

**OFFICIAL MINUTES FOR THE
BLACK CANYON CITY WATER IMPROVEMENT DISTRICT
April 28, 2015 REGULAR BOARD MEETING**

Chair, Robert Marley called the meeting to order at 6:00 PM. Roll call showed a quorum.

Chair: Robert Marley

Secretary: Lavon Van Dusen

Vice Chair: Barrie Dickerson

Member-at-Large: Susan Marley

Treasurer: David Moore

Also in attendance: Management–Randy Hrabina, Sarah Hrabina

Owners/Users: Tony Chavez, Ed Konieczny

Agenda Item # 3 Board Member Reports

The Chair reported on a study that he had done of the District's water use. Past billing data was analyzed, counting the number of users at various water demand levels. The first thing noticed was many customers (a bit less than 20%) did not use water in the most current month's data. Further evaluation showed there were 60+ customers that had not used water for a year. Management was asked to further evaluate what was happening with the zero-use accounts. The study also revealed that the tiered billing system was not working as expected. Looking at both commercial and residential accounts, the majority of use is in the bottom two tiers (when tiered billing was first introduced, total water delivery was much higher and these figures may have been different). Data supporting a possible future tier modification for residential accounts was presented.

Agenda Item # 4 Approval of Minutes: 03/24/15 Regular Meeting

The minutes from the 03/24/15 regular board meeting were provided to the Board. With a minor correction, Sue Marley moved to accept the minutes. The motion was seconded by Barrie Dickerson and, upon vote the minutes for the 03/24/15 Regular Board meeting were accepted unanimously.

Agenda Item # 5 Treasurer's Financial Report for Approval as of 03/31/2015

Dave Moore presented the financial report for the period ending 03/31/15, with beginning, ending and change balances for each account reported.

Account	Beginning	Ending	Change
General Fund	\$45,153.00	\$44,424.34	(\$728.66)
Security Deposits	\$43,865.00	\$43,865.00	\$0.00
Impact/Capital Fund	\$127,601.01	\$137,326.12	\$9,725.11
Arsenic Sinking Fund	\$2,429.02	\$7,444.79	\$5,015.77
Recap/Bank of the West	\$5,107.50	\$10,220.18	\$5,112.68
Account Totals =	\$224,155.53	\$243,280.43	\$19,124.90

Cash Management:	Deposits	\$41,878.08
Less: General Journal cash account entries:		
monthly scanner fee		\$45.00
	Disbursements	\$22,708.18
	Net Gain/(Loss)	\$19,124.90

March billing with 840 active accounts totaled \$27,361.46. Water consumption for the month of March was reported at 3,006,000 gallons compared to 4,055,000 gallons the previous month and the March 2014 comparison of 3,328,000 gallons. Total gallons billed for the fiscal year-to-date was 39,393,000 gallons (9 months) compared to last year's total gallons billed for fiscal year-to-date of 41,029,000 gallons. The financials include Quick Books invoices #1943 to #1951 and In-Hance Audits #12,724 through #12,774 with the accounts receivable in both In-Hance and Quick Books balancing at \$16,616.95.

No new Impact Fees were collected in March.

The data was respectfully submitted by Management, Sarah Hrabina, and reviewed by Treasurer, Dave Moore, for final board approval. Lavon Van Dusen made a motion to accept the financial report. The motion was seconded by Sue Marley and, upon vote the financial report for March was unanimously approved.

Agenda Item # 6 Operations Report and Approval as of 4/27/2015

Randy Hrabina presented the Operations Report, giving a recap of the month's activities with 35 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 8 blue stakes marked for the period. There were 33 pink slips mailed out for April. Test results from Test America Labs for monthly Bac-t's (E-Coli & Coliform) for April were negative.

WELL STATS: Some well levels have gone up

<u>Water levels:</u>	<u>March 2015</u>	<u>April 2015</u>
Big John #1	23' Draw to 25'	21' Draw to 24'
Big John #2	23' Draw to 27'	21' Draw to 25'
GOA #1	23' Draw to 25'	22' Draw to 24'
GOA # 2	23' Draw to 24'	22' Draw to 24'
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 2015.

Randy also reported that the water line along Old Black Canyon Highway was damaged during the County storm drain installation. Because of the line proximity to the work area, this had been expected and Operations personnel were present to put things back together with County assistance.

Barrie Dickerson then 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 Unisource Proposal for Tower on one of our sites

The Board and Management were updated on discussions occurring between the Chair and Unisource Energy Services, the local gas company. Unisource would like access to the District's yards to install a couple of pole towers for electronic meter reading. Not knowing how to price this lease or what a contract with them would look like, the Chair has asked the Unisource representative to submit an offer and proposed contract for District review. No action was needed by the Board at this time.

Agenda Item # 8 Budget Committee Report 2015-16 Budget and Possible Rate Change

The 2015 Budget Committee report recommended no fee or rate changes as their preferred alternative, essentially committing the revenue of the current budget for the upcoming fiscal year. During discussion the Chair asked to see the most recent comparison of the actual results to the budget. This showed revenues significantly behind the budget projection and expenses slightly above the projection. The result is net ordinary income is approximately half what it was budgeted to be. According to the operator, Randy Hrabina, the District is already short of funds for projects and is currently deferring projects because the funds are not available. There is some hope that during the next three months of higher use (approaching summer months) this shortfall will be reduced or even eliminated. The Chair suggested approving the no fee or rate change budget of the Budget Committee for the next fiscal year, but reviewing the situation in July when the fiscal year has ended. The Board would then have actual numbers before them rather than projections. If it seemed inadvisable to

continue the current budget into the next fiscal year, changes could be made as necessary to increase revenues. Because of the lack of impact on those users with moderate to low use, correcting the tiered billing system and even tightening it to generate additional revenue and conservation was suggested as a possibility. Sue Marley made a motion to accept the Budget Committee's recommendation of a no fee or rate change budget for the 2015-2016 fiscal year, with an end of the fiscal year review. The motion was seconded by Dave Moore and, upon vote, the measure was passed unanimously.

Agenda Item # 9 Review of Reasons for Zero Water Use Accounts

Management, Sarah Hrabina, presented information on the current month's zero use accounts. She found 29 accounts that were on standby, 52 accounts that had water delivery so low the meter only trips occasionally (1000 gallon increments), 17 historically low use commercial accounts (several that need meter review), 43 that showed no use because they were vacant and possibly in process of sale (a couple of the meters will be reviewed), 4 school meters with all needing review, and 8 off and locked (inactive). It seems this kind of evaluation needs to be done occasionally to account for metering failures.

Agenda Item # 10 Call to the Public

There was a comment from one member of the public, Tony Chavez. He stated he was on the current Budget Committee and was in favor of maintaining adequate revenues to supply cash funding for the District's major projects. He favors pay-as-you go rather than taxation or debt to provide funding.

With no other business to come before the Board, the Chair adjourned the meeting at 6:58 P.M.

CERTIFICATION:

I, Sarah J. Hrabina, certify that the Agenda for the April 28, 2015 Regular Board Meeting was publicly posted at the Black Canyon City Post Office Bulletin Board, on Friday, April 24, 2015 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 05/20/2015

A full recording is available – 57.54 minutes.