

MINUTES OF THE ANNUAL MEETING OF THE BOARD OF DIRECTORS OF THE MUNICIPAL PROPERTY CORPORATION OF THE CITY OF COTTONWOOD, ARIZONA, HELD SEPTEMBER 18, 2014 AT 9:20 A.M. AT THE ADMINISTRATIVE SERVICES GENERAL MANAGER'S OFFICE, 816 NORTH MAIN STREET, COTTONWOOD, ARIZONA.

---

**Call to Order**

President Frank Leupold called the meeting to order at 9:20 a.m. Roll call was taken as follows:

**Introductions and Roll Call**

**Board members present:**

Frank Leupold, President

Mark Hobson, Vice President

Jake Gonzales, Secretary/Treasurer

**Board member absent:**

**City staff present:**

Jesus R. Rodriguez, Administrative Services General Manager (ASGM)

**Visitors:** None

**Approval of the Minutes of the November 25, 2013 meeting**

Vice-President Mark Hobson motioned to approve the minutes of November 25, 2013 as presented. Secretary Jake Gonzales seconded the motion. Motion passed unanimously.

**Annual Financial Reports**

ASGM Rodriguez presented the annual un-audited MPC financial reports for the year ending June 30, 2014. The reports reflect that the balance on the MPC debt has been reduced by \$975,000 to \$31,750,000. The board was reminded that all utility debt service is paid solely by user fees with no outside assistance from the General Fund.

ASGM Rodriguez noted that in October 1, 2013 the city increased its water user fees dramatically in order to comply with the 2004 & 2006 bond covenants. Also mentioned was that the City was on target to meet our covenants with our bondholders. The City also instituted a differential rate between inside and outside the city's corporate city limits. Resident outside the city limits pay 30% more than those inside the city limits.

Currently, the City Council is proposing a 6% increase to water rates to ensure compliance with covenants as well as meeting all operation and capital improvements needs.

Secretary Jake Gonzales motioned to approve the Annual Financial Reports as presented, and was seconded by Vice President Mark Hobson. It was approved unanimously.

**ACC Reporting**

Jesus Rodriguez, ASGM reported that the ACC report was filed on September 15<sup>th</sup>, however, the on-line reporting system notes October 2<sup>nd</sup> as the file date. Vice-President Mark Hobson motioned to ratify the submission of the ACC report; Secretary Jake Gonzales seconded the motion. It was approved unanimously.

**Open Discussion**

There was an open discussion about several issues, including the differential rates, bonds rating changes, and the ongoing rate increase.

**Adjournment**

There not being any further business, Vice-President Hobson motioned to adjourn the meeting, Board Secretary Jake Gonzales seconded, motion passed unanimously.

Attest:

  
\_\_\_\_\_  
President

  
\_\_\_\_\_  
Secretary