

Meeting Minutes

Board of Directors of The American Ranch Domestic Water Improvement District

May 13, 2020, 10:00 a.m. at

The American Ranch – Ranch House Parking Lot, 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., 3603 Crossings Drive Prescott AZ 86305.

This meeting will be held outside in the parking lot of the Ranch House. Physical distancing is required to attend this meeting. Attendees must keep 6' of space between others that are not members of your household. Seating will not be provided, please bring your own chair.

Call to Order – Cynthia Baker, Roy Engehausen, Bill Yates, Brent Mathews and Liz Mahon present.

Also present and participating in the meeting: Jennifer Bartos, District Clerk/Administrator, and Diana King, District Administrator, Improvement District Services, Inc.; Bob Hanus, District Operator, Western Environmental Technologies; Mark Kaplin, Gerry Breuer, and Rich Gilbert property owners.

1. Discussion 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 the status of the remote meter project.
Bob reviewed his report with the Board and said all systems are running well. Bob told the Board he was able to clear the blockage in the service line at lot #25. He said it required jetting the service line because there was a build of a greasy material.
2. Discussion and possible action regarding the generator maintenance contract.
Bob Hanus said he is willing to take on the generator maintenance as a separate contract.
Motion: made by Director Mahon to approve the contract, second by Director Engehausen.
Unanimous Approval
Gerry Breuer said the State has requirements for logging the generator maintenance.
3. Discussion and possible action to replace the Century Link telephone service.
Director Engehausen told the Board that the Sparklight service is up and running. Diana King said the \$2.00 AT&T offer is no longer available, but they do have a \$15 a month plan. Bob Hanus said he would order the service and include the cost as an additional charge on his monthly invoice.
4. Discussion and possible action to approve the FY 20/21 Tentative Budget, rates and fees and if appropriate set the hearing date and time.
The budget was reviewed. It was noted that all permit fees shall be deposited in the Capital Fund and payments for meter installations should be paid from that fund. Bob Hanus said the price for meter and backflow installation is now \$900, which is higher due to the cost of the new meters. It was agreed there will be no rate increases for this budget. Jennifer Bartos suggested the Board determine the appropriate amount of money to be held in a reserve fund. A reserve fund study will be done later in July.
Motion: made by Director Mahon to adopt the FY 20/21 Tentative Budget and set the hearing date and time as June 18 at 5:30p.m. via Zoom, second by Chairperson Baker.
Unanimous Approval
5. Discussion and possible action regarding administrative issues to include future meeting procedures.
Jennifer Bartos told the Board that the Yavapai County Board of Supervisors have extended the emergency declaration to July 5th. She recommended that the District follow the same meeting procedures as the Board of Supervisors. Future meetings will be held via Zoom. Some Board Members may be present at the Ranch House.
6. Discussion and possible action to approve meeting minutes of February 12, 2020.
Director Mahon suggested adding the word "on" an as-needed basis to item #5.
Motion: made by Director Engehausen to adopt the meeting minutes as modified, second by Director Mathews.

Unanimous Approval

7. Discussion and possible action to approve checks written February, March and April 2020.
Motion: made by Director Yates to approve the checks, second by Director Mahon.
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.

Gerry Breuer asked why the District's information isn't on the HOA website. It was explained that the ARDWID is a completely separate entity and not affiliated with the HOA. All District information is included on the District website. Director Mahon said she will make sure there is a link to ARDWID.com on the HOA website.

American Ranch Domestic Water Improvement District
Fiscal Year 2020-2021 Tentative Budget

Exhibit A

<u>EXPENSE</u>	<u>FY</u> <u>19/20</u> <u>Budget</u>	<u>4/30/2020</u> <u>Actual</u>	<u>12</u> <u>Month</u> <u>Estimate</u>	<u>FY 20/21</u> <u>Budget</u>
O&M Expense				
Administrative Expense				
ADEQ Registration	\$3,500	\$1,435	\$3,500	\$3,500
Administrative Services				
Activation Fees	600	3,000	3,300	1,500
Additional Admin Services	100	548	548	100
District Admin Contract	42,721	35,601	42,721	42,721
Reimbursed Admin Svcs	3,300	4,698	5,000	3,300
Annual CCR - Water Quality Report	965	978	978	978
Attorney Services	400	158	158	400
Elections/County Reimbursement	0	0	0	4,800
Insurance	12,100	12,395	12,395	12,600
Office Supplies	200	0	0	200
On-line Payment Processing	485	53	100	100
Bank Charges	100	429	450	450
Postage	200	93	93	300
Professional Services - CPA	0	0	0	0
Publishing - Newspaper	300	25	300	300
Operating Expense				
Alarm System Monitoring	965	703	844	965
Artificial Rocks for Backflow	0	0	0	0
Backflow Testing Program	4,200	4,455	4,455	6,000
Chemicals	4,100	3,658	4,390	4,900
Electricity	25,000	16,857	22,476	24,000
Emergency Services	5,500	1,692	2,030	5,000
Exercise Valves	3,750	0	3,938	3,938
Freeze Protection	200	0	450	450
Generator Repair & Maintenance	3,350	1,403	3,350	3,400
Hauling & Disposal	14,400	10,800	14,400	16,500
Lab Analysis	7,500	5,218	6,957	7,900
Lab Equipment	1,500	0	1,500	1,500
Operating Equip & Supplies	15,000	7,056	9,408	15,000
Operator Services				
District Operator Contract	77,482	58,112	77,483	79,807

Operator Overtime	1,400	1,185	1,185	1,400
Remote Meters Annual Service	18,000	9,822	18,000	18,000
Meter & Backflow Installation	0	2,183	2,183	0
Sewer Line Flushing	3,000	0	3,120	3,120
Telephone & Internet	3,000	2,305	2,700	2,500
UV Bulbs - Sewer	1,500	0	1,500	500
Water Line Flushing	1,400	0	1,400	1,400
Water Truck	1,000	333	500	1,000
Sales Tax	5,000	0	5,000	2,000
Contingency (10% of 6-38)	21,200	150	150	21,941
Reserve	<u>27,350</u>	<u>0</u>	<u>0</u>	<u>110,747</u>
Total O&M Expense	\$310,767	\$185,345	\$256,962	\$403,217

	FY 19/20 Budget	4/30/2020 Actual	12 Month Estimate	FY 20/21 Budget
CAPITAL Expense				
Capital Reserve Fund	\$17,002	\$0	\$0	\$95,342
Meter & Backflow Installation	1,000	111,026	112,208	4,500
Capital Contingency	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Capital Expense	\$18,002	\$111,026	\$112,208	\$99,842

TOTAL EXPENSE BUDGET	\$410,347	\$296,371	\$369,170	\$503,059
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	FY 19/20 Budget	4/30/2020 Actual	12 Month Estimate	FY 20/21 Budget
REVENUE				
O&M Revenue				
Activation/Transfer Fee	\$1,950	\$3,000	\$3,300	\$1,500
Ad Valorem Tax	0	0	0	0
Collections	1,500	3,004	3,605	1,500
Interest	200	1,190	1,200	500
Reuse Income	1,500	1,370	1,644	1,500
User Fees - Unconnected	74,580	55,183	66,220	70,620
User Fees - Commercial - Sewer	45,000	36,210	43,452	45,000
User Fees - Commercial - Water Flat	18,480	16,000	18,480	18,480
User Fees - Commercial Water Usage	12,000	11,756	14,107	10,000
Residential Base Fee Water & Sewer	110,880	85,754	102,905	116,160
User Fees - Residential - Water Usage	8,000	9,477	11,372	8,000
Sales Tax - Water	<u>700</u>	<u>1,481</u>	<u>1,975</u>	<u>2,000</u>
Subtotal	274,790	224,425	268,259	275,260
Permit Fees	500	2,000	2,000	500
Miscellaneous O&M Income (18/19rev)	<u>0</u>	<u>24,352</u>	<u>24,352</u>	<u>0</u>
Total O&M Revenue	\$275,290	\$250,777	\$294,611	\$275,760

	FY 19/20 Budget	4/30/2020 Actual	12 Month Estimate	FY 20/21 Budget
CAPITAL Revenue				
Hook up Fee	\$7,000	\$28,000	\$28,000	\$7,000
Interest	<u>10</u>	<u>2,230</u>	<u>2,230</u>	<u>10</u>
Total Capital Revenue	\$7,010	\$30,230	\$30,230	\$7,010

TOTAL REVENUE BUDGET	\$282,300	\$281,007	\$324,841	\$282,770
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Fund Balances

O&M Fund Balance

Balance as of 5/7/2020	\$155,739	
Estimated Expenses 19/20	<u>-71,617</u>	
Subtotal	84,122	
Anticipated Revenue 19/20	<u>43,834</u>	
Estimated Ending Balance 19/20	\$127,957	
Est. Beginning Balance 20/21	\$127,957	
Estimated Revenue 20/21	<u>275,260</u>	Expected Rev
Subtotal	403,217	
Estimated Expense 20/21	<u>403,217</u>	
Estimated Ending balance 20/21	\$0	

Capital Fund Balance

Balance as of 5/7/2020	\$94,014	
Estimated Expenses 19/20	<u>-1,182</u>	
Subtotal	92,832	
Anticipated Revenue 19/20	<u>0</u>	
Estimated Ending Balance 19/20	\$92,832	
Est. Beginning Balance 20/21	\$92,832	
Estimated Revenue 20/21	<u>7,010</u>	
Subtotal	99,842	
Estimated Expense 20/21	<u>99,842</u>	
Estimated Ending balance 20/21	\$0	

O&M Reserve Fund Balance

Balance as of 5/7/2020	\$61,553	
Estimated Expenses 19/20	<u>0</u>	
Subtotal	61,553	
Anticipated Revenue 19/20	<u>0</u>	
Estimated Ending Balance 19/20	\$61,553	
Est. Beginning Balance 20/21	\$61,553	
Estimated Revenue 20/21	<u>110,747</u>	
Subtotal	172,300	
Estimated Expense 20/21	<u>0</u>	
Estimated Ending balance 20/21	\$172,300	