

Meeting Minutes

Board of Directors of The American Ranch Domestic Water Improvement District

July 12, 2017

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 – Monty Anderson, Bill Yates, and Cynthia Baker present. Brent Mathews and Jason Gisi present telephonically.

Also present and participating Bob Hanus, Western Environmental Technologies; Jennifer Bartos, District Clerk; Dakota King, District Administrator, Improvement District Services; Tiffany Taylor, HOAMCO.

1. 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.
Bob Hanus gave his report on the status of the plant and pumps. He stated that there was a grinder pump repair in the amount of \$8,900 total. Director Baker recommended consulting the architectural review committee. Director Anderson asked if any grinder pumps had been replaced by Bob, to which Bob responded that he has done 4 or 5. Director Anderson stated that a strictly informational report be sent out regarding grinder pump maintenance. Bob Hanus stated that one issue is storage. Tiffany Taylor stated the storage box can be partially used by W.E.T. to store grinder pumps. The board directed Bob to make the order for the grinder pump, and to have Jennifer notify the Board as soon as this occurs.
2. Discussion and possible action regarding a Memorandum of Understanding with the American Ranch Homeowner's Association.

Director Yates stated that he gave his own opinion to Jason Gisi, and the changes he was about to speak about reflect the opinion of Director Gisi and Director Yates. Director Yates stated that the Memorandum reflects the past, rather than his interpretation as a Memorandum moving forward. Director Yates stated that he believed it to be prudent to have a joint meeting with the HOA regarding the changes to the Memorandum. Director Baker stated that she believed the Board should make the changes, sign it, and send it to the HOA. Director Gisi stated that he believed that action to be hostile, and that the DWID Board should simply sit down with the HOA to have a neighborly discussion. Director Gisi stated that the HOA board had discussed the draft before sending it to the DWID. Jennifer stated that she received a notification from ADWR regarding the wells and to hopefully receive notification from ADWR when new wells are dug. Director Anderson stated that the ADWR will probably not reply to an organization that is not an Active Management Area. Director Yates asked what the ADWR was asking for, and Bob Hanus responded that they look at capacity and usage in the area as a first stage to monitoring conservation of water.

Director Yates stated that item D and E are incorrect and must be taken out. Director Matthews stated that the words "verbal authorization" was not correct, and asked what the purpose of the agreement was. Director Baker stated that the point of the Memorandum is to show that the DWID and HOA are on the same page, and that it does not change anything, only clarifies. Director Baker stated that this document takes the DWID out of the well monitor business.

Director Matthews stated that the list of wells in Exhibit A states that some wells have been put into the category that of approved wells while they were never approved. Director Yates stated that having the HOA enforce the CCRs would be a turning point and the point of the Memorandum. He also stated a change he wishes to add stating directly that the HOA must follow section 3.26 of the CCRs. Director Yates stated that he would like to strike point 3 that states that the DWID should be responsible for grandfathered wells. Director Anderson asked about having the District Attorney look at the Memorandum for validity. Jennifer Bartos agreed and stated that the item regarding the "authority or power to meter wells" be changed to "the responsibility to meter wells" strictly for legality reasons. Director Yates stated that the HOA and DWID should communicate about necessary changes before taking it to the attorney. Director Anderson stated that he wishes to make necessary changes and have the mutual meeting with HOA and the DWID. Director Gisi recommended that the changes be sent to the HOA board previous to the mutual meeting so the HOA can ready their comments and suggestions. Director Anderson asked if the Board would like to be notified when new wells are created, and Director Yates stated that the Board wishes to no longer be in the well monitoring business and should not need to receive notifications. Bob Hanus stated that wells must be inspected once a year in general and a back-flow prevention device must be installed so no contamination of the aquifer can occur.

3. Discussion and possible action regarding administrative issues to include:
 - a) District financials and delinquent accounts;

Director Yates asked for a final budget to see the year end of FY16/17. Director Baker asked if anything can be done about the major unconnected lot delinquencies, to which Jennifer stated that a collection agency can be used. She also stated that no vacant lot can be given water without paying off the delinquency.

- b) Approve meeting minutes of June 15, 2017;

Motion: made by Director Baker, second by Director Anderson. Unanimous Approval.

- c) Approve checks written since March 2017.

Motion: made by Director Baker, second by Director Anderson. 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.

Rich Gilbert – Asked who the District Attorney is. He also asked about the newsletter for the community that could answer public questions. He stated that many people from the public are asking about the increase of rates which could be stated in a newsletter.

Tiffany Taylor – Stated that the monthly American Ranch newsletter would be happy to include the DWID information. She stated that the wells that were drilled a while ago. She would like to receive monthly American Ranch newsletter info by the 10th.

Tim Oliver - Stated that if everyone in the neighborhood agreed that if they agreed to follow the CCRs, there would be no problem. He stated that every resident should know about the CCRs, and they should have been followed from the beginning. He stated that he didn't understand how anyone could go around the CCRs. He asked how many well owners are not in compliance. He stated that the public should know about the situation with the HOA, and that the HOA should handle it.

Fred Miller - Asked about why this understanding has not occurred before, and why it is coming up now. He stated that he believes that the issue is currently with the HOA.

Elizabeth Mahone (186)- Stated that she may be on the delinquency list and would like to understand how to update mailing address, and would greatly love the possibility of the automatic withdraw.