

# Inscription Canyon Ranch Sanitary District

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**TO: ICR Sanitary District Residents**

On August 25, 2011, the Board of Directors of the ICR Sanitary District adopted a User Fee of \$25.00 per month for homes connected to the sanitary district system. The Board also approved billing the User Fee quarterly as of August 25<sup>th</sup>.

During the budget process in June, the District found that there was a potential cash flow shortage until ad valorem tax revenues were received from the county late in the fall.

Unfortunately the district spend almost a half million dollars in legal fees last fiscal year which seriously depleted cash reserves. With multiple lawsuits continuing the District needs sufficient cash to cover both normal expenses and continuing legal fees.

User fees provide us a means to gap the revenue shortage until tax revenues are available and we start receiving payment for the effluent we sell to the golf course. When we instituted User Fees in the budget, we simultaneously reduced taxes by approximately \$45,000.

We are in negotiations with the developers to settle the various lawsuits that resulted from the moratorium, which was declared illegal in May. We expect to reach a settlement within the next few months which we anticipate will significantly reduce our legal costs and provide us, through effluent revenues, the cash flow we need to potentially reduce these User Fees. We will revisit the Fee structure at that point.

The enclosed bill represents charges for the period of August 25<sup>th</sup> through September 30<sup>th</sup>.

Around October 1, bills for the 2<sup>nd</sup> fiscal quarter (October though December) will be mailed.

If you have any questions concerning the bill, you may contact MDI Taxes & Accounting at (928) 636-1725.

ICR Sanitary District