

**OFFICIAL MINUTES FOR THE  
BLACK CANYON CITY WATER IMPROVEMENT DISTRICT  
MARCH 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.

Chair: Robert Marley

Treasurer: Barrie Dickerson

Member-at-Large: Will Stice

Also in attendance: Management – Randy and Sarah Hrabina

Public: Cindy Brannan, Tony Chavez, Ed Konieczny, Susan Marley, Lavon VanDusen and K. Wolf

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 Review of Letters-of-Intent for open Board positions and possible appointment(s)**

Chair Bob Marley commented the two (2) open Board positions are for Vice-Chair, a four (4) year term and Secretary, a two (2) year term. Three (3) letters-of-intent were received and presented to the Board by Harry Putman, Lavon VanDusen and K. Wolf. However, Harry Putman just withdrew his letter due to a decision to move back to Phoenix. The Chair recommended Lavon VanDusen to fill the Vice-Chair position, previously held by good friend and long-time Board member Ron Lee. Lavon had previously served on the Board in 2007 as secretary. K. Wolf was referred to the Water District by Budget Committee member Virginia Gray, knowing him from the Kings Ranch Sewer District meetings. K Wolf, fairly new to the community expressed an interest in wanting to volunteer. He indicated he had both a business background and computer skills. The Chair recommended K. Wolf to fill the open secretary position. W. Stice moved to appoint Lavon VanDusen as Vice-Chair and K. Wolf as Secretary. The motion was seconded by B. Dickerson and upon vote was approved unanimously.

**Agenda Item # 5 Oath(s) of Office**

Lavon VanDusen and K. Wolf were officially sworn into office as BCCWID Board Members by the Chair. The Chair suggested the new board members abstain from voting on the approval of minutes, (Agenda Item # 6), and the Treasurers report (Agenda Item # 7), because they did not have sufficient information or knowledge of the reports being presented prior to the meeting.

**Agenda Item # 6 Approval of Minutes: 2/21/13 Regular Board Meeting**

The minutes from the 2/21/13 Regular Board meeting were provided to the Board with W. Stice moving to accept the minutes as written. The motion was seconded by B. Dickerson and upon vote approved unanimously.

**Agenda Item # 7 Treasurer's Financial Report and Approval for 02/28/13**

B. Dickerson presented the financial report for the period ending 2/28/13 with beginning and ending balances for each account reported:

Account	Beginning	Ending
General Fund	\$36,453.41	\$32,250.41
Security Deposits	\$42,425.00	\$42,425.00
Capital Reserve	\$163,715.02	\$167,736.35
Arsenic Sinking Fund	\$32,570.49	\$35,070.88
Bank of the West	\$11,408.24	\$6,168.58

February billing with 834 active accounts totaled \$27,732.34. Water consumption for the month of February was reported at 4,261,000 gallons compared to 3,444,000 gallons the previous month and the February 2012 comparison of 3,982,000 gallons. Total gallons billed for the fiscal year-to-date was reported at 38,623,000 gallons (8) mos. The Two (2) Monthly Cash Management reports for February show ACTUAL total receipts deposited of \$20,763.65 and ACTUAL Total Disbursements for the month, of \$26,813.78. The financials include Quick Books invoices # 1649 to # 1659 and In-Hance Audits # 11,418 through #11,458 with the accounts receivable in both In-Hance and Quick Books balancing at \$36,018.91. No new Impact Fees were recorded in February. The report included the February general journal entries for approval. The data was respectfully submitted by Management, Sarah Hrabina, and reviewed by Treasurer B. Dickerson for final approval. W. Stice moved to accept the financial report as

presented. B. Marley seconded the motion and upon vote the financial report for the period ending 2/28/13 was approved by majority vote with L. VanDusen and K. Wolf abstaining.

#### **Agenda Item # 8 Operation's Report and Approval as of 3/19/13**

R. Hrabina, Management, presented a recap of the past months activities with 17 work orders completed including turn ons, turn offs, new meter/service installed/ removed, meter/valve/box repair/replacement, meter re-reads or final reads and other/customer service. 5 Blue Stakes marked for the period and 21 pink slips were issued.

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

Management reported pumping levels have returned to their "normal" 20-foot level, up from the last report. Our recent heavy rains and snow appear to have contributed to much better conditions in the Aqua Fria aquifer. Drought conditions are, however, still a major concern, as hot, dry summer conditions are in the forecast.

Water levels:	WELL STATS as of 3/15/13	
	LAST REPORT	THIS MONTH
Big John #1	24' Draw to 28'	20' Draw to 23'
Big John #2	24' Draw to 31'	20' Draw to 26'
GOA #1	28' Draw to 30'	20' Draw to 24'
GOA #2	28' Draw to 29'	20' Draw to 21'
Oasis #1	28' Draw to 31'	22' Draw to 25'
Oasis # 2	28' Draw to 32'	22' Draw to 29'

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 February, 2013.

Details of the I-17 Boring and Water Main Project were given with R. Hrabina explaining the 4" main crossing under the freeway services the customer base on the east side. The existing line was put in place in the mid 60's and is only schedule 40 pipe. If the line would break or go bad, it would take days to put in place a temporary line. The project requires getting bids to bore under the freeway using a steel casing to house the 6" C-900 pipe. Plans have been drawn up and advertising for bids has been done. Five (5) calls inquiring about the bid packets have been received to date. Bids will be opened at the next Board meeting, April 18, 2013. An estimated cost of the project is \$85,000.00.

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

#### **Agenda Item # 9 Final Approval CPA Audit for fiscal year ending 6/30/2012**

Alyx Cohan, the Water District's auditor, made the changes to the 2011-2012 fiscal year annual audit as requested by the Board (last month) and provided a finalized audit. B. Dickerson made a motion to accept the audit. W. Stice seconded the motion and upon vote was approved unanimously. It was noted the audit has been added to the BCCWID's website (bccwid.org). B. Dickerson made a motion to retain Alyx Cohan for the 2012-2013 annual audit with W. Stice seconding the motion. Upon vote the motion to retain Alyx Cohan as the District auditor was approved unanimously.

#### **Agenda Item # 10 Budget Committee Report and Board Decision on 2013-2014 Budget Rates & Ordinance Revisions**

The Chair presented some audit data for the benefit of the two new Board members and reviewed some of the history. R. Marley stated the District is a revenue financed organization. We can tax or take out loans, but we choose not to do so. The main reason we collect, for example, Capital Improvement money is to make sure we can continue to be revenue financed for District projects and improvements. In 2007 the District went to tiered billing; Owner/users using less than 10,000 gallons got a decrease in rates and Owner/Users using more than 10,000 gallons monthly received an increase. Currently we are experiencing a decline in monies from a decline in usage creating a decrease in both the capital improvement budget as well as the operating budget. New Board member K. Wolf suggested researching options for customers (Residential and Commercial) who are struggling. He indicated there are programs available to assist. Treasurer B. Dickerson gave a billing and budget plan that had been created by the 2013 Budget Committee. Much discussion followed in reference to how rate increases for residential and commercial customers should be allocated. The Budget Committee was in agreement a rate increase would be necessary. The Chair indicated he felt

additional work was needed and W. Stice moved to table the budget and a billing plan in order to develop more budget options for Board consideration. The motion was seconded by B. Dickerson and upon vote was approved unanimously.

**Agenda Item # 11 Water Assessment of Agua Fria Aquifer**

Chair Marley spoke of his concern regarding the inability to obtain complete information for any assessment of the aquifer draws, noting data only being available from two (2) out of the three (3) major water users. The data is readily available from District records and website and Coldwater Canyon Water Co. has also been willing to share the data on their usage. However, Heritage Park, thus far, has not been cooperative; actually non-responsive to the Chair's letter of inquiry. As to the Chair's request to speak at an upcoming Community Association meeting, the request was not granted. Coldwater Canyon draws approximately 50-million gallons a year serving approximately 400 customers and using a flat rate billing system. The District usage is only 60-million gallons per year for twice as many owner/users, using tiered billing. It appears tiered billing substantially increases conservation. The chair indicated he has posted on the FYI (For Your Interest) portion of the District website, an e-mail to ADWR (Arizona Dept. of Water Resources) concerning a possible unregistered well and the letters to the Community Association by the Chair and the one response from the Association President. The response letter included comments regarding the November (2012) Board meeting, referring to an "investigation". It was duly noted what was discussed was data only taken from the District website, which does not constitute an investigation. Also stated in the letter, "The result of that investigation . . . NO EFFECT (Heritage Park pumping) . . . was confirmed by the BCCWID management team . . ." R Hrabina stated he wanted it to be on record this was not accurate. At the November meeting he confirmed the data provided appeared to be from the District records, nothing more. Past Chair Bob Gosney presented the data at that time and no Board action was taken. Chair Marley stated our primary goal must be to insure deliver of potable water to our community. That requires the Board and Management to be aware of any current or future situations that might endanger that goal. The discussion was tabled with no action taken.

**Agenda Item # 12 Call to the Public**

Tony Chavez (a member of the Budget Committee) spoke of owner/users not having the knowledge of the District's need for Capital Improvement revenues. He suggested considering all fees being combined into one fixed fee for billing purposes. It was noted the budget and billing will again be included on the agenda at the next Board meeting.

**With no other business to come before the Board, the Chair adjourned the meeting at 7:50 P.M.**

**CERTIFICATION:**

I, Sarah J. Hrabina, certify that the Agenda for the March 21, 2013 Regular Board Meeting was publicly posted at the Black Canyon City Post Office Bulletin Board, on Friday, March 15, 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 R. Marley

Transcription of minutes completed on 3/27/2013  
C. Brannan, Transcriber A full recording is available.