

**INSCRIPTION CANYON RANCH SANITARY DISTRICT**

**P.O. Box 215 Chino Valley, AZ 86323**

**RATE HEARING  
~MINUTES~**

**Approved 5/1/12**

**Date:** Thursday December 29, 2011

**Time:** 9:00 a.m

**Place:** Days Inn Conference Room 1, 688 Fletcher Court, Chino Valley, AZ 86323

**1. CALL TO ORDER.**

The Governing Board for the Inscription Canyon Ranch Sanitary District convened into public session at approximately 9:00 a.m.

Mr. Hilb stated that he would read a written comment from a resident before he opened the call to the public. He also gave a brief history of the Rate Hearing that was held in June 2011. He reminded the audience that at that time there was a cash flow problem and that the District was going to institute User Fees to get them through until the taxes would be collected in November. He also stated that money used to pay attorney fees was not replenished by the previous Board thus leaving the reserve empty. Mr. Hilb also stated that at the June meeting it was mentioned that once revenue came in, the issue would be reevaluated and perhaps the fees would be cancelled. Mr. Hilb stated that at this time, the District was receiving money from Effluent Sales and Taxes and it had sufficient funds to operate comfortably for the rest of the fiscal year. The reason this meeting was being held was for that purpose.

**2. ROLL CALL.**

Bob Hilb, Chairman; Brian Ray, Board Member; Scott Robbins, Board Member; Bob Busch, District Manager; Isabel Yribe, District Clerk; Bill Whittington, Legal Counsel; and the following audience members according to the sign in sheet:

*The record reflects that Scott Robbins and Isabel Yribe came in at approximately 9:20 a.m.*

Bruce Eldredge	Charles O'Brien
Harvey Roberts	Paula Green
Gene Leasure	Barb Hilb
Clint Poteet	Tom Sullivan
Chris Stoner	Jimmy Stoner
John Freeman	Dayne Taylor
Phil Brand	Stan Steiner

3. **WRITTEN COMMENT** was submitted by Clint Poteet and read verbatim. For the purpose of the minutes the questions were kept and answered accordingly. The document itself will be attached to these minutes.

1. How can you charge monthly commercial fees and not residential fees? *Bob Hilb stated that Counsel was researching this item. Basically it was believed that the law would not allow there to be a zero fee for one and not the other.*

2. Why do the vacant lot owners have to pay increased sewer taxes with no direct benefit? The bulk of revenues should come through users fees (the people who have direct benefit) and not vacant lot owners. Every city, town, and private sewer companies in the US charge monthly users fees. I would recommend charging \$50/mo and continue to lower taxes. It is the fair thing to do. *Mr. Hilb stated that it was what the law allowed and it was what the Board decided. He also stated that the Board would review the legal implications of that and try to come up with a balanced approach to user fees and Taxes. He stated that matter will be discussed at a later time.*

3. If you want to eliminate residential user's fees then you change the district so all who pay taxes can vote. *Mr. Hilb stated that it was not allowed by law.*

4. Until all of the legal mess is resolved I recommend you continue to collect fees. It is going to cost some money to go after attorney fees. *Mr. Hilb stated that the District had enough in the Budget to do that.*

5. You need to explain to your constituents that the previous board through their special interest burned through 100,000's of dollars of your tax money and know it is time to rebuild our district....logically.

#### 4. **CALL TO THE PUBLIC**

- **Harvey Roberts** stated that he believed that there should be a user fee based on usage. He thought that would be fair for the Commercial customers as well as Residential customers. He also wanted to know how the Board arrived at the per gallon figures considering how much it cost to run the plant. He believed it should be much higher. He also wanted some clarification on the late fee. *Mr. Hilb stated that he thought his idea based on usage was a good one but that they would have to research it some more. He stated that residents would have to give access to their water bills and then go from there. Mr. Hilb stated that the late fee was charged when a resident was late on his payment and then interest would accumulate on both the original payment and the late fee until they paid off their fees completely. Mr. Hilb thanked Mr. Roberts for his comments and stated that they would be taken into consideration. He stated that the flat rate was being used because it was being used prior. Mr. Harvey stated that perhaps meters could be*

*read. Mr. Hilb stated that perhaps now that Mr. Harvey was on the Water Board they could come up with a solution to the matter of reading meters or having access to the usage amounts.*

- **John Freeman** stated that he had concerns about the process of charging per usage as properties differed throughout the district. He also stated that a study would have to be conducted so that everything was taken into consideration. *Mr. Hilb stated that he would like to keep the comments limited to the rates at hand. He also thanked Mr. Freeman for his comment and stated that he would keep them in mind for the next rate change.*
- **Jimmy Stoner** asked if the Board was going to have an updated Budget Hearing. *Mr. Hilb stated that the County was only interested in major changes to the bottom line and if items were significant they would take them to the County after approval. Mr. Stoner asked when the Budget would be published with the Districts numbers. Mr. Hilb stated that it was reviewed on a monthly basis and if the District deviated substantially from the approved Budget, it would be taken back to the county with adjustments. At this point in time, Mr. Hilb stated it wasn't the case. If necessary, those changes would then be posted on the website.*

**9. ADJOURNMENT**

Thereafter the public session adjourned at approximately 9:30 a.m.

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Date

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Board Clerk