

**MINUTES FOR THE
BLACK CANYON CITY WATER IMPROVEMENT DISTRICT
JULY 18, 2013 REGULAR BOARD MEETING**

Chair, Robert Marley called the meeting to order at 6:40 PM and welcomed the public.

Roll call showed a quorum.

Chair: Robert Marley

Treasurer: Barrie Dickerson

Member-at-large: Will Stice

Secretary: K. Wolf

Also in attendance: Management – Randy and Sarah Hrabina

Public: Cindy Brannan

Reflection time by the Board and Public included remembering John O'Daniel, former Treasurer, who recently passed away and had been very instrumental and dedicated to serving the BCCWID.

Agenda Item # 3 Board Member Reports

There were no board member reports.

Agenda Item # 4 Approval of Minutes: 5/16/13 Regular Board Meeting

The minutes from the 05/16/13 regular board meeting were provided to the Board and B. Dickerson moved to accept the minutes as written. The motion was seconded by W. Stice and upon vote was unanimously approved.

Agenda Item # 5 Treasurer's Financial Report and Approval as of 05/31/2013 & 06/30/2013

B. Dickerson first presented the financial report for the period ending 05/31/13, with beginning and ending balances for each account reported.

| Account | Beginning | Ending |
|-------------------------|--------------|--------------|
| General Fund | \$33,583.60 | \$12,804.13 |
| Security Deposit | \$42,425.00 | \$42,425.00 |
| Impact/Capital Fund | \$178,595.23 | \$183,093.61 |
| Arsenic Sinking Fund | \$40,077.85 | \$42,591.89 |
| Recap/ Bank of the West | \$9,093.72 | \$10,309.15 |

May billing with 834 active accounts totaled \$34,709.42. Water consumption for the month of May was reported at 6,033,000 gallons compared to 3,882,000 gallons the previous month and the May 2012 comparison of 5,559,000 gallons. Total gallons billed for the fiscal year-to-date was reported at 52,516,000 gallons (11) months. The two (2) Monthly Cash Management reports for May show ACTUAL total receipts deposited of \$27,332.86 and ACTUAL Total Disbursements for the month of \$40,631.25. The financials include Quick Books invoices # 1681 to # 1691 and In-Hance Audits #11,547 through #11,615 with the accounts receivable in both In-Hance and Quick Books balancing at \$38,360.48. No new Impact fees were recorded in May. The reports include the May general journal entries for approval. The data was respectfully submitted by management, Sarah Hrabina, and reviewed by Treasurer, B. Dickerson, for final approval.

B. Dickerson then presented the financial report for the period ending 6/30/2013, with beginning and ending balances for each account.

| Account | Beginning | Ending |
|------------------------|--------------|--------------|
| General Fund | \$12,804.13 | \$32,694.37 |
| Security Deposits | \$42,425.00 | \$42,425.00 |
| Impact/Capital Fund | \$183,093.61 | \$189,911.74 |
| Arsenic Sinking Fund | \$42,591.89 | \$45,096.58 |
| Recap/Bank of the West | \$10,309.15 | \$7,741.57 |

June billing with 833 active accounts totaled \$34,224.55. Water consumption for the month of June was reported at 6,024,000 gallons, compared to 6,033,000 gallons the previous month. The June'12 comparison was 6,785,000 gallons. Total gallons billed for the fiscal year-to-date was reported at 58,539,000 gallons, (12 mos.) The (2) Monthly Cash Management Reports for June show ACTUAL total receipts deposited of \$34,461.80 and total disbursements for the month of \$6,521.58

The financials include QuickBooks invoices #1692 to #1702 and In-Hance audits # 11,616 through #11,658 with the accounts receivable in both In-Hance and Quick Books balancing at \$42,189.25. No new impact fees were recorded in June. The data was respectively submitted by Management, Sarah Hrabina, and reviewed by Treasurer, Barrie Dickerson, for final board approval. K. Wolf moved to accept the financial reports as presented. W. Stice seconded the motion and upon vote the financial reports for May and June were unanimously approved.

Agenda Item # 6 Operation's Report and Approval as of 06/16/2013

R. Hrabina, Management, presented a recap of the past months activities with 33 work orders completed including turn ons, turn offs, meter re-reads, meter/valve repair/replacement, line break/leak repairs, and other service needs .R. Hrabina reported that the main line rupture on Bertha Street caused shut down of water for about 18 hours. There were 8 blue stakes marked for the period and 44 pink slips have been mailed out. Test results from Test America Labs for monthly Bac-t's (E-Coli & Coliform) for June & July were NEGATIVE.

Management reported well stats are holding at normal levels.

WELL STATS as of 07/15/13

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 months of May & June 2013. R. Hrabina reported that the 27 page permit to proceed with the I-17 project has been received and the project is scheduled to begin in approximately 2 weeks. B. Dickerson made a motion to accept the Operations Report as presented. K. Wolf seconded the motion and upon vote the operations report was unanimously approved.

Agenda Item # 7 Capital Improvement Project—Bertha Street

Management, R. Hrabina, presented a drawing to the board proposing a plan to replace the old transite pipe on Bertha Street. There have been 4 blow-outs this year on Bertha St., with up to 18 hours of water service lost each time. Management would like to see this project completed as soon as possible.. There would be approximately 37 new service lines, along with a new hydrant and new valves. Management's proposal is to install a new 6 inch line in place of the current 4 inch line. The cost difference is around \$5,000.00. The cost of the project is estimated at \$150,000.00 and the estimated distance is 1800 linear ft. Much discussion followed as to how the old transite pipe would be removed and a new line put in. Management explained that if they could pull the old line and string the new line through the same hole, then they could save a lot in slurry and black top costs. The project would begin by digging up both ends of the service line and hooking a cable on one end and while pulling it, stringing another line through. Many of the meters on Bertha St. are difficult to read, necessitating an estimate. The plan is to replace them as part of the project. Management suggested the project go to bids as of the September Board meeting. The Board was concerned that the freeway re-pipe project had depleted the District's Capital Improvement monies and time was needed to be built up these funds in order to move forward with a second major project this year. Chair, R. Marley, put forth a motion to table the proposed. project until the September meeting. The motion was seconded by B. Dickerson and unanimously approved by the Board

Agenda Item # 9 Continuation of legal service

The Water District's current attorney has notified the District that he is leaving his current partnership and joining another firm. B. Dickerson moved to retain our current attorney and the motion was seconded by K. Wolf. The board unanimously approved. Management, S.Hrabina, had Chair, R.Marley, and Treas., B. Dickerson, sign a document authorizing our attorney to transfer the account to his new firm.

Agenda Item # 8 Review Estimated Pumping & Billing Use at Heritage Park

Chair, R. Marley, revisited the Heritage Park Pond transpiration and pond evaporation losses issue that was tabled the last time it was on the agenda. The Chair has since collected more data, by monthly reading the meters at the Park. B. Dickerson had asked a question about how much was being pumped and it has been determined that a lot more water is being pumped than would be expected for transpiration and evaporation. Specifically, 1,000 Kw-Hrs a month recently rose to 1,575 Kw-Hrs a month. Using information from the District's pump sites, the Chair was able to determine what the Heritage Park monthly billing would be for a certain number of Kw-Hrs. It comes out to around \$200.00 monthly and up to \$250.00 or more during the summer months. The Chair spoke with Management regarding calculating the gallons pumped at the Park. Knowing the demands of our system verses theirs, it is possible to estimate pumping rates when we know their Kw-Hrs used. The calculations indicate huge quantities of water are being pumped at the Park, comparable to the District's pumping levels. The Chair sees two areas of concern. The first is the obvious conclusion that much of this pumped water is being cycled back into the aquifer. Any pollution of the pond will be directly cycled back into the town's aquifer and our pumping sites are very close to where the pond is located. The second area of concern for the District is Homeland Security/Terrorism requirements, which require our sites to be secure and fenced. With the recharging of several millions of gallons a month into the aquifer by Heritage Park, the pond becomes a problem because someone could walk over, throw something toxic into it and the town's water system would then be contaminated. Management spoke of their concern that after remaining steady for some time, nitrate levels recently seem to be increasing towards ADEQ trigger levels. If we have to eventually put in a system to remove nitrates, it would be extremely expensive and the District would have to borrow money or begin taxing property owners to cover the costs. Our current treatment system is solely for arsenic and will not remove nitrates. The District has no means to protect against groundwater contamination caused by the aquifer re-charging at Heritage Park. It was proposed by R. Marley to compose another letter to Bob Cothorn, Community Association President, explaining that the District has increasing concerns. Management then spoke of another possible nitrate issue. When it rains, the Big John well site frequently floods. It can be submerged by as much as a foot of water. The county added new culverts, dug a ditch to BCC Highway to Davenport Lane, but since doing that the water pools at higher levels. Even worse there are septic systems in Indian Hills that fill up and it's possible we are getting sewer water proximate to the town's domestic water system. Management has spoken to the County, but they appear to be unwilling to address the issue and possibly have to spend money to correct the problem. The next time we have a heavy rain, Management will retest for nitrate levels.

Agenda Item # 10 Call to the Public

Unfortunately, there was again no public in attendance to comment

With no other business to come before the Board, the Chair adjourned the meeting at 7:40 P.M.

CERTIFICATION:

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

Sarah J. Hrabina

Sarah J. Hrabina

ATTESTED:

I, K. Wolfe, 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. Wolfe

Transcription of minutes completed on 07/29/2013
C. Brannan, Transcriber (A full recording is available).