

**MINUTES FOR THE
BLACK CANYON CITY WATER IMPROVEMENT DISTRICT
APRIL 18, 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 with W Stice absent but arriving a short time after the roll call taken

Chair: Robert Marley

Treasurer: Barrie Dickerson

Vice-Chair: Lavon Van Dusen

Secretary: K. Wolf

Will Stice (arriving late)

Also in attendance: Management – Randy and Sarah Hrabina

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

Contractors: Mitch Coury/Dolina Construction, Inc., T. Hill/The Watkins-Mendoza Companies, LLC,

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: 3/21/13 Regular Board Meeting

The minutes from the 03/21/13 regular board meeting were provided to the Board and B. Dickerson moved to accept the minutes as written. The motion was seconded by L. Van Dusen and upon vote approved unanimously.

Agenda Item # 5 Treasurer's Financial Report and Approval for 03/31/13

B. Dickerson presented the financial report for the period ending 03/31/13 with beginning and ending balances for each account reported.

Account	Beginning	Ending
General Fund	\$32,250.41	\$30,326.88
Security Deposit	\$42,425.00	\$42,425.00
Impact/Capital Fund	\$167,736.35	\$172,688.07
Arsenic Sinking Fund	\$35,070.88	\$37,575.29
Recap/ Bank of the West	\$6,168.58	\$4,637.00

March billing with 834 active accounts totaled \$25,574.62. Water consumption for the month of March was reported at 3,978,000 gallons compared to 4,261,000 gallons the previous month and the March 2012 comparison of 4,065,000 gallons. Total gallons billed for the fiscal year-to-date was reported at 42,601,000 gallons (9) months. The two (2) Monthly Cash Management reports for March show total receipts deposited of \$28,504.69 and Total Disbursements for the month of \$21,216.35. The financials include Quick Books invoices # 1660 to # 1671 and In-Hance Audits #11,459 through #11,504 with the accounts receivable in both In-Hance and Quick Books balancing at \$34,428.52.

One new Impact Fee was recorded in March with installment plan on a previously foreclosed property (meter removed in 2010 - Account # 3019). The reports include the March general journal entries for approval. The data was respectfully submitted by management, Sarah Hrabina, and reviewed by Treasurer, B. Dickerson, for final approval.

Chair, R. Marley commented on total usage for the fiscal year, possibly being at under (60) sixty million gallons with just 3 months to go.

Member-at-Large, Will Stice, was in attendance at this time.

L. Van Dusen moved to accept the financial report as presented. K. Wolf seconded the motion and upon vote the financial report for the period ending 03/31/13 was approved with W. Stice abstaining due to a late arrival.

Agenda Item # 6 Operation's Report and Approval as of 04/16/13

Management, R. Hrabina, presented a recap of the past months activities with 27 work orders completed including 2 turn on, 4 turn off, 2 meters removed, 1 meter box replaced, 12 site maintenance, 2 re-reads, 2 final reads, 1 low pressure due to customer leak and 1 customer service. There were 5 blue stakes marked for the period and 23 pink slips. Test results from Test America Labs for monthly bac-t's (E-Coli & Coliform) for April were negative.

Management reported well stats the same as last month and pumping levels remain at the 20 foot level.

WELL STATS as of 04/16/13

Same as last report

Water levels:	LAST REPORT	THIS MONTH
Big John #1	20' Draw to 23'	20' Draw to 23'
Big John #2	20' Draw to 26'	20' Draw to 26'
GOA #1	20' Draw to 24'	20' Draw to 24'
GOA # 2	20' Draw to 21'	20' Draw to 21'
Oasis # 1	22' Draw to 25'	22' Draw to 25'
Oasis # 2	22' Draw to 29'	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 March 2013.

B. Dickerson asked a question in regards to a county project underway on Maren Ave and had had an inquiry made to her concerning bulk water sales. R. Hrabina explained that we have no direct connection with the project and we do not provide bulk water sales. We do, however, provide bulk water delivery for District projects.

K. Wolf 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 Review of Bids for East Side 6" Line & I-17 Boring

Chair, R. Marley chose to address agenda item # 9 next, in order that the 2 bidders present could leave after the bidding envelopes were opened and a decision was made. R. Marley began by asking management to explain one change in regards to permits. Management stated in the past, permits were acquired by the contractor; however, currently contractors cannot get the permits from the state. The Water District has to attain the permits and it can take up to 2 months for that to be completed. Staffing at the permit office has been reduced and there can be a delay in the issuance of permits. Management suggested when the permits are issued, the contract signed, and the project begun, the project is expected to be completed in 45 days. Opening of bids received: Hollamon Generations Road Boring, bidding at \$85,000.00; Dolina Construction, Inc. at \$73,400.00; and The Watkins/Mendoza Companies, LLC at \$92,469.00. Mitch Coury representing Dolina Construction, Inc., the lowest bidder, indicated he was willing to accept the permitting delay previously discussed. W. Stice made a motion to accept the low bid of \$73,400 from Dolina Construction Inc.. The motion was seconded by L.VanDusen and upon vote accepted unanimously.

Agenda Item # 7 Board Decision on 2013-2014 Budget, Rates & Ordinance Revisions

Board discussion was extremely lengthy on the 2013-2014 proposed budget. All board members were in agreement a major rate increase would be necessary, with the overall problem being where to put the increases. Chair Marley pointed out the fact we do not want to put the water district in a position of having to go to bonds or taxes to cover our costs. The basic revenue problem has been a significant decline in water sales. The budget committee proposed a 20% rate increase for residential owner/users only. Board secretary, K. Wolf, pointed out our biggest commercial accounts (RV & mobile home parks) were also residential users and moved for the water rate increase of 20% be for both commercial and residential accounts. The motion was seconded by W Stice and passed with a majority vote with B Dickerson voting nay. Discussion regarding the Operations Revenue (maintenance fee) followed. B Dickerson moved to make no change to the current rate structure and L VanDusen seconded the motion. All were in agreement and the motion passed unanimously. Discussion on the rates for Capital Improvements were next addressed. The budget committee proposed a 30% rate increase on only residential customers. Chair Marley proposed returning to the former billing rates which included a flat rate in addition to a rate based on gallons. Following much input from board members W Stice moved to add a \$3.00 flat rate (per mo./per customer) to all customers, retaining the current variable rate of \$1.00 per 1,000 gallons used for residential and \$1.70/per 1,000 gallons used for commercial accounts with the motion seconded by L. Van Dusen. Upon vote the motion was approved unanimously.

Management, R. Hrabina, spoke briefly of (1) one more Capital Improvement Project he would like to see done in 2013. It would be going from Byler's Restaurant to K-Mine Rd. abandoning the galvanized line. The estimated cost is projected at \$30,000.00.

Chair Marley spoke of bringing our ordinances up to date. A Public Budget and Rate Hearing will be placed on the agenda for May.

Agenda Item # 8 Water Assessment of Agua Fria Aquifer

Chair, R. Marley, has completed the evaluation of the Agua Fria aquifer. At Heritage Park, he was able, through internet research, to estimate the pond evaporation losses. A summer worst case loss of one foot per month was suggested per the data attained. Estimating the pond at a little less than an acre, the pumping level to replace evaporative losses would be approximately 300,000 gallons, significantly lower than domestic water use. Transpiration losses due to park vegetation could be significant during the summer months and collected data indicates several times the evaporative losses. One remaining concern is that water is being pumped into a leaky pond, bringing water to the surface and cycling it back into the aquifer. Excessive cycling of water through the aquifer has the potential of becoming a pollution source. A polluted pond might cause a polluted aquifer. One type of pollution is excessive nitrates. Management, R. Hrabina, will continue to monitor closely the nitrate levels at the Big John well site. No action was taken.

Agenda Item # 10 Review of Well Site Security

Board Secretary, K. Wolf, presented some concerns and ideas in regards to well pump site security. Through an internet search, he found nothing major has occurred in regards to tampering of a domestic water supply in the United States. Security issues were discussed at length and Chair, R. Marley, thanked him for a very informative review of well site security. No action was required.

Agenda Item # 11 Call to the Public

Tony Chavez raised a question concerning the rates the Board discussed for the upcoming fiscal budget. While speaking, Board member Will Stice collapsed from his chair and the Fire Department was called. Will was transported to a Phoenix Hospital and the Chair closed the meeting without completing Public Call.

With no other business to come before the Board, the Chair adjourned the meeting at 8:05 P.M.

CERTIFICATION:

I, Sarah J. Hrabina, certify that the Agenda for the APRIL 18, 2013 Regular Board Meeting was publicly posted at the Black Canyon City Post Office Bulletin Board, on Monday, April 15, 2013 on or before 4:30 PM.

Sarah J. Hrabina

Sarah J. Hrabina

ATTESTED:

I, K. Wolf, Secretary 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,

K. Wolf

Transcription of minutes completed on 04/22/2013
C. Brannan, Transcriber A full recording is available.