

Meeting Minutes

Board of Directors of the American Ranch Domestic Water Improvement District
May 22, 2013 - 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, Bill Greenwald and Jim Lucia present. Jeff Hamilton present via speaker phone.

Also present and participating in the meeting were: Jennifer Bartos, District Clerk/Administrator and Karen Davis, Administrator, Improvement District Services, Inc.; Bob Hanus, Western Environmental Technologies.

1. Discussion and possible action to elect a chairman for the Board of Directors.
Director Yates said he thought Jeff had been doing a good job.
Motion: made by Director Yates to nominate Jeff Hamilton until the end of the calendar year, second Director Greenwald.
Unanimous Approval
2. Discussion and possible action regarding the monthly operation reports from Bob Hanus of Western Environmental Technologies for the operation and maintenance of the water and sewer facilities and status of projects to include:
 - a) Use and repair of the HOA water truck
Bob said when he started flushing the sewer lines; he could not get the truck started. He said all the fuses were pulled out and put into the ashtray. Bob said we would need 10 hose at \$500.00 a piece to accommodate using the fire hydrants. Director Greenwald said the truck is now operational. The District agreed to pay 25% of the maintenance cost for the use of the water truck.
Bob said that he received a letter from the ADEQ that states the District is allowed to reduce the lead and copper sampling to every three years.
Bob said he connected lot 119.
Bob will write a letter to Jack Cahill to confirm that in the future he is responsible for his service line.
Bob said he got a quote from NCS to install a new (second) well would be \$140,000.
3. Discussion and possible action to approve a 3-year contract with AGM Sales and Service, LLC., for generator maintenance, in the amount of \$6,208.50, to be billed semi-annually.
Motion: made by Director Yates to renew the contract, second by Director Schroer
Unanimous Approval
4. Discussion and possible action to renew the operations contract with Western Environmental Technologies.
Bob requested 3% annual increase on a 5-year contract.
Table issue to next meeting.
5. Discussion and possible action regarding administrative issues to include:
 - a) Status of new legislation;
Senator Gail Griffin killed the bill.
 - b) Review delinquent accounts;
Karen said there has been a lien filed for delinquent user fees on the bank owned lot.

- c) Approve meeting minutes of February 13, 2013;
Motion: made by Director Yates to approve the meeting minutes, second by Director Greenwald
Unanimous Approval
- d) Approve warrants written since February, 2013.
Motion: made by Director Greenwald to approve the warrants, second by Director Lucia
Unanimous Approval
6. Discussion and possible action regarding the Fiscal Year 2013/2014 Budget, Rates and Fees; if appropriate adopt the tentative budget and set the hearing time and date.
Motion: made by Director Yates to approve the tentative budget as amended and set the hearing date and time as June 19, 2013 at 9:00 a.m., 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.

American Ranch Domestic Water Improvement District
Fiscal Year 2013-2014 Tentative Budget

Exhibit A

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Expense

O&M EXPENSE	<u>FY</u> <u>12/13</u> <u>Budget</u>	<u>4/30/13</u> <u>Actual</u>	<u>12</u> <u>Month</u> <u>Estimate</u>	<u>FY</u> <u>13/14</u> <u>Budget</u>
Administrative Services	\$38,979	\$32,413	\$38,896	\$39,479
Reimbursed Admin Svcs	500	70	175	175
Annual CCR Report	430	0	593	450
Operations Services	64,260	47,432	63,655	65,565
Operations Overtime	1,000	0	0	1,000
Attorney Services	150	0	0	150
Professional Services	0	0	0	0
Publishing	1,000	0	720	720
Insurance	8,215	6,711	8,948	9,216
Elections/County Reimbursement	2,200	0	0	0
Dues & Memberships	2,420	3,421	3,421	4,200
Office Supplies	200	79	95	200
Postage	200	0	0	0
Electricity	28,000	17,826	25,166	28,000
Telephone	2,220	1,502	2,120	2,220
Lab Equipment	1,200	151	213	1,200
Lab Analysis	7,867	7,571	10,688	9,000
Chemicals	3,600	1,994	2,815	3,800
Operating Equip & Supplies	9,406	6,053	8,545	9,406
Generator Repair	4,200	4,097	5,784	2,070
UV Bulbs - Sewer	1,000	0	1,000	1,000
Hauling & Disposal	5,400	4,251	6,001	5,400
Emergency Services	5,500	12,597	12,597	15,000
Sewer Line Flushing	2,676	0	2,676	2,676
Water Line Flushing	1,296	0	1,296	1,296
Meter & Backflow Installation	1,820	1,734	1,734	2,620

Freeze Protection	400	145	400	400
Artificial Rocks for Backflow	550	0	0	550
Filter Media Replacement	1,150	3,517	3,517	0
Paint Flow EQ Tank	20,760	14,228	14,228	0
Exercise Valves	3,528	0	3,528	3,528
Valve Repair	0	0	0	1,862
Backflow Testing Program	3,350	1,092	3,350	3,550
Sales Tax	5,600	3,712	5,240	5,668
Contingency	<u>5,000</u>	<u>226</u>	<u>4,831</u>	<u>5,000</u>
Total O&M Expense	\$234,077	\$170,822	\$232,234	\$225,402

CAPITAL EXPENSE	FY 12/13 Budget	4/30/13 Actual	12 Month Estimate	FY 13/14 Budget
Capital Emergency Fund	91,744	0	0	82,256
Mobile Hoist	0	0	0	4,500
Yard Lights	5,039	5,676	5,676	0
Transfer to O&M	0	10,000	10,000	17,415
Capital Contingency	<u>5,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Capital Expense	\$101,783	\$15,676	\$15,676	\$104,171

TOTAL EXPENSE BUDGET	\$335,860	\$186,498	\$247,910	\$329,573
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American Ranch Domestic Water Improvement District
Fiscal Year 2013-2014 Tentative Budget

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Revenue

O&M REVENUE	FY 12/13 Budget	04/30/13 Actual	12 Month Estimate	FY 13/14 Budget
User Fees - Residential - Water	\$29,250	\$25,398	\$33,864	\$33,864
User Fees - Commercial - Water	33,403	30,942	41,256	41,256
User Fees - Residential - Sewer	20,400	17,503	23,337	23,337
User Fees - Commercial - Sewer	26,720	21,000	28,000	28,000
User Fees - Unconnected	77,561	61,064	77,000	77,000
Private Well Revenue	1,000	550	733	733
Permit Fee	1,500	500	500	1,500
Interest	100	66	70	70
Ad Valorem Tax	0	0	0	0
Sales Tax - Water	5,600	4,251	5,668	5,668
Activation/Transfer Fee	70	250	250	250
Transfer from Capital	0	10,000	10,000	17,415
Miscellaneous Income	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total O&M Revenue	\$195,604	\$171,524	\$220,679	\$229,094

CAPITAL REVENUE	FY 12/13 Budget	04/30/13 Actual	12 Month Estimate	FY 13/14 Budget
Hook up Fee	15,000	10,500	10,500	16,500
Interest	<u>200</u>	<u>203</u>	<u>271</u>	<u>250</u>
Total Capital Revenue	\$15,200	\$10,703	\$10,771	\$16,750

TOTAL REVENUE BUDGET	\$210,804	\$182,227	\$231,449	\$245,844
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Fund Balances

O&M Fund Balance

Balance as of April 30, 2013	\$8,565
Estimated Expenses 12/13	<u>-61,412</u>
Subtotal	-52,847
Anticipated Revenue 12/13	<u>49,155</u>
Estimated Ending Balance 12/13	-3,692

Est. Beginning Balance 13/14	-3,692
Estimated Revenue 13/14	<u>229,094</u>
Subtotal	225,401
Estimated Expense 13/14	<u>225,402</u>
Estimated Ending balance 13/14	0

Capital Fund Balance

Balance as of April 30, 2013	\$87,354
Estimated Expenses 12/13	<u>0</u>
Subtotal	87,354
Anticipated Revenue 12/13	<u>68</u>
Estimated Ending Balance 12/13	87,421

Est. Beginning Balance 13/14	87,421
Estimated Revenue 13/14	<u>16,750</u>
Subtotal	104,171
Estimated Expense 13/14	<u>104,171</u>
Estimated Ending balance 13/14	0