developed)
Permit Fee:	\$500.00 per application
Activation/Transfer Charge:	\$150.00 per activation/transfer of ownership vacant & developed
Reconnection Fee:	\$500.00 per shut-off/turn-on, reconnection
Hydrant Meter:	
Deposit	\$1,000.00
Hydrant Activation	\$500.00 (non-refundable)
Flat Rate	\$125.00 per month while account is active
Non-refundable Deposit	\$135.00
Usage Rates	1,001-4,000 gallons \$4.80 per 1,000 gallons
	4,001-6,000 gallons \$5.80 per 1,000 gallons
	6,001-8,000 gallons \$6.80 per 1,000 gallons
	8,001-10,000 gallons \$7.80 per 1,000 gallons
	Over 10,000 gallons \$8.80 per 1,000 gallons
Ad Valorem Tax:	\$0
Collection Fees:	
Copies:	\$.60 per page
Ownership Research:	\$95.00 per parcel (no notification of ownership transfer)
Bill Reprint or Account History Printout:	\$1.25 per page
Past Due Notice:	\$25.00 per account (Stamped for accounts w/past due balance)
Lien Notice:	\$180.00 per account, plus postage (sent prior to Lien)
Second Lien Notice:	\$35.00 per notice, plus postage (1 st notice returned)
File Lien:	\$225.00 per account plus recording fees, includes lien release after paid in full
Limited Title Search:	\$400.00 per parcel
Title Search & County Notifications:	\$20.00 per notification