

SUNBURST FARMS IRRIGATION DISTRICT
Special Meeting of the Board of Directors Minutes
 16040 N. 43rd Avenue
 Glendale, AZ 85306

June 25, 2019

MEMBERS PRESENT: Victor Armendariz, President
 Larry Hudson, Treasurer
 Renee Breeden, Secretary

EMPLOYEES PRESENT: Richard Mitten

1. **CALL TO ORDER:** The special meeting of the Sunburst Farms Irrigation District Board of Directors was held on June 25, 2019. The meeting was called to order by President, Victor Armendariz at 6:02 P.M.

2019-2020 Sunburst Farms Irrigation District Budget

The Budget Committee met 4 times this year with much discussion about the budget line items. The Board of Directors met and voted to approve the 2019-2020 budget on 06/25/2019.

The Water Fee will be set to \$26.88 per hour for 2019-2020.

The major component of this fee is the APS power cost. That expense has gone up to \$17.25 per irrigation hour. (Since 2 properties are irrigated at a time, the cost of the actual pump water per hour would be about \$34.50. That value is divided by 2 properties to arrive at the \$17.25 per water hour. A few Properties take a full pump and that would cost \$34.50 per hour).

The breakdown on costs that affect the water delivery fee per hour is: Power: \$17.25, Irrigation Labor/Fringes/Taxes/Health Insurance: \$7.73, State Water Fees: \$.70, Irrigation Transportation & pump supplies: \$.85 for a total of \$26.53. Add to that the adjustment due to prior year loss of 28 cents per hour, brings the Water Fee to \$26.81 per hour. SBFID sells water in 5 minute increments (after the required 20 minute minimum). Therefore the value must be divisible by 12. 5 minutes = \$2.24 and twelve times that number is \$26.88. So the Water Fee per hour is set to \$26.88.

The Membership Fee will be set to \$41.32 for the 2019-2020.

Several line items contribute to this value. The projected cost of the Overhead/Member Expenses for 2019-2020 is \$42.49 per acre. It has been projected that SBFID will have Other Income (Finance Charges, Escrow Transfer Fees & Other Services) that will offset the cost of Member Fee by \$1.17 per acre. Therefore, the Cost of the Membership Fee for 2019-2020 is \$41.32 per acre per month.

The Membership Fee decreased this year. Even though there was an increase in insurance costs and outside services and small increases in various line items, there was a decrease in the depreciation expense from \$152,856 to \$137,158 due to items that needed to be changed or removed from the Depreciation Schedule. This reduced the depreciation expense by \$1.58 per acre for 2019-2020.

No Capital Fee will be included this year for capital improvements. The capital funds from last year were not all used. There is an estimated carryover of \$84, 915 plus the projected Depreciation Expense of \$137,158 for a total of \$222,073 available for capital improvements in 2019-2020.

Presented by Peggy Schwend – 2019 Budget Committee Chair

MOTION

Treasurer Larry Hudson made a motion to accept the budget the committee proposed for the fiscal year 2019-2020 with the amended depreciation schedule to \$137,158. Setting the water fees at \$26.88 and monthly membership fees at \$41.32. Secretary Renee Breeden seconded and motion carries unanimously.

ADJOURNMENT: Without objection, meeting adjourned at 6:45 PM

Dated this 28th day of June, 2019

Submitted by: Kerrie Kauzlarich
Office Assistant

Minutes accepted on: _____, 2019 by Secretary _____

***Note:** *All attachments including correspondence in their entirety are filed with the original minutes and may be viewed at the District Office*