

Oak Creek Water District

"Serving West Sedona Since 1953"

90 Oak Creek Blvd

Sedona, AZ 86336

Date: January 16, 2026

RE: General Manager Report

Financial

The billing charges for January were \$46,000

Infrequent and one-time major expenses for January:

\$ 760 CTS Office Supply – Annual Copier Agreement/Supplies

\$8,040 Ullmann Annual Audit

\$ 835 Freedom Mailing/Upper Case Printing–Newsletter (approx \$1/each)

Infrequent and one-time major revenue for January:

None

Operations

Digging out meter boxes and making material list of meters and meter boxes to be replaced.

Working on replacing manual meter reads with new Badger remote read.

Panorama Blvd installing endpoints in meter box lids.

Well 2&4 adjusted flow to vessels / took arsenic sample to IBE to see how the media adsorption flow rate is at 20% and 100% flow through arsenic vessels.

Working on excel spread sheet for hydrant flushing, valve exercise program.

Management

USDA Grant/Loan Update Panorama area along with upper Rockridge should be completed in next 4 weeks. They will head to Northview Road once this is completed. New fencing has been installed at Well 2/3 site.

Budget/5Year Rate Plan

See attached proposed Budget. The Board will be proposing the budget/rate increase at the January meeting and approving one at the February meeting. Most vendors and utilities have raised prices on the District this year. This represents bumping up the 5-year rate plan using FY 2028 numbers instead of calculated FY 2027 numbers.

Lead and Copper Inventory The new inventory requirements being modified with each street Summit Construction completes. ADEQ have now reduced the testing to a random sample of 20% of the unknowns if all are the same material and non-lead. One of the two required tests per dwelling can now be a visual inspection of where the water connection enters the building.

Saddlerock Crossing: Design work has begun again per Ardurra. Engineering firm came out and completed a preliminary fire flow test. Discussions need to take place with the developer about system improvements since they will contribute an additional 10% usage to the system. Tom Bourassa was involved in establishing hook-up fees for A.C.C approval

Sedona Lofts: City staff stated it's a slow-motion project, 2-3 years before it will be built.

**Oak Creek Domestic Water Improvement District
Public Meeting - held at 90 Oak Creek Boulevard, Sedona, Arizona
December 16, 2025**

1. Call to order and roll call:

Called to order at 4:30 P.M. *A quorum was established."

Present: Bob Bareuther, Doug Bowen, Paul LeFevre, Camille LeFevre Creed Ostler, Paul Slevin,
Chan Smith

2. Call to the Public for Item(s) not on the Agenda

Members of the public may address the Board regarding items not on the Agenda

3. Managers' Reports:

General Manager and Operations Manager updated the BOD - See attachment
Joe Davis welcomed as the new Operations Manager

4. Consent Agenda Items:

- A. Approval of November 2025 Board Meeting minutes
- B. Approval of November 2025 financials.

Motion to accept by Paul Slevin/ Seconded by Paul LeFevre, All approved.

5. Regular Agenda Items:

The Board may discuss, consider, and act on these matters separately.

- A. Status Update and Discussion about USDA Grant/Loan Projects
- B. Budget and utilizing the 5-Year Rate Study discussion.

The Board was presented a possible budget/rate increase. The Board will need to propose a budget/rate increase at the January 2026 meeting and then approve a budget at the February 2026 meeting.

6. Executive Session:

The Board may vote to go into Executive Session for reasons set forth in A.R.S. 38-431.03.

7. Announcements:

- A. Next Regular Board Meeting: January 20, 2026, at 4:30 P.M.
- B. Future Board agenda items.

8. Adjournment:

- 5:13 P.M./ Motion to adjourn/ Chan Smith

Respectfully submitted,

Creed Ostler

Secretary, Oak Creek Domestic Water Improvement District

Oak Creek Water District

Comparison of Proposed 2026 Rates to 2025 Rates

MONTHLY USAGE CHARGE*

Meter Size	2026 Base Rate	2025 Base Rate	Increase to Base Rate	Customer Percentage
3/4"	\$24.24	\$21.49	\$2.75	85%
1"	\$40.39	\$35.82	\$4.57	7%
1 1/2"	\$80.57	\$71.45	\$9.12	3%
2"	\$128.99	\$114.38	\$14.61	2%
3"	\$242.01	\$214.60	\$27.41	1%
4"	\$403.40	\$357.72	\$45.68	1%
6"	\$806.56	\$715.23	\$91.33	1%

*Multi-Unit Monthly Charge is a 3/4" meter charge times number of units

COMMODITY RATES:

Meter Size	2026	2025	Increase
3/4" Meter Residential			
0 to 4,000 gallons	\$3.00	\$2.59	\$0.41
4,001 to 10,000 gallons	\$4.68	\$4.27	\$0.41
Over 10,000 gallons	\$5.77	\$5.36	\$0.41
3/4" Commercial, STR's & Irrigation			
0 to 12,000 gallons	\$4.68	\$4.27	\$0.41
Over 12,000 gallons	\$5.77	\$5.36	\$0.41
1" Meter Residential			
0 to 4,000 gallons	\$3.00	\$2.59	\$0.41
4,001 to 15,000 gallons	\$4.68	\$4.27	\$0.41
Over 15,000 gallons	\$5.77	\$5.36	\$0.41
1" Meter Commercial, STR's & Irrigation			
0 to 15,000 gallons	\$4.68	\$4.27	\$0.41
Over 15,000 gallons	\$5.77	\$5.36	\$0.41
1 1/2" Meter Residential			
0 to 4,000 gallons	\$3.00	\$2.59	\$0.41
4,001 to 25,000 gallons	\$4.68	\$4.27	\$0.41
Over 25,000 gallons	\$5.77	\$5.36	\$0.41
1 1/2" Meter Commercial & Irrigation			
0 to 25,000 gallons	\$4.68	\$4.27	\$0.41
Over 25,000 gallons	\$5.77	\$5.36	\$0.41
2" Meter Residential, Commercial & Irrigation			
0 to 40,000 gallons	\$4.68	\$4.27	\$0.41
Over 40,000 gallons	\$5.77	\$5.36	\$0.41
3" Meter Residential, Commercial & Irrigation			
0 to 80,000 gallons	\$4.68	\$4.27	\$0.41
Over 80,000 gallons	\$5.77	\$5.36	\$0.41

**OAK CREEK WATER DISTRICT
PROPOSED 2026-2027 BUDGET**

Operations		\$ 169,000.00
Repairs to Plant - Contractor - Mains	\$ 20,000.00	
Repairs to Plant - Contractor - Electrical/Pumps	\$ 15,000.00	
Repairs to Plant - Contractor - Wells	\$ 20,000.00	
Operations: Materials and Supplies	\$ 30,700.00	
Operations: Tools and Shop	\$ 1,950.00	
Power Purchased	\$ 55,000.00	
Aid to Construction	\$ 250.00	
Insurance - Property and Liability	\$ 20,000.00	
Transportation Expenses	\$ 6,100.00	
Office		\$ 127,100.00
Az Sales and City Taxes	\$ 65,000.00	
Advertising - Newsletters, Website, Indeed	\$ 4,775.00	
Billing Expenses	\$ 32,500.00	
Telecommunications	\$ 15,700.00	
Office Utilities	\$ 4,025.00	
Office Supplies/Equipment	\$ 2,600.00	
Officers Insurance	\$ 2,500.00	
Contractual Services		\$ 31,100.00
Contractual Accounting/Auditing	\$ 10,000.00	
Contractual Legal	\$ 10,000.00	
Contractual Lab Testing	\$ 4,500.00	
Contractual Monitoring & Security	\$ 3,600.00	
Contractual Management	\$ 3,000.00	
Personnel		\$ 205,000.00
Salaries and Wages	\$ 175,000.00	
Employer Taxes 8.35% & Unemployment	\$ 16,000.00	
Benefits and IRA	\$ 12,000.00	
Insurance Works Comp	\$ 2,000.00	
Reserves & Debt		\$ 219,800.00
Short/Long Term Reserves USDA Requirement	\$ 45,344.00	
USDA \$4.9M Loan (40 yrs at 1.325%/2.250% Interest)	\$ 174,456.00	
Total Expenses		\$ 752,000.00
Operations Revenue		\$ 752,000.00

<p>Public Hearing at 4:30pm on February 17, 2026: Proposed Budget Public Comments Prior to Board Voting Comments can be sent prior to the meeting at info@oakcreekwater.com</p>
