

## Meeting Minutes

Board of Directors of the American Ranch Domestic Water Improvement District  
May 22, 2014 - 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 Monte Anderson present. Jim Lucia absent.

Also present and participating in the meeting were: Jennifer Bartos, District Clerk/Administrator, Karen Davis, Administrator, and Dakota King of Improvement District Services, Inc.; Bob Hanus, Western Environmental Technologies; Brent Mathews and Chuck Dickson, American Ranch residents.

1. 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:  
Bob said the turbidity is running a bit higher than normal. He said they pumped the treatment plant and flushed out all the old sludge. Bob suggested a safety rail around the clarifier so they can get in there and clean it daily, to remove algae. Bob said that the sewer lines have been flushed, the hydrants have been serviced, the backflow valves have been tested and the valves have been exercised.
  - a) Status of a proposed plan, by Granite Basin Engineering, for protection against flooding of the District's tanks and equipment, in lieu of obtaining flood insurance;  
Bob told the Board that Granite Basin Engineering proposes to survey and create plans for \$6,000.00, and construction could cost \$10-20,000. Chairman Schroer suggested that this mitigation plan include the location of an additional well in the future.  
Motion: made by Director Yates to authorize Granite Basin Engineering to proceed with the flood mitigation study for \$6,000, second by Director Greenwald.  
Unanimous Approval
2. Discussion and possible action to renew the operations contract with Western Environmental Technologies for operation maintenance for the water and sewer systems.  
Bob said he had not had an increase during the past 9 months and is now asking for a 5% increase for the first year, and then 3% for the remaining years.  
Motion: made by Director Anderson to approve the contract with Western Environmental Technologies, second by Director Greenwald.  
Unanimous Approval
3. Discussion and possible action regarding a request from Charles Dickson for the installation of a water meter only for irrigation on lot 169, a vacant lot.  
The Board will establish a rate for hook-up of only a water meter. It is estimated that the fee will be \$1,500.00 of the current \$6,000.00 hook-up fee. The account will be recorded as having paid \$1,500.00 toward the future charges for hook-up of the sewer at the rate established at that time.

4. Presentation by Monte Anderson regarding the Water Resources Research Center Annual Conference at U of A.
5. Discussion and possible action to approve the Call of Election for two Board of Directors positions in the November 4, 2014 election.  
Motion: made by Director Yates to approve the Call of Election, second by Director Greenwald.  
Unanimous Approval
6. Discussion and possible action regarding administrative issues to include:
  - a) Review delinquent accounts;
  - b) Request from Betz for relief of \$500.00 fine for hydrant damage;  
Motion: made by Director Greenwald to approve the request for relief of the \$500.00 fine, second by Director Yates.  
Unanimous Approval
  - c) Approve meeting minutes of February 12, 2014;  
Motion: made by Director Greenwald to approve the meeting minutes, second by Director Yates.  
Unanimous Approval
  - d) Approve warrants written since February, 2014.  
Motion: made by Director Yates to approve the warrants as written, second by Director Greenwald.  
Unanimous Approval
7. Discussion and possible action regarding the Fiscal Year 2014/2015 Budget, Rates and Fees; if appropriate adopt the tentative budget and set the hearing time and date.  
Chairman Schroer said that Bill Weber, the District's insurance agent, will attend the June meeting to review the coverage with the Board.  
Rates were discussed and it was decided to increase the commercial flat rate, in lieu of an ad valorem tax, to include the cost of flood mitigation and the transfer from O&M to capital and also increase the residential flat rate by \$10.00 due to potential water usage restrictions.  
Motion: made by Director Greenwald to adopt the tentative budget as modified, second by Director Yates.  
Unanimous Approval  
Motion: made by Director Yates to set the hearing date and time as June 19 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.

Brent Mathews asked Bob Hanus some questions regarding the operations. He said that water conservation is important to property owners. Chuck Dickson said he has experience with water conservation attempts in the past.

**American Ranch Domestic Water Improvement District**  
**Fiscal Year 2014-2015 Tentative Budget**

**Expense**

		<b>FY 13/14 Budget</b>	<b>5/15/14 Actual</b>	<b>12 Month Estimate</b>	<b>FY 14/15 Budget</b>
	<b>O&amp;M EXPENSE</b>				
1	Administrative Services	\$39,479	\$32,900	\$39,480	\$40,270
2	Reimbursed Admin Svcs	175	385	462	550
3	Annual Water Quality Report	450	0	480	480
4	Operations Services	65,565	47,020	65,565	68,843
5	Operations Overtime	1,000	0	0	1,000
6	Attorney Services	150	0	0	300
7	Professional Services - CPA	0	0	0	2,300
8	Publishing	720	513	720	750
9	Insurance	9,216	8,047	9,216	9,216
10	Elections/County Reimbursement	0	0	0	3,801
11	Dues & Memberships	4,200	3,035	4,200	4,200
12	Office Supplies	200	296	355	300
13	Postage	0	25	25	100
14	Electricity	28,000	19,236	24,298	27,971
15	Telephone	2,220	1,951	2,754	2,250
16	Lab Equipment	1,200	238	1,200	1,200
17	Lab Analysis	9,000	5,534	7,534	9,000
18	Chemicals	3,800	1,555	3,000	3,800
19	Operating Equip & Supplies	9,406	5,398	8,400	9,406
20	Generator Repair & Maintenance	2,070	3,443	3,443	3,070
21	UV Bulbs - Sewer	1,000	1,719	1,719	1,500
22	Hauling & Disposal	5,400	3,200	5,400	5,400
23	Emergency Services	15,000	0	0	15,000
24	Sewer Line Flushing	2,676	0	2,676	2,676
25	Water Line Flushing	1,296	0	1,296	1,296
26	Meter & Backflow Installation	2,620	2,091	3,091	3,000
27	Freeze Protection	400	95	400	400
28	Artificial Rocks for Backflow	550	0	550	550
29	Exercise Valves	3,528	0	3,528	3,528
30	Valve Repair	1,862	0	1,862	350
31	Backflow Testing Program	3,550	1,247	3,550	3,550
32	Water Tank Inspection & clean	0	0	0	1,900
33	Cathode Protection-Water Tank	0	0	0	1,150
34	Cathode Protection-Wastewater	0	0	0	4,000
35	Engineering Study	0	0	0	6,000
36	Flood Midigation	0	0	0	27,000
37	Transfer to Capital	0	0	0	17,415
38	Sales Tax	5,668	3,262	5,267	5,668
39	Contingency	<u>5,000</u>	<u>1,928</u>	<u>2,435</u>	<u>5,000</u>
40	Total O&M Expense	\$225,402	\$143,118	\$202,907	\$294,189

**FY  
13/14****5/15/14****12  
Month****FY  
14/15**

<b>CAPITAL EXPENSE</b>		<b>Budget</b>	<b>Actual</b>	<b>Estimate</b>	<b>Budget</b>
41	Capital Emergency Fund	\$82,256	\$0	\$0	\$118,978
42	Mobile Hoist	4,500	2,740	4,500	0
43	Transfer to O&M	17,415	17,415	17,415	0
44	Capital Contingency	0	0	0	0
45	Total Capital Expense	\$104,171	\$20,155	\$21,915	\$118,978
46	<b>TOTAL EXPENSE BUDGET</b>	\$329,573	\$163,273	\$224,822	\$413,167

**American Ranch Domestic Water Improvement District**  
**Fiscal Year 2014-2015 Tentative Budget**

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<b>Revenue</b>		<b>FY</b>	<b>05/15/14</b>	<b>12</b>	<b>FY</b>
<b>O&amp;M REVENUE</b>		<b>13/14</b>	<b>Actual</b>	<b>Month</b>	<b>14/15</b>
		<b>Budget</b>		<b>Estimate</b>	<b>Budget</b>
47	User Fees - Residential - Water	\$33,864	\$29,712	\$31,464	\$34,128
48	User Fees - Commercial - Water	41,256	33,314	39,977	70,108
49	User Fees - Residential - Sewer	23,337	20,185	24,222	26,000
50	User Fees - Commercial - Sewer	28,000	23,100	27,720	57,851
51	User Fees - Unconnected	77,000	58,826	75,000	75,000
52	Reuse Income	0	0	0	1,080
53	Private Well Revenue	733	494	593	600
54	Permit Fee	1,500	1,000	1,000	1,500
55	Interest	70	51	51	40
56	Ad Valorem Tax	0	0	0	0
57	Sales Tax - Water	5,668	4,389	5,267	5,668
58	Activation/Transfer Fee	250	1,812	1,812	500
59	Transfer from Capital	17,415	17,415	17,415	0
60	Miscellaneous Income	0	1,900	1,900	0
61	Total O&M Revenue	\$229,094	\$192,198	\$226,420	\$272,474

<b>CAPITAL REVENUE</b>		<b>FY</b>	<b>05/15/14</b>	<b>12</b>	<b>FY</b>
		<b>13/14</b>	<b>Actual</b>	<b>Month</b>	<b>14/15</b>
		<b>Budget</b>		<b>Estimate</b>	<b>Budget</b>
62	Hook up Fee	16,500	12,000	12,000	18,000
63	Transfer from O&M	0	0	0	17,415
64	Interest	250	313	313	250
65	Total Capital Revenue	\$16,750	\$12,313	\$12,313	\$35,665

66	<b>TOTAL REVENUE BUDGET</b>	\$245,844	\$204,511	\$238,733	\$308,139
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**Fund Balances**

<b>O&amp;M Fund Balance</b>	
Balance as of May 15, 2014	\$47,282
Estimated Expenses 13/14	-59,789
Subtotal	-12,507
Anticipated Revenue 13/14	34,222
Estimated Ending Balance 13/14	21,715

Est. Beginning Balance 14/15	21,715
Estimated Revenue 14/15	<u>272,474</u>
Subtotal	294,189
Estimated Expense 14/15	<u>294,189</u>
Estimated Ending balance 14/15	0
<b>Capital Fund Balance</b>	
Balance as of May 15, 2014	\$85,073
Estimated Expenses 13/14	<u>-1,760</u>
Subtotal	83,313
Anticipated Revenue 13/14	<u>0</u>
Estimated Ending Balance 13/14	83,313
Est. Beginning Balance 14/15	83,313
Estimated Revenue 14/15	<u>35,665</u>
Subtotal	118,978
Estimated Expense 14/15	<u>118,978</u>
Estimated Ending balance 14/15	0