

Meeting Minutes

Board of Directors of The American Ranch Domestic Water Improvement District
May 28, 2019, 9:00 a.m. at
The American Ranch – Ranch House, 9500 American Ranch Road, Prescott, Arizona

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, Liz Mahon, Roy Engehausen, Bill Yates and Brent Mathews present.

Also present and participating in the meeting: Jennifer Bartos, District Clerk/Administrator, Improvement District Services, Inc.; Mark Kaplin, property owner

1. Discussion and possible action regarding the Fiscal Year 2019/2020 Tentative Budget, Rates and Fees; if applicable set the hearing date and time.

Residential water & sewer: \$110.00 flat rate per mo, including water meter only lots, plus usage

Unconnected lots: \$55.00 flat rate per month

Commercial sewer: \$3,750 flat rate per month (three sewer accounts)

Commercial water: \$220.00 flat per month per account, plus usage

Water usage residential: \$1.00 for up to 15,000 gallons per month

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

Water usage commercial: \$5.00 for up to 20,000

\$5.00 per 1,000 gallons - 20,001 to 40,000 gallons

\$10.00 per 1,000 gallons – over 40,000 gallons

Capacity fee \$7,000

Collection Fees: Past Due Notice: \$25.00 per account (Stamped for accounts w/past due balance)

Lien Notice: \$85.00 per account, plus postage (sent prior to Lien)

Second Lien Notice: \$35.00 per notice, plus postage (1st notice returned)

File Lien: \$105.00 per account plus recording fees, includes lien release after paid in full

Motion: made by Chairman Baker to approve the tentative budget, rates and fees as amended and set the hearing date and time as June 26th at 5:30, second by Director Yates

Unanimous Approval

Director Mathews said he will not be able to attend the June 26th hearing.

2. Discussion and possible action regarding Board meeting attendance.

No discussion and no action.

3. Discussion and possible action to approve meeting minutes of May 8, 2019

Motion: made by Director Mahon to approve the minutes, second by Vice-Chairman Yates.

Unanimous Approval

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 2019-2020 Tentative Budget**

Approved 5/28/2019

Exhibit A

EXPENSE

O&M Expense	FY 18/19 Budget	4/30/19 Actual	12 Month Estimate	FY 19/20 Budget
Administrative Expense				
ADEQ Registration	\$3,500	\$3,340	\$3,340	\$3,500
Administrative Services				
Activation Fees	600	560	560	600
Additional Admin Services	100	16	16	100
District Admin Contract	42,721	35,601	42,721	42,721
Reimbursed Admin Svcs	1,650	1,551	1,551	3,300
Annual CCR - Water Quality Report	1,105	892	892	965
Attorney Services	400	338	338	400
Elections/County Reimbursement	4,800	0	0	0
Insurance	11,550	11,869	11,869	12,100
Office Supplies	200	0	200	200
On-line Payment Processing	450	309	464	485
Bank Charges	100	60	75	100
Postage	200	0	0	200
Professional Services - CPA	0	0	0	0
Publishing - Newspaper	450	31	300	300
Operating Expense				
Alarm System Monitoring	965	563	965	965
Artificial Rocks for Backflow	700	0	700	0
Backflow Testing Program	4,800	3,921	3,921	4,200
Chemicals	3,500	3,760	3,945	4,100
Electricity	18,000	16,586	24,879	25,000
Emergency Services	5,500	0	2,500	5,500
Exercise Valves	3,750	0	3,750	3,750
Freeze Protection	200	0	200	200
Generator Repair & Maintenance	3,350	1,249	3,350	3,350
Hauling & Disposal	10,800	7,200	14,400	14,400
Lab Analysis	9,000	4,461	6,692	7,500
Lab Equipment	1,500	744	1,500	1,500
Meter & Backflow Installation (see cap)	4,000	0	0	0
Operating Equip & Supplies	18,000	9,052	12,626	15,000
Operator Services				
District Operator Contract	75,225	56,893	75,225	77,482
Operator Overtime	1,400	4,103	5,013	1,400
Remote Meters & Annual Service	70,000	0	31,308	18,000
Sewer Line Flushing	3,000	322	3,000	3,000
Telephone	3,900	2,150	2,847	3,000
UV Bulbs - Sewer	500	0	0	1,500
Water Line Flushing	1,400	0	1,400	1,400
Water Truck	1,000	145	218	1,000
Sales Tax	5,000	0	10,000	5,000
Contingency (10% of 6-38)	26,682	15,337	15,337	21,200

Reserve	<u>20,373</u>	<u>0</u>	<u>0</u>	<u>27,350</u>
Total O&M Expense	\$360,371	\$181,053	\$286,101	\$310,767

CAPITAL Expense

Capital Reserve Fund	\$145,430	\$0	\$160,692	\$17,002
Meter & Backflow Installation	0	5,347	5,347	1,000
Capital Contingency	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Capital Expense	\$145,430	\$5,347	\$166,039	\$18,002
TOTAL EXPENSE BUDGET	\$410,347	\$186,400	\$452,140	\$328,769

REVENUE	FY 18/19 Budget	4/30/19 Actual	12 Month Estimate	FY 19/20 Budget
O&M Revenue				
Activation/Transfer Fee	\$1,950	\$2,316	\$2,316	\$1,950
Ad Valorem Tax	0	0	0	0
Collections	1,500	1,381	1,381	1,500
Interest	400	684	690	200
Permit Fees	500	1,500	1,500	500
Miscellaneous O&M Income	0	1,012	1,012	0
Reuse Income	1,300	1,532	1,838	1,500
User Fees - Unconnected	60,480	53,166	55,680	74,580
User Fees - Commercial - Sewer	41,064	34,220	41,064	45,000
User Fees - Commercial - Water Flat	33,000	30,573	36,000	18,480
User Fees - Commercial Water Usage	0	0	0	12,000
User Fees - Residential - Sewer	35,520	31,256	34,560	0
Residential Base Fee Water & Sewer	50,820	46,945	52,800	110,880
User Fees - Residential - Water Usage	15,000	7,407	8,080	8,000
Sales Tax - Water	5,000	2,323	5,000	700
Total O&M Revenue	\$246,534	\$214,315	\$241,922	\$275,290

CAPITAL Revenue

Hook up Fee	\$6,000	\$26,000	\$26,000	\$7,000
Interest	850	1,059	1,059	10
Total Capital Revenue	\$6,850	\$27,059	\$27,059	\$7,010
TOTAL REVENUE BUDGET	\$253,384	\$241,374	\$268,981	\$282,300

Fund Balances

O&M Fund Balance	
Balance as of May 8, 2019	\$112,918
Estimated Expenses 18/19	<u>-105,048</u>
Subtotal	7,870
Anticipated Revenue 18/19	<u>27,607</u>
Estimated Ending Balance 18/19	\$35,477
Est. Beginning Balance 19/20	\$35,477
Estimated Revenue 19/20	<u>275,290</u>
Subtotal	310,767
Estimated Expense 19/20	<u>310,767</u>
Estimated Ending balance 19/20	\$0

Capital Fund Balance

Balance as of May 8, 2019	\$171,684
Estimated Expenses 18/19	<u>-160,692</u>
Subtotal	10,992
Anticipated Revenue 18/19	<u>0</u>
Estimated Ending Balance 18/19	\$10,992
Est. Beginning Balance 19/20	\$10,992
Estimated Revenue 19/20	<u>7,010</u>
Subtotal	18,002
Estimated Expense 19/20	<u>18,002</u>
Estimated Ending balance 19/20	\$0

<u>Reserve Fund Balance</u>	
Balance as of May 8, 2019	\$60,151
Estimated Expenses 18/19	<u>0</u>
Subtotal	60,151
Anticipated Revenue 18/19	<u>0</u>
Estimated Ending Balance 18/19	\$60,151
Est. Beginning Balance 19/20	\$60,151
Estimated Revenue 19/20	<u>27,350</u>
Subtotal	87,501
Estimated Expense 19/20	<u>0</u>
Estimated Ending balance 19/20	\$87,501