

**MINUTES FOR THE
BLACK CANYON CITY WATER IMPROVEMENT DISTRICT
FEBRUARY 21, 2013 REGULAR BOARD MEETING**

Chair Robert Marley called the meeting to order at 6:30 PM and welcomed the public. Roll call showed a quorum present.

Chair: Robert Marley

Treasurer: Barrie Dickerson

Member-at-Large: Will Stice

Secretary Doris Gosney not in attendance (letter of resignation submitted-see Agenda Item #7)

Also in attendance: Management – Randy and Sarah Hrabina

Public: Cindy Brannan, Tony Chavez, Ed Konieczny, Susan Marley

The customary reflection period was observed by the Board and Public.

Agenda Item # 3 Board Member Reports

There were no board member reports.

Agenda Item # 4 Approval of Minutes: 1/17/13 Regular Board Meeting

The minutes from the 1/17/13 regular board meeting were provided to the Board and W. Stice moved to accept the minutes as written. The motion was seconded by B. Dickerson and upon vote approved unanimously.

Agenda Item # 5 Treasurer's Financial Report and Approval for 1/31/13

B. Dickerson presented the financial report for the period ending 1/31/13 with beginning and ending balances for each account reported.

Account	Beginning	Ending
General Fund	\$39,044.40	\$36,453.41
Security Deposits	\$42,425.00	\$42,425.00
Capital Reserve	\$158,541.19	\$163,715.02
Arsenic Sinking Fund	\$30,058.81	\$32,570.49
Bank of the West	\$2,655.52	\$11,408.24

January billing with 834 active accounts totaled \$24,810.21. Water consumption for the month of Jan. was reported at 3,444,000 gallons compared to 4,464,000 gallons the previous month and the Jan. 2012 comparison of 4,504,000 gallons. Total gallons billed for the fiscal year-to-date was reported at 34,362,000 gallons (7) mos. The two (2) monthly cash management reports for Jan. show ACTUAL total receipts of \$33,906.02 and ACTUAL total disbursements of \$19,211.26. The financials include Quick Books invoices #1638 to #1648 and In-Hance Audits #11,373 through #11,417 with the accounts receivable in both Quick Books and In-Hance balancing at \$28,375.93. No new Impact Fees were recorded in January. The reports include the January general journal entries for approval. The data was respectfully submitted by management, Sarah Hrabina, and reviewed by Treasurer, Barrie Dickerson, for final Board approval. W. Stice moved to accept the financial report as presented, seconded by Chair R Marley. Upon vote the financial report for the period ending 1/31/13 was approved unanimously.

Agenda Item # 6 Operation's Report and Approval as of 2/18/13

R. Hrabina, Management presented a recap of the past months activities with 25 work orders completed including turn ons, turn offs, meter and main line leaks and repairs, booster pump/ system repairs, meter re-reads and final read and customer service calls. There were 5 Blue Stakes marked for the period. 30 pink slips were issued in January and 33 in February.

Test results from Test America Labs for monthly bac-t's (E-Coli & Coliform) for February were NEGATIVE.

The 1st Quarter Arsenic samples were completed at all of the wells.

1 st Quarter Arsenic	1 st qtr / 2013	(prev) 4 th qtr /2012
GOA	0.0065	0.0061
BIG JOHN	0.0030	0.0026
OASIS	0.0030	0.0024

The arsenic media at the GOA Site will be the next to be replaced at an estimated cost of \$45,000.00. Currently all readings are within federal requirements. Big John media was replaced last year.

WELL STATS as of 2/20/13

Same: no change from last report

Water levels:	LAST REPORT	THIS MONTH
Big John #1	24' Draw to 28'	24' Draw to 28'
Big John #2	24' Draw to 31'	24' Draw to 31'

WELL STATS (con't)

GOA #1	28' Draw to 30'	28' Draw to 30'
GOA #2	28' Draw to 29'	28' Draw to 29'
Oasis #1	28' Draw to 31'	28' Draw to 31'
Oasis #2	28' Draw to 31'	28' Draw to 32'

System Operator, Bob Hanus, inspected the system and daily log book, as required by ADEQ, and found everything to be in order for the month of January, 2013.

B. Dickerson moved to accept the Operations Report as presented. W. Stice seconded the motion and upon vote the operations report was approved unanimously.

Agenda Item # 7 Acceptance of Doris Gosney Resignation and Opening Posting

The Board was in receipt of a letter of resignation from Secretary Doris Gosney. B. Dickerson made a motion to accept the resignation, seconded by W. Stice and approved unanimously upon vote. The Board directed Management to post the open position at the Post Office and on the BCCWID web site.

Agenda Item # 8 Selection from Applicants for Current Open Board Position

Management received one letter from Harry Putman expressing an interest in serving in reference to the open Board position due to the passing of long-time Board member and candidate-elect Ron Lee. The Chair, spoke of Harry Putman, who had previously served on the board. Harry was unable to attend the Board meeting and the Board decided to **TABLE** any decision and wait until the March Board meeting.

Agenda Item # 9 Auditor Report for 2011-2012 Fiscal Year by Alyx Cohan

The District's CPA, Alyx Cohan, presented the draft of the annual audit for the fiscal period ending 6/30/2012. Alyx stated the BCCWID is by far the best governed and well managed water district of the 20 districts she audits annually. A long and detailed discussion followed highlighting net assets, depreciation, liabilities, capital reserves, revenues and net operating costs. Alyx spoke of her concern regarding the District's financial strength declining due to the diminished water sales adversely impacting revenues. Decreasing capital reserves was also of great concern. A discussion concerning the life of the arsenic media was addressed and it was determined a shorter depreciation schedule should be put in place for future audits. W. Stice made a motion to accept the annual audit, with a few wording modifications as suggested by the Chair. The motion was seconded by B. Dickerson and upon vote the audit for the fiscal year ending 6/30/2012 was approved unanimously.

Agenda Item # 10 Need for Early Formation of Annual Budget Committee

Chair, R. Marley proposed the Budget Committee be formed early and begin meeting in March noting his major concerns at this time being the trends just discussed with the CPA. He noted the districts operating costs have been well managed with only a 12% increase. The operating revenue is dropping significantly due to decreased volume. The Chair presented a chart with data going back to 2005 to present. Using the CPI (consumer price index) as a comparison basis, one of the trends noted was how our dollar is declining in value. Our high point of stability was around 2007 and 2008. We are seeing drastic drops in water usage from 80 million gallons down to 63 million gallons. Capital Improvement and Water Sales collections are directly tied to water usage. Both have declined about 20% and a rate change may be needed to bolster revenues. Water sales continue to decline and are off approximately 7% for the first seven months of the current fiscal year.

Treasurer B. Dickerson agreed to chair the Budget Committee and moved to begin budget committee meetings early in March. The committee would include B. Dickerson, Treasurer, R. Marley, Chair, Management and members of the public. W. Stice seconded the motion and upon vote the motion was approved unanimously.

Agenda Item # 11 Operations review of Needed Capital Improvements

Management presented three (3) Capital Improvement Projects of concern: (1) a new 6" main line on Old Black Canyon Hwy. between Bylers' Amish Kitchen and K-Mine Rd.; (2) a new line under the freeway (I-17) to service the east-side owner/users; and (3) inspection, cleaning and repair of all water storage tanks. Management is highly in favor of proceeding with the line replacement under the freeway noting the current line was installed in the 60's. If the current line were to fail, there would be a lengthy loss of service while a temporary line was put in place. A new line under I-17 will require boring with the total cost of the project estimated at \$80,000.00. A second location for the line

crossing was discussed as an alternate creating a loop thus providing better service. Management was asked to work on mapping the lines and provide any other information needed for easements. Tank cleaning is done about every 4 years with professional divers responsible for cleaning any rust spots and sucking up any dirt. Repairs are done under water with an estimated cost of \$3,500.00. R Marley moved to approve the I-17 Main Line Project and the Tank Cleaning Project (for the 2013/14 Budget). The motion was seconded by W. Stice and upon vote was approved unanimously. In addition, the Chair proposed to contact and speak with Jeanne Albins regarding water issues including the leased well (Big John #2).

Agenda Item # 12 2012 Consumer Confidence Report & Annual Letter to the Public

The Board looked at copies of the prior Consumer Confidence Report and determined few changes in the information were needed. B Dickerson made a motion to update the report data for 2012, inserting any minor changes. W. Stice seconded the motion and upon vote was approved unanimously. ADEQ requires the 2012 Consumer Confidence Report to be distributed to owner/users before June 30, 2013.

Agenda Item #13 Review of Community Association Pond Pumping

A letter had been sent to the Community Association by the Chair asking for information in regards to the pumping activity for Heritage Park, extending an invitation for a Community Association representative to attend the Water District's February Board Meeting. It was hoped information would be provided regarding the well depths, pump size, running hours, maximum pumping rate and pumping levels that are currently in place. The Board's concern is insuring water supplies for the community, especially with the possibility of continuing drought. It was noted there has been no response to the District's letter nor was any representative present at the Board meeting. Tony Chavez volunteered the letter was received and discussed at the last Community Association meeting. B. Dickerson offered to contact regulatory agencies to attain additional information regarding the Heritage Park wells.

Agenda Item # 14 Call to the Public

None

With no other business to come before the Board, the Chair adjourned the meeting at 7:55 P.M.

CERTIFICATION:

I, Sarah J. Hrabina, certify that the Agenda for the February 21, 2013 Regular Board Meeting was publicly posted at the Black Canyon City Post Office Bulletin Board, on Monday, February 18, 2013 on or before 4:30 PM.

Sarah J. Hrabina

Sarah J. Hrabina

ATTESTED:

I, Robert Marley, Chair for the Black Canyon City Water Improvement District certify that the minutes, as transcribed, are true and correct to the best of my knowledge and belief.

Respectfully submitted,

Robert Marley

Transcription of minutes completed on 2/25/2013
C. Brannan, Transcriber A full recording is available.