

ARISTOCRAT RANCHETTE WATER PROJECT, INC.
SPECIAL BOARD MEETING REGARDING FY 2020-2021
BUDGET & RATE ADJUSTMENT.
JUNE 10, 2020

The meeting was called to order 7:00 P.M.

PRESENT: President: Wayne Morrow, Vice President Esta Langlaise, Directors: JoDee Shultz-Hancock, Taw Tamlin and Hurshell Malone were present. The board continues to have vacancies of two board members and a board member alternate. The following ARWP, INC. members were present: Chris Carpenter, Deb Carpenter, Gabriel Saucedo, and Gus Porter.

It was determined that there were enough board members present to have a quorum.

There was no presented agenda to be approved. President Wayne Morrow stated that his email request for the special meeting was the agenda. No motion was made to accept any agenda. It was agreed that the subject of the meeting would be the proposed 2020-2021 FY Budget and the rate adjustment required to present a balanced budget.

Members present could offer comments limited to 3 minutes each prior to the meeting continuing. Gus Porter, Deb Carpenter and Gabriel Saucedo had comments.

Deb Carpenter questioned why the comments part of the meeting was placed at the beginning of the meeting when the members were unable to read any agenda or generally be informed what the specifics of the meeting were to be. She questioned how with a Budget Committee of three, and a remaining BoD membership of two, that reasonable debate would be possible.

No answers were provided by the board.

Gabriel Saucedo also questioned what information was to be discussed and why the ARWP, INC. board continued to be run with unfilled BoD seats. He brought up a question of how a great many members were not informed of this meeting and other business with ARWP, INC. due to inaccessibility to the information and language issues.

The situation of information sharing was discussed later in the meeting. Unfilled BoD seat question was ignored.

Gus Porter questioned line items on the budget regarding Maintenance, repairs and supplies. His questions were discussed later in the meeting.

It was agreed by most BoD members present that the questions were welcome and had merit. No vote, motions or discussion regarding comments followed at that time and roll call was given.

President Wayne Morrow indicated that the Budget Committee Chairman, Taw Tamlin, would provide his report followed by motions and debate.

BUDGET PRESENTATION:

Budget Committee Chairman Taw Tamlin presented the operating account budget. The viability of the budget is tied to two options of rate and usage adjustments. Both rate proposals utilize a change from a tier system to a price for all per gallon used. It had been determined by our accounting professionals that the tier system had been under charging high water use customers for over 10 years. With USDA requirements looming on the horizon, and the annual ARWP, INC. membership meeting next week, the BoD felt that an approved operation budget was imperative. Proposal #1 was increasing the base rate to \$78.00, including 2000 gallons in the base rate, and charging 0.0125 for each gallon used after 2000 gallons. Proposal #2 was to keep the base rate at \$63.00, and charge 0.0076 for each gallon used from zero. Both proposals address the shortfall facing ARWP, INC. arriving at the same target number to produce a balance budget, start reducing the large debt carried, continue short term maintenance, and position the company for the long-term needs. Member comments were welcomed and there was much discussion on the removal of water included in the base rate. The Administrator, Brian Filkowski, clarified budget line item questions and explained that there would be amendments to the budget regarding the Improvement/Capital Fund account and the Tap Fee account. Specifically addressing questions by Gus Porter and Hurshell Malone. ARWP, INC. member Gabriel Saucedo questioned the wisdom of removing the 2000 gallons included in the base rate. It was explained that the proposal would benefit low use, low income members. It was explained that in the future, budget issues could be easily be dealt with by adjusting the usage price up or down as needed, leaving the base rate alone. It was determined that the base rate would have to be adjusted slightly periodically as costs of doing business changes.

A motion was made by Hurshell Malone to accept the \$63.00 base rate/0.0076 price per gallon from zero proposal. This motion was seconded by Esta Langlais. After some further discussion by the BoD and comments from ARWP, INC. members present The BoD voted to approve it unanimously. The motion passed.

A motion was made by Hurshell Malone to accept the budget presented, with amendments possible later regarding the Improvement/Capital fund and Tap Fee fund. This motion was seconded by JoDee Shultz-Hancock (and others simultaneously), further discussion, including all present, indicated the need for increased community involvement and an improved flow of information in general. The BoD voted to approve unanimously. This motion passed.

ADJOURNMENT:

With no further business a motion was made by Esta Langlaise to adjourn. This motion was seconded by JoDee Shultz-Hancock. This motion passed.

SUBMITTED:

Brian Filkowski
System Administrator