

Special Meeting Minutes

Board of Directors of The American Ranch Domestic Water Improvement District
May 3, 2022 – 6:00 p.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.

Join Zoom Meeting

<https://us02web.zoom.us/j/89468672422>

Meeting ID: 894 6867 2422

Dial by your location

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Call to Order – Cynthia Baker, Mark Kaplan, Gerry Breuer and Liz Mahon present. David Puglia present via Zoom.

Also present and participating in the meeting: Jennifer Bartos, District Clerk/Administrator, and Diana King, District Administrator, Improvement District Services, Inc.; Bob Hanus, District Operator, Western Environmental Technologies; Jim Lucia and Rich Gilbert, property owners.

1. Discussion and possible action regarding the Fiscal Year 2022/2023 tentative budget, rates, fees and projects and if appropriate set the hearing date and time.

Motion: made by Director Mahon to adopt the Fiscal Year 2022/2023 tentative budget with the capital revenue increased from \$7,000 to \$21,000, and set the hearing date and time as June 7, 2022 at 10:00 am, second by Vice-Chair Kaplan.

Unanimous Approval

2. Discussion and possible action to approve a transfer of funds from the District's accounts with the Yavapai County Treasurer to OneAZ and adopt Resolution 2022-1.

Jennifer explained the County Treasurer's new Positive Pay program which will require additional time to research the transaction, send it to the purchaser for approval and respond back to clear the payment. She said it will typically be impossible to respond within the Positive Pay short timeline and Bob Hanus agreed.

Additionally, she told the Board that the Treasurer's Office rejected checks written for a Road District because they did not wish to participate in the new program. Those checks were rejected even though the Road District had ample funds in their account to cover those checks.

Motion: made by Director Mahon that if there is any disruption to paying the District's debts and liabilities to immediately transfer funds from the County Treasurer's Office to OneAZ Credit Union pursuant to the State of Arizona Pooled Collateral Program, second by Chairperson Baker.

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.

Jim Lucia asked about the size of the wastewater treatment plant and the leak detection program.

Fiscal Year 2022-2023 Tentative Budget

Exhibit A

EXPENSE	FY 21/22 Budget	3/15/2021 Actual	12 Month Estimate	FY 22/23 Budget
O&M Expense				
Administrative Expense				
ADEQ Registration	\$2,506	\$3,155	\$3,155	\$3,200
Administrative Services				
Activation Fees	1,000	5,100	5,500	5,500
Additional Admin Services	100	65	65	100
District Admin Contract	42,721	28,481	42,722	44,858
Reimbursed Admin Svcs	4,800	4,043	6,065	5,000
Annual CCR - Water Quality Report	1,000	0	1,000	1,000
Attorney Services	400	0	0	400
Bank Charges	80	198	297	300
Elections/County Reimbursement	0	0	0	5,200
Insurance	13,000	13,951	13,951	15,500
Office Supplies	250	0	0	250
On-line Payment Processing	700	198	297	350
Postage	300	0	300	300
Professional Services - CPA	0	0	0	0
Publishing - Newspaper	300	0	300	500
Operating Expense				
Alarm System Monitoring	965	0	965	965
Artificial Rocks for Backflow	500	0	1,600	1,600
Backflow Testing Program	6,000	0	7,800	7,800
Chemicals	4,900	235	2,000	4,900
Electricity	25,000	14,854	25,464	28,010
Emergency Services	5,000	0	5,000	5,000
Exercise Valves	4,000	0	4,120	4,120
Freeze Protection	450	0	900	900
Generator Repair & Maintenance	3,400	0	3,400	3,400
Hauling & Disposal	16,500	0	16,500	16,500
Lab Analysis	7,000	6,558	8,744	10,000
Lab Equipment	1,700	0	1,700	1,700
Operating Equip & Supplies	15,000	1,759	6,000	10,000
Operator Services				
District Operator Contract	82,201	54,801	82,202	84,668
Operator Overtime	400	902	1,000	500
Remote Meters Annual Service	18,000	16,006	16,006	17,000
Sewer Line Flushing	3,500	0	3,605	3,605
Telephone & Internet	1,250	831	1,247	1,300
UV Bulbs - Sewer	500	0	500	500
Water Line Flushing	1,400	0	1,400	1,400
Water Truck	4,000	0	4,000	4,000
WWTP Redundancy Project	0	0	60,000	148,000
Sales Tax	2,500	0	2,500	2,500
Contingency (10% of 6-38)	<u>22,020</u>	<u>678</u>	<u>3,678</u>	<u>38,217</u>
<i>Subtotal</i>	<i>\$293,343</i>	<i>\$151,815</i>	<i>\$333,981</i>	<i>\$479,043</i>
Transfer	64,064	0	0	125,810

Total O&M Expense	\$357,407	\$151,815	\$333,981	\$604,853
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CAPITAL Expense

Capital Reserve Fund	\$74,479	\$0	\$0	\$131,450
Meter & Backflow Installation	18,000	16,780	18,000	18,000
Replace Artificial Rocks & Freeze	950	0	950	950
WWTP Redundancy Design	25,000	25,000	25,000	0
Capital Contingency	0	0	0	0
Total Capital Expense	\$118,429	\$41,780	\$43,950	\$150,400

TOTAL EXPENSE BUDGET	\$410,347	\$193,595	\$377,931	\$755,253
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REVENUE	FY 21/22	3/15/2021	12 Month	FY 22/23
O&M Revenue	Budget	Actual	Estimate	Budget
Activation/Transfer Fee	\$1,000	\$5,291	5,500	\$5,500
Ad Valorem Tax	0	0	0	0
Collections	0	3,776	5,664	5,000
Interest	500	438	500	500
Reuse Income	1,750	883	1,325	1,500
User Fees - Unconnected	67,320	57,408	65,340	77,220
User Fees - Commercial - Sewer	45,000	37,508	48,758	45,000
User Fees - Commercial - Water Flat	18,480	16,515	18,480	18,480
User Fees - Commercial Water Usage	15,000	16,598	20,000	18,000
Residential Base Fee Water & Sewer	123,876	93,113	130,750	154,440
User Fees - Residential - Water Usage	15,000	10,504	15,756	15,000
Transfer from O&M Reserve Fund	0	0	0	175,000
Sales Tax - Water	2,000	1,715	2,573	2,000
Subtotal	289,926	243,749	314,645	517,640
Permit Fees	1,000	3,500	3,500	1,000
Miscellaneous O&M Income	0	37	37	0
Total O&M Revenue	\$290,926	\$247,286	\$318,182	\$518,640

CAPITAL Revenue

Hook up Fee	\$7,000	\$55,000	\$55,000	\$21,000
Interest	400	176	200	200
Total Capital Revenue	\$7,400	\$55,176	\$55,200	\$21,200

TOTAL REVENUE BUDGET	\$298,326	\$302,462	\$373,382	\$539,840
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Fund Balances

O&M Fund Balance	
Balance as of 3/15/2022	\$198,483
Estimated Expenses 21/22	-182,166
Subtotal	16,317
Anticipated Revenue 21/22	70,896
Estimated Ending Balance 21/22	\$87,213
Est. Beginning Balance 22/23	\$87,213
Estimated Revenue 22/23	517,640

Subtotal	604,853
Estimated Expense 22/23	<u>604,853</u>
Estimated Ending balance 22/23	\$0

Capital Fund Balance	
Balance as of 3/15/2022	\$131,346
Estimated Expenses 21/22	<u>-2,170</u>
Subtotal	129,176
Anticipated Revenue 21/22	<u>24</u>
Estimated Ending Balance 21/22	\$129,200
Est. Beginning Balance 22/23	\$129,200
Estimated Revenue 22/23	<u>21,200</u>
Subtotal	150,400
Estimated Expense 22/23	<u>150,400</u>
Estimated Ending balance 22/23	\$0

O&M Reserve Fund Balance	
Balance as of 3/15/2022	\$177,469
Estimated Expenses 21/22	<u>0</u>
Subtotal	177,469
Anticipated Transfer in 21/22	<u>0</u>
Estimated Ending Balance 21/22	\$177,469
Est. Beginning Balance 22/23	\$177,469
Estimated Transfer to O&M 22/23	<u>-175,000</u>
Subtotal	2,469
Estimated Transfer from O&M	<u>125,810</u>
Estimated Ending balance 22/23	\$128,279