

## Meeting Minutes

Board of Directors of The American Ranch Domestic Water Improvement District  
May 10, 2023 - 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., 3603 Crossings Drive Prescott AZ 86305.*

Call to Order – Mark Kaplan, Gerry Breuer, Liz Mahon, David Puglia present. Cynthia Baker present via telephone.

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.

Motion: made by Director Puglia to convene into Executive Session  
Unanimous Approval

The Board will vote to enter into an Executive Session, pursuant to A.R.S. 38-431.03.9, for discussions and consultation with designated representatives of the public body in order to discuss security plans, procedures, measures or systems relating to, or having an impact on, the security or safety of District facilities and operations. Public shall not be allowed to attend the Executive Session.

Motion: made by Chairman Kaplan to convene into the regular meeting, second by Director Mahon  
Unanimous Approval

Convene into Regular Meeting

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, to include the status of the remote meter project.  
Diana was directed to start monthly billing to Lot 74 now.  
Motion: made by Chairman Kaplan to adopt a District policy stating "If the District is made aware, whenever there is a sewage backup, at the operator's discretion, the District operator shall turn off the water, grinder pump and close the sewer isolation valve and notify the homeowner the system is off", second by Director Mahon.  
Unanimous Approval
2. Discussion and possible action regarding the redundancy project.  
Bob Hanus said there are five stages to this project and one stage has been completed. He said the project will be completed by the end of this year, including as-built drawings.
3. Discussion and possible action regarding the wastewater treatment plant effluent discharge permit.  
Bob Hanus said the application is in to ADEQ and he is waiting for comments.
4. Discussion and possible action to approve the Fiscal Year 2023/2024 Tentative Budget, and if appropriate set the hearing date and time.  
Motion: made by Director Mahon to adopt the tentative budget and set the hearing date and time as June 1, 2023 at 5:00 p.m., second by Chairman Kaplan.  
Unanimous Approval
5. Discussion and possible action to approve the Fiscal Year 2023/2024 proposed Rates and Fees, and if appropriate set the hearing date and time.  
A new commercial rate of \$1,500 per month for sewer and water, plus water usage was added to the rates. The HOA accounts will now be labeled as "Community" with a rate of \$250 per month for water and \$1,250 for sewer.  
Motion: made by Director Breuer to adopt the rates and fees as modified, second by Director Mahon.  
Unanimous Approval

6. Discussion and possible action to give direction to staff for the transfer of interest and maturity of the Certificates held by OneAZ.  
Motion: made by Director Mahon that upon maturity of both certificates, the certificates shall be closed and transfer the amounts into One AZ Club Savings accounts with Jennifer Bartos as the account manager, signers will be Jennifer Bartos, Diana King, Mark Kaplan and Cynthia Baker, second by Chairman Kaplan.  
Unanimous Approval
7. Discussion and possible action regarding administrative issues to include future meeting agenda items, financial reports, delinquency and customer reports and miscellaneous administrative issues, late fees and budget items. The next regular meeting will be changed to August 23, 2023.
8. Discussion and possible action to approve checks written in February, March and April 2023.  
Motion: made by Chairman Kaplan to approve the checks, second by Director Puglia.  
Unanimous Approval
9. Discussion and possible action to approve meeting minutes of February 8, 2023.  
Motion: made by Director Puglia to approve the meeting minutes, second by Chairman Kaplan.  
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 2023-2024 Tentative Budget**

Adopted 5/10/23

Exhibit A

	<b><u>EXPENSE</u></b>	<b><u>FY</u></b>	<b><u>4/25/23</u></b>	<b><u>12</u></b>	<b><u>FY 23/24</u></b>
		<b><u>22/23</u></b>	<b><u>Actual</u></b>	<b><u>Month</u></b>	<b><u>Budget</u></b>
	<b>O&amp;M Expense</b>	<b>Budget</b>	<b>Actual</b>	<b>Estimate</b>	<b>Budget</b>
	<b>Administrative Expense</b>				
1	ADEQ Registration	\$3,200	\$3,454	\$3,454	\$3,500
	Administrative Services				
2	Activation Fees	5,500	900	1,500	1,500
3	Additional Admin Services	100	520	520	100
4	District Admin Contract	44,858	33,642	44,856	46,202
5	Reimbursed Admin Svcs	5,000	3,848	5,131	5,000
6	Annual CCR - Water Quality Report	1,000	0	1,000	1,250
7	Attorney Services	400	0	0	500
8	Bank Charges	300	45	45	55
9	Elections/County Reimbursement	5,200	0	0	0
10	Insurance	15,500	15,997	15,997	16,500
11	Office Supplies	250	220	293	250
12	On-line Payment Processing	350	121	161	200
13	Postage	300	0	0	120
14	Professional Services - CPA	0	0	0	0
15	Publishing - Newspaper	500	0	600	600
	<b>Operating Expense</b>				
16	Alarm System Monitoring	965	599	965	965
17	Artificial Rocks for Backflow	1,600	0	0	1,000
18	Backflow Testing Program	7,800	0	7,800	10,375
19	Chemicals	4,900	3,051	4,068	4,900
20	Electricity	28,010	17,901	23,868	26,000
21	Emergency Services	5,000	300	300	5,000
22	Exercise Valves	4,120	0	4,120	4,120
23	Freeze Protection	900	0	900	900
24	Generator Repair & Maintenance	3,400	2,805	3,740	3,800

25	Hauling & Disposal	16,500	0	0	17,500
26	Lab Analysis	10,000	6,884	9,179	13,000
27	Lab Equipment	1,700	0	1,700	1,700
28	Operating Equip & Supplies	10,000	9,104	12,139	15,000
	Operator Services				
29	District Operator Contract	84,668	56,445	84,668	88,901
30	Operator Overtime	500	1,825	2,738	2,500
31	Remote Meters Annual Service	17,000	1,609	17,000	17,000
32	Sewer Line Flushing	3,605	0	3,605	3,605
33	Telephone & Internet	1,300	1,545	2,318	2,350
34	UV Bulbs - Sewer	500	1,683	1,683	500
35	Water Line Flushing	1,400	0	1,400	1,400
36	Water Truck	4,000	0	153	1,250
37	WWTP Redundancy Project	148,000	0	30,000	118,000
38	Sales Tax	2,500	0	2,500	2,500
39	Contingency (10% of 6-38)	38,217	30	30	24,439
	<i>Subtotal</i>	<i>\$479,043</i>	<i>\$162,528</i>	<i>\$288,429</i>	<i>\$442,482</i>
40	Transfer	125,810	0	0	131,293
41	Total O&M Expense	\$604,853	\$162,528	\$288,429	\$573,775

		<b>FY</b>	<b>12</b>		
		<b>22/23</b>	<b>4/25/23</b>	<b>Month</b>	<b>FY 23/24</b>
	<b>CAPITAL Expense</b>	<b>Budget</b>	<b>Actual</b>	<b>Estimate</b>	<b>Budget</b>
42	Capital Reserve Fund	\$131,450	\$0	\$0	\$68,839
43	Meter & Backflow Installation	18,000	36,625	40,000	18,000
44	Artificial Rocks & Freeze	950	0	0	0
45	Capital Contingency	0	0	0	0
46	Total Capital Expense	\$150,400	\$36,625	\$40,000	\$86,839

47	<b>TOTAL EXPENSE BUDGET</b>	\$755,253	\$199,153	\$328,429	\$660,614
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		<b>FY</b>	<b>12</b>		
	<b>REVENUE</b>	<b>22/23</b>	<b>4/25/23</b>	<b>Month</b>	<b>FY 23/24</b>
	<b>O&amp;M Revenue</b>	<b>Budget</b>	<b>Actual</b>	<b>Estimate</b>	<b>Budget</b>
48	Activation/Transfer Fee	\$5,500	\$750	1,500	\$1,500
49	Ad Valorem Tax	0	0	0	0
50	Collections	5,000	2,978	3,574	5,000
51	Interest (see Reserve Funds)	500	4	5	20
52	Reuse Income	1,500	1,393	1,672	1,500
53	User Fees - Unconnected	77,220	59,283	67,080	64,740
54	User Fees - Community - Sewer	45,000	37,500	45,000	45,000
55	User Fees - Community - Water Flat	18,480	18,800	22,560	24,000
56	User Fees - Community Water Usage	18,000	10,504	11,000	8,000
57	Residential Base Fee Water & Sewer	154,440	130,989	168,480	165,360
58	User Fees - Residential - Water Usage	15,000	9,811	11,773	12,000
59	User Fees - Commercial Sewer & Water	0	0	0	36,000
60	User Fees - Commercial Water Usage	0	0	0	100
61	Transfer from O&M Reserve Fund	175,000	0	0	0
62	Sales Tax - Water	2,000	1,248	2,000	2,000
	Subtotal	517,640	273,260	334,643	365,220
63	Permit Fees	1,000	3,990	4,990	1,500
63	Miscellaneous O&M Income	0	487	487	0
64	Total O&M Revenue	\$518,640	\$277,737	\$340,120	\$366,720

		<b>FY</b>		<b>12</b>	
		<b>22/23</b>	<b>4/25/23</b>	<b>Month</b>	<b>FY 23/24</b>
	<b>CAPITAL Revenue</b>	<b>Budget</b>	<b>Actual</b>	<b>Estimate</b>	<b>Budget</b>
65	Hook up Fee	\$21,000	\$55,000	\$69,000	\$21,000
66	Interest	200	2,163	2,163	200
67	Total Capital Revenue	\$21,200	\$57,163	\$71,163	\$21,200
68	<b>TOTAL REVENUE BUDGET</b>	\$539,840	\$334,900	\$411,283	\$387,920

**Fund Balances**

<b><u>O&amp;M Fund Balance</u></b> - OneAZ Checking	
Balance as of 4/25/2023	\$272,073
Estimated Expenses 22/23	<u>-125,901</u>
Subtotal	146,172
Anticipated Revenue 22/23	<u>62,383</u>
Estimated Ending Balance 22/23	\$208,555
Est. Beginning Balance 23/24	\$208,555
Estimated Revenue 23/24	<u>365,220</u>
Subtotal	573,775
Estimated Expense 23/24	<u>573,775</u>
Estimated Ending balance 23/24	\$0

<b><u>Capital Fund Balance</u></b> - OneAZ Savings	
Balance as of 4/25/2023	\$55,014
Estimated Expenses 22/23	<u>-3,375</u>
Subtotal	51,639
Anticipated Revenue 22/23	<u>14,000</u>
Estimated Ending Balance 22/23	\$65,639
Est. Beginning Balance 23/24	\$65,639
Estimated Revenue 23/24	<u>21,200</u>
Subtotal	86,839
Estimated Expense 23/24	<u>86,839</u>
Estimated Ending balance 23/24	\$0

<b><u>Reserve Fund Balances</u></b> - as of 4/26/23		
<u>OneAZ Certificates</u>		
6-month Business Certificate	\$120,000	Capital
Interest	137	
3-month Business Term	\$180,000	O&M
Interest	<u>83</u>	
Estimated Ending Balance 22/23	\$300,220	
<u>Yavapai County Treasurer Funds</u>		
O&M Reserve	\$37	
Capital Fund	\$1,495	
Interest	<u>1,315</u>	
Estimated Ending Balance 22/23	\$2,847	
Total Reserve Funds	\$303,067	

