

### Meeting Minutes

Board of Directors of The American Ranch Domestic Water Improvement District  
February 4, 2015, 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., 1965 Commerce Center Circle, Suite A, Prescott, AZ 86301.*

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

Also present and participating in the meeting: Jennifer Bartos and Diana King, Administrators, Improvement District Services, Inc.; Bob Hanus, Operator, Western Environmental Technologies; Brent Mathews, property owner.

1. Jason Gisi and Monte Anderson take the Oath of Office.  
Monte Anderson and Jason Gisi took their Oath of Office.
2. Discussion and possible action to elect a Chairman and Vice-Chairman if applicable.  
Motion: made by Director Greenwald to nominate Larry Schroer as Chairman and Monte Anderson as Vice-Chairman, second by Director Yates.  
Unanimous Approval
3. 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) The Flood Mitigation Project;  
Bob said ADEQ has pulled the plans for the placement of the well and he will have them next week.
  - b) Relocation of the valve for lot 187 and/or the exception made by the HOA for pavers in the driveway apron;  
Chairman Schroer said the HOA did approve this one case. Brent Mathews said the Architectural Review Committee will consider pavers in lieu of concrete in the future.  
Motion: made by Director Yates to establish a policy to require the homeowner pay the cost to move the sewer valve if it obstructs the driveway, second by Director Gisi.  
Unanimous Approval
  - c) Expenses and use of the water truck;  
Jennifer said the District has paid their share of the water truck expenses, but the HOA has not paid the flood mitigation invoice sent in August of 2014. Chairman Schroer said he will meet with the Chairman of the HOA.
  - d) Recent issues with the water system, planning for future events and emergency notifications.  
Bob said there was electrical issue on Christmas Eve morning. Bob suggested some type of alarm, such as a low pressure alarm on the distribution system. Bob will look into a transfer switch that may help with transferring power and pressure if the panel goes down. Jennifer will arrange a telephonic meeting once Bob has obtained an estimate.  
Bob said on Monday, January 5<sup>th</sup>, the storage tank had only 6' of water. He said he called an electrician and he thought it was a blown fuse, but Bob thought the pump was bad. They put in a new fuse and that didn't work. He said he called McGee Pumps and they verified that the pump was bad. They refused to replace the pump because the new pump was not purchased from them. He called Del Rio and they were able to come out the next morning.  
It was suggested to have an automatic change over to a booster pump, an early warning system for pump failure, a low level alarm in the tank, and a flexible well casing pump.

Bob said he needs to buy a new redundant well pump. After looking at the calculations it was decided that Bob will purchase a 7.5 hp pump.

Emergency notifications should be done by I.D.S., not the homeowner's association. Chairman Schroer said that I.D.S. should send out a letter to all homeowners to obtain email addresses and phone numbers. Jennifer was asked to create a letter to the customers and email to the Board Members for review, Chairman Schroer will do the final approval prior to mailing.

4. Discussion and possible action to annex parcels 100-20-024, 100-20-031B, 100-20-021, 100-20-008, 100-20-031A, 100-20-007, 100-20-027, 100-20-023, 100-20-018, 100-20-017, 100-20-016, 100-20-015, 100-20-022 and 100-20-014.  
Motion: made by Director Anderson to annex the parcels as noted, second by Director Yates.  
Unanimous Approval
5. Discussion and possible action regarding the remaining annexations, which have not responded to the District's request – Daniels, parcel 100-20-020, lot 180; Knode, parcel 100-20-019, lot 179; AR185LLC, parcel 100-20-025, lot 185; Viola, parcel 100-20-026, lot 186; Gisi, parcel 100-20-009, lot 173; Coury, parcel 100-20-010, lot 188.  
Director Greenwald will contact the Knode property. Jennifer was asked to send a certified letter to the remaining property owners.
6. Discussion and possible action regarding a report by Monte Anderson on water data.  
Monte reviewed the report with the Board.
7. Discussion and possible action regarding the Independent Accountant's Report for the financial review by Loren Cunningham, CPA, PLLC.  
The Board reviewed the Accountant's report and had no comments.
8. Discussion and possible action regarding rules and fees for unauthorized wells.  
The Board may consider removing the fine and charging for all water used. It was discussed that for the non-metered wells, the backflow prevention is not being monitored.  
The policy will continue in place until it can be addressed in a future meeting. It was confirmed that the CCR's for American Ranch clearly approved well use is for pasture and horse watering only.
9. Discussion and possible action regarding administrative issues to include:
  - a) New procedures for bankruptcies;  
Jennifer told the Board that the new attorney, Bob Kozak, has stated that fees claimed bankruptcies cannot be forgiven because they are government funds.
  - b) 2015 meeting dates;  
March 25 at 10:00 a.m.; May 13 at 9:00 a.m. to include approval of the tentative budget, June 10 at 10:00 a.m. to include the budget hearing, August 12 at 10:00 a.m., November 11 at 10:00 a.m.
  - c) Approve meeting minutes of August 13 and November 21, 2014;  
Motion: made by Vice-Chairman Anderson to approve the meeting minutes, second by Director Greenwald.  
Unanimous Approval
  - d) Approve warrants written in August through December, 2014 and January 2015.  
Motion: made by Director Yates to approve the warrants, second by Director Greenwald.  
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.