

Meeting Minutes

Board of Directors of The American Ranch Domestic Water Improvement District

May 12, 2016

10:00 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., 1965 Commerce Center Circle, Suite A, Prescott, AZ 86301.

Call to Order – Bill Yates, Monte Anderson, Larry Schroer and Jason Gisi present.

Also present and participating in the meeting were: Jennifer Bartos, District Clerk and Diana King, District Administrator, Improvement District Services, Inc.; Bob Hanus, District Operator, Western Environmental Tech; Tiffany Taylor, HOA representative; Larry Schmidt, property owner; Todd Klein, Schmidt Realtor.

1. Discussion and possible action regarding properties with private wells and possible adoption of a private well policy.
Chairman Anderson said that he would like to address the well on lot 126 first. Mr. Schmidt said he met with Jeff Davis about developing his property. He told Mr. Davis he wouldn't put in grass if he didn't get to have a well. Jeff Davis approved a well to allow him to use water for watering his building envelope. Todd Klein said the well was to be used for irrigation only.
Motion: made by Director Yates to allow Lot 126 to use water from the well for irrigation, unmetered at no charge from the District, second by Director Gisi.
Unanimous Approval
The Board will hold a meeting with the HOA Board after a study session regarding private well issues.
2. Discussion and possible action regarding the monthly operations report from Bob Hanus of Western Environmental Technologies regarding the operation and maintenance of the water and sewer facilities and status of projects, to include:
 - a) Testing for lead and the cost;
 - b) Leak problems and actions to take.Bob said the flushing will be done by the end of this month. Chairman Anderson asked about lead testing. Bob said they are schedule to test this summer.
Chairman Anderson talked about leaks in the irrigation system.
3. Discussion and possible action regarding currently open and future Board positions.
Motion: made by Director Gisi to advertise the open position through the HOA, second by Director Schroer.
Unanimous Approval
4. Discussion and possible action to adopt the FY 2016/2017 Tentative Budget, rates and fees, and set the hearing date and time.
Motion: made by Director Gisi to adopt the tentative budget provided the rate structure will be adopted at a later time, second by Director Yates.
Unanimous Approval
5. Discussion and possible action regarding Ordinance Amendments and if appropriate set the hearing date and time.
Item tabled to a future meeting.
6. Discussion and possible action regarding administrative issues to include:
 - a) Future Meeting Dates to include a public meeting/social in the fall;
 - b) Consumption Report - Diana was asked to add some items to the report
 - c) District Financials;
 - d) Approve meeting minutes of February 24, 2016;Motion: made by Director Yates to approve the meeting minutes, second by Director Gisi.

- Unanimous Approval
- e) Approve warrants written from November 2015 through April 2016.
 Motion: made by Director Gisi to approve the warrants, second by Director Schroer
 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 2016-2017 Tentative Budget

Exhibit A

	<u>EXPENSE</u>	<u>FY 15/16 Budget</u>	<u>4/14/16 Actual</u>	<u>12 Month Estimate</u>	<u>FY 16/17 Budget</u>
O&M Expense					
Administrative Expense					
1	ADEQ Registration	\$4,200	\$4,501	\$4,501	\$4,500
	Administrative Services				
2	Activation Fees	580	770	1,027	245
3	Additional Admin Services	0	0	0	0
4	District Admin Contract	41,075	31,108	41,477	42,721
5	Reimbursed Admin Svcs	550	796	1,061	200
6	Annual CCR - Water Quality Report	480	0	480	480
7	Attorney Services	600	1,635	1,635	1,800
8	Elections/County Reimbursement	0	0	0	4,800
9	Insurance	11,000	10,900	10,900	11,000
10	Office Supplies	225	102	153	200
11	On-line Payment Processing	295	234	351	360
12	Postage	100	0	100	200
13	Professional Services - CPA	0	0	0	3,500
14	Publishing - Newspaper	300	0	300	650
Operating Expense					
15	Alarm System Monitoring	567	625	938	950
16	Artificial Rocks for Backflow	550	0	550	550
17	Backflow Testing Program	3,550	2,790	3,550	3,550
18	Chemicals	4,500	1,684	2,887	2,900
19	Electricity	27,600	12,865	22,054	23,000
20	Emergency Services	5,500	2,449	4,198	5,500
21	Exercise Valves	3,528	0	3,528	3,550
22	Freeze Protection	450	12	450	450
23	Generator Repair & Maintenance	3,070	3,305	3,305	3,305
24	Hauling & Disposal	7,200	0	7,200	9,000
25	Lab Analysis	9,000	4,171	7,150	7,150
26	Lab Equipment	1,200	1,214	1,214	1,200
27	Meter & Backflow Installation	3,000	1,330	3,000	3,900
28	Operating Equip & Supplies	9,406	11,632	19,941	19,950
	Operator Services				
29	District Operator Contract	70,908	51,631	68,841	70,907
30	Operator Overtime	1,000	923	1,385	1,400
31	Sewer Line Flushing	2,676	0	2,676	2,800
32	Telephone	2,640	1,976	2,964	2,975
33	UV Bulbs - Sewer	750	0	750	750

34	Valve Repair	0	0	0	0
35	Water Line Flushing	1,296	0	1,296	1,300
36	Water Tank Inspection & clean	0	0	0	0
37	Well Discharge System	3,663	2,445	2,445	0
38	Sales Tax	5,668	3,643	5,829	5,829
39	Contingency	6,139	44	44	24,157
40	Reserve	0	0	0	15,031
41	Total O&M Expense	\$233,266	\$152,785	\$228,179	\$280,761

CAPITAL Expense

42	Capital Emergency Fund	\$50,836	\$0	\$0	\$104,904
43	Alarm Upgrade & Expansion	7,390	563	7,390	0
44	Flood Mitigation	27,000	24,403	24,403	0
45	Redundant Control Panel	10,566	0	0	0
46	Capital Contingency	0	0	0	0
47	Total Capital Expense	\$95,792	\$24,966	\$31,793	\$104,904

48	TOTAL EXPENSE BUDGET	\$329,058	\$177,751	\$259,972	\$385,665
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	REVENUE	FY 15/16 Budget	4/14/16 Actual	12 Month Estimate	FY 16/17 Budget
O&M Revenue					
49	Activation/Transfer Fee	\$1,000	\$3,450	\$3,600	\$1,050
50	Ad Valorem Tax	0	0	0	0
51	Collections	0	672	1,061	200
52	Interest	80	119	159	100
53	Permit Fees	500	500	500	500
54	Miscellaneous O&M Income	0	56	56	0
55	User Fees - Unconnected	66,904	58,794	78,392	78,392
Sewer O&M					
56	Reuse Income	0	1,056	1,408	1,408
57	User Fees - Commercial - Sewer	41,064	27,268	36,357	36,357
58	User Fees - Residential - Sewer	27,840	25,654	34,205	34,205
Water O&M					
59	Sales Tax - Water	5,668	6,767	8,120	5,829
60	User Fees - Commercial - Water	38,634	29,022	38,696	38,696
	Commercial Flat Rate				
	Commercial Water Sales				
61	User Fees - Residential - Water	42,003	35,520	47,360	47,360
	Residential Flat Rate				
	Residential Water Sales				
62	Well Use Fee - Private Wells	0	33	33	0
63	Total O&M Revenue	\$223,693	\$188,911	\$249,948	\$244,097

CAPITAL Revenue

64	Hook up Fee	\$6,000	\$7,500	\$13,500	\$13,500
65	Interest	200	306	408	500
66	Total Capital Revenue	\$6,200	\$7,806	\$13,908	\$14,000

67	TOTAL REVENUE BUDGET	\$229,893	\$196,717	\$263,856	\$258,097
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Fund Balances

O&M Fund Balance

Balance as of April 14, 2016	\$51,021
Estimated Expenses 15/16	<u>-75,394</u>
Subtotal	-24,373
Anticipated Revenue 15/16	<u>61,037</u>
Estimated Ending Balance 15/16	36,664
Est. Beginning Balance 16/17	36,664
Estimated Revenue 16/17	<u>244,097</u>
Subtotal	280,761
Estimated Expense 16/17	<u>280,761</u>
Estimated Ending balance 16/17	0

Capital Fund Balance

Balance as of April 14, 2016	\$91,629
Estimated Expenses 15/16	<u>-6,827</u>
Subtotal	84,802
Anticipated Revenue 15/16	<u>6,102</u>
Estimated Ending Balance 15/16	90,904
Est. Beginning Balance 16/17	90,904
Estimated Revenue 16/17	<u>14,000</u>
Subtotal	104,904
Estimated Expense 16/17	<u>104,904</u>
Estimated Ending balance 16/17	0