

**OFFICIAL MINUTES FOR THE
BLACK CANYON CITY WATER IMPROVEMENT DISTRICT
April 17, 2014 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: Susan Marley

Secretary: Lavon Van Dusen

Vice Chair: Will Stice not in attendance

Also in attendance: Management –Randy and Sarah Hrabina

Public: Ed Konieczny, Tony Chavez

Reflection time was observed by the Board and Public.

Agenda Item # 3 Board Member Reports

None

Agenda Item # 4 Approval of Minutes: 03/20/14 Regular Board Meeting

The minutes from the 03/20/14 regular board meeting were provided to the Board. With no corrections or additions, Susan Marley moved to accept the minutes. The motion was seconded by Barrie Dickerson and upon vote was unanimously approved.

Agenda Item # 5 Treasurer's Financial Report and Approval as of 03/31/14

Barrie Dickerson presented the financial report for the period ending 03/31/14, with beginning, ending and change balances for each account reported.

Account	Beginning	Ending	Change
General Fund	\$53,035.16	\$57,951.79	\$4,916.63
Security Deposits	\$42,925.00	\$42,925.00	0.00
Impact/Capital Fund	\$179,649.13	\$186,696.43	\$7,047.30
Arsenic Sinking Fund	\$61,212.10	\$63,229.09	\$2,016.99
Recap/Bank of the West	\$7,244.34	\$7,055.19	(\$189.15)
Account Totals =	\$344,065.73	\$357,857.50	\$13,791.77
Cash Management:	Deposits	\$33,904.13	
	Disbursements	\$20,112.36	
	Net Gain/(Loss)	\$13,791.77	

March billing with 835 active accounts totaled \$28,421.35. Water consumption for the month of March was reported at 3,328,000 gallons compared to 3,950,000 gallons the previous month and the March 2013 comparison of 3,978,000 gallons. Total gallons billed for the fiscal year-to-date was 41,029,000 gallons (9) months. The financials include Quick Books invoices #1807 to #1866 and In-Hance Audits #12,060 through #12,102 with the accounts receivable in both In-Hance and Quick Books balancing at \$42,399.45.

One new Impact Fee in the amount of \$2,500.00 was received at the end of February, and posted with meter installed in March for a/c#2084

The data was respectively submitted by Management, Sarah Hrabina, and reviewed by Treasurer, Barrie Dickerson, for final board approval.

A letter from CPA Alyx Cohan was presented, addressing the engagement of her services to the Water District for Fiscal Year End Audit in June 30, 2014. All Board members were provided a copy of the letter

for their review. Barrie Dickerson moved to accept Ms. Cohan's services. Motion was seconded by Sue Marley, and upon vote was passed unanimously.

Sue Marley moved to accept the Financials report with Lavon Van Dusen seconding the motion. Upon vote the financial report for March was unanimously approved.

Agenda Item # 6 Operation's Report and Approval as of 04/15/2014

Randy Hrabina presented the Operation's Report, giving a recap of the past months activities with 17 work orders completed including turn-ons, turn-offs, meter re-reads, meter/valve repair/replacement, line break/leak repairs, and other service needs. There were 3 blue stakes marked for the period. Pink slips had not yet been mailed out for April. Test results from Test America Labs for monthly Bac-t's (E-Coli & Coliform) for April were negative.

WELL STATS: The April well levels were unchanged from March readings but are expected to fall as the summer heat begins and especially if the drought continues. Management noted that well pumping has increased from a previous 4-5 hours per day to a current 7 hours per day.

<u>Water levels:</u>	<u>LAST REPORT</u>	<u>THIS MONTH</u>
Big John #1	23' Draw to 25'	23' Draw to 25'
Big John #2	23' Draw to 25'	23' Draw to 25'
GOA #1	21' Draw to 23'	21' Draw to 23'
GOA # 2	21' Draw to 23'	21' Draw to 23'
Oasis # 1	23' Draw to 25'	23' Draw to 25'
Oasis # 2	23' Draw to 27'	23' Draw to 27'

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 2014.

Barrie Dickerson made a motion to accept the Operations Report as presented. Sue Marley seconded the motion and upon vote the operations report was unanimously approved.

Agenda Item # 7 Annual Budget Committee Report & Recommendations

The Chair, acting as a reporting member of the Budget Committee, explained the items considered. The primary discussion was a review of the current financial performance against the current budget. It appeared most categories were acceptably close to the budget. More initial hookups than expected was observed to be generating increased revenue but water sales was significantly less than budgeted and becoming an ongoing problem. Declining water sales may result in a \$10,000 to \$20,000 shortfall at the end of the fiscal year. Budgeting the same amount for the next fiscal year would undoubtedly result in another shortfall unless water rates are increased. The Committee also looked at customer water line failure billings. Some of these situations are resulting in extremely high billings when a leak is allowed to continue for a lengthy time. The sense of the committee was nothing could be done except increase customer awareness and suggest meter shutdown when people leave for extended periods of time. Management has offered this service for free in the past and will continue to do so. For increased clarity, the committee also recommended a minor change in the billing method for day to day water costs (water and maintenance should be combined into one line item). The committee also suggested more effort should be made to inform District users about the need for Capital Improvement monies. It was thought the Consumer Confidence report could be modified to have a paragraph about why Capital Improvements are needed and how the District funds them. Bob Marley made a motion to accept the Committee's recommendations. The motion was seconded by Lavon Van Dusen and upon vote the Board unanimously decided to accept the Committee's recommendations.

Agenda Item # 8 2014-2015 Budget

After recommending not changing the Capital Improvement Budget for the next fiscal year, the Budget Committee made three suggestions for the 2014-2015 Operating Budget. The first was essentially repeating the current budget, the second was increasing water sales billing rates by 8% to generate approximately \$14,400 additional funds, and a third option of increasing water sales billing rates by 16% to generate \$28,800 of additional funds. It was felt this would have minimal impact on the low water use customers (less than 5,000 gallons a month) and quite likely cause additional water conservation. While conservation is good, it is expected the projected water sales increases will not be fully met because of additional conservation efforts and declining water use. Essentially any increased billing can be eliminated by users who decrease their use proportionately. This rate increase only affects water use billing and is expected to have a substantially lesser impact on the total billing. After Board discussion and the Chair's request for Tony Chavez (Budget Committee member) to speak to the issue, the Board felt the best budget option was to increase water billing rates at every tier by 16%. Sue Marley made a motion to increase all water billing rates by 16%. This was seconded by Lavon Van Dusen, and upon vote was passed unanimously.

Agenda Item # 9 May Meeting Change to the 22nd (4th Thursday of the month)

To insure a quorum was available for the Water Rate and Budget Public Meeting, the Board felt it would be advisable to change the May Meeting date to 5/22/14, the fourth Thursday of next month. A motion was made by Lavon Van Dusen, and seconded by Sue Marley, to hold the May Board meeting on May 22, 2014. Upon vote the measure was passed without opposition.

Agenda Item # 10 Bank of the West

Management requested Board approval to enter into a two (2) year contract with Bank of the West for check cashing services using a Bank supplied scanner. The first 6 months scanner rental will be free and the remainder will be charged at approximately \$45.00/month. The Board decided previously this was cheaper than changing banks and incurring monthly check fees. Bank of the West offers free check deposits to grandfathered accounts, a significant saving (we have around 600 checks a month to cash). The Bank contract reads as follows:

COPORATE/ASSOCIATION RESOLUTION

RESOLVED: The Treasurer Barrie K. Dickerson, or Office Manager Sarah J. Hrabina of this Corporation is authorized to enter into any cash management services agreements with Bank of the West, to designate from time to time persons, in such number as may be directed, to manage any cash management service and otherwise give instructions regarding this organization's cash management service(s).

RESOLVED further that the authority conferred is in addition to any other authorizations in effect and shall remain in force until Bank receives written notice of its revocation at the office where the account is maintained or at such other location as Bank may direct.

CERTIFICATION

I certify that this resolution was adopted by this organization in accordance with law and its charter documents at a meeting duly held by this organization's governing body, and is now in effect. I certify that all of the signatures on the reverse are genuine and are those of person(s) who are authorized to execute the form who has such title as is listed above. I further certify that I have full authority to execute this certification. Bank of the West is entitled to rely upon this certification until written notice of its revocation is delivered to Bank of the West.

A motion was made by Sue Marley to enter into this two year contract with Bank of the West. Barrie Dickerson seconded, and upon vote, the motion passed unanimously.

Agenda Item # 11 Call to the Public

During Public Call Tony Chavez asked management about what would happen if the wells were to run dry this summer. Would new wells be drilled? Management assured him the District has sufficient resources to work around any problems that arise. He also suggested increasing customer awareness that Management offers turn off service for customers who leave for extended periods of time.

With no other business to come before the Board, the Chair adjourned the meeting at 7:16 P.M.

CERTIFICATION:

I, Sarah J. Hrabina, certify that the Agenda for the April 17, 2014 Regular Board Meeting was publicly posted at the Black Canyon City Post Office Bulletin Board, on Tuesday, April 15, 2014 on or before 4:30 PM.

Sarah J. Hrabina

Sarah J. Hrabina

ATTESTED:

I, Lavon Van Dusen, Secretary for the Black Canyon City Water Improvement District certify that the minutes, as transcribed by myself, are true and correct to the best of my knowledge and belief.

Respectfully submitted,

Lavon Van Dusen

Lavon Van Dusen

Transcription of minutes completed on 05/19/14
A full recording is available – 45.35 minutes.