MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 1

MINUTES OF THE MERRILL RANCH COMMUNITY FACILITY DISTRICT NO. 1 BOARD SPECIAL MEETING HELD ON MONDAY, DECEMBER 16, 2019, AT 6:00 P.M., OR IMMEDIATELY FOLLOWING THE TOWN OF FLORENCE COUNCIL MEETING, IN THE FLORENCE TOWN COUNCIL CHAMBERS, LOCATED AT 775 N. MAIN STREET, FLORENCE, ARIZONA.

CALL TO ORDER

Chairman Walter called the meeting to order at 6:00p.m.

ROLL CALL:

Present: Tara Walter, John Anderson, Bill Hawkins, Karen Wall, Michelle
Absent: Judy Hughes, Kristen Larsen

NEW BUSINESS

Discussion and possible action accepting the Annual Financial Statement for Fiscal Year 2018-2019. (Becki Jimenez)

Ms. Becki Jimenez, Interim District Treasurer, stated that the Town's auditors are Fester & Chapman. The cost of the audit was $8,500. The audit will provide financing entities, bond holders and the interested parties the financial status for MRCFD No. 1 and its operations. The report will also provide disclosure information for the District. She stated that there were no findings.

Mr. Ben Hur, Fester & Chapman, PLLC, provided an overview of the audit and noted that there were no deficiencies or findings. He stated that the audit was completed in accordance with Generally Accepted Accounting Principles to ensure the statements are presented fairly. There were no reported deficiencies.

Mr. Hur stated that they also provided a report to the Board of Directors, which is a required communication for the auditors. There were no new accounting standards or adopted policies and they had a clean opinion which means that there was no difficulty encountered while performing the audit nor any disagreements with the management.

On motion of Vice-Chairman Anderson, seconded by Boardmember Cordes, and carried (5-0) to accept the Annual Financial Statement for Fiscal Year 2018-2019.

Discussion and possible action to approve the Professional Services Agreement with EPS Group, Inc., for Merrill Ranch Community Facilities District No. 1 engineering services, in an amount not to exceed $100,000. (Chris Salas)

Mr. Chris Salas, District Engineer, stated that State law and the Town Code require that the District have a separate engineering firm review all of the construction documents, feasibility reports and

other engineering related items. A non-cost competitive bid analysis was completed and EPS Group, Inc. was chosen as the most qualified firm.

Mr. Salas stated that they spent $33,000 combined between both CFDs. The amount requested is to allow for flexibility. Staff will start out with an $18,000 purchase order for each CFD.

Vice-Chairman Anderson inquired why the amount being requested is $100,00 for each CFD when they spent far less last year. He is concerned about the large increase.

Mr. Salas explained that the increase is it to allow for flexibility.

On motion of Boardmember Wall, seconded by Boardmember Hawkins, and carried (5-0) to approve the Professional Services Agreement with EPS Group, Inc., for Merrill Ranch Community Facilities District No. 1 engineering services, in an amount not to exceed $100,000.

Discussion and possible action to approve Merrill Ranch Community Facilities District No. 1 September 16 and October 7, 2019 Special Meeting minutes.

On motion of Boardmember Wall, seconded by Boardmember Cordes, and carried (5-0) to approve the Merrill Ranch Community Facilities District No. 1 September 16 and October 7, 2019 Special Meeting minutes.

ADJOURNMENT

On motion of Boardmember Hawkins, seconded by Boardmember Wall, and carried (5-0) to adjourn the meeting.

Tara Walter

Tara Walter, Chairman

ATTEST:

Lisa Garcia, District Clerk

I certify that the following is a true and correct copy of the minutes of the Merrill Ranch Community Facilities District No. 1 Board Meeting held on December 16, 2019, and that the meeting was duly called to order and that a quorum was present.

Lisa Garcia, District Clerk