

**OFFICIAL MINUTES FOR THE
BLACK CANYON CITY WATER IMPROVEMENT DISTRICT
May 26, 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 Treasurer: David Moore
Member-at-Large: Susan Marley (in at 6:40)

Also in attendance: Management–Randy Hrabina, Sarah Hrabina
Owners/Users: Ed Konieczny

Agenda Item # 3 Board Member Reports

None

Agenda Item # 4 Approval of Minutes: 04/28/15 Regular Meeting

The minutes from the 04/28/15 regular board meeting were provided to the Board. With no additions or corrections, Barrie Dickerson moved to accept the minutes. The motion was seconded by Dave Moore and, upon vote the minutes for the 04/28/15 Regular Board meeting were accepted unanimously.

Agenda Item # 5 Treasurer's Financial Report for Approval as of 04/30/2015

Dave Moore presented the financial report for the period ending 04/30/15, with beginning, ending and change balances for each account reported.

Account	Beginning	Ending	Change
General Fund	\$44,424.34	\$40,230.22	(\$4,194.12)
Security Deposits	\$43,865.00	\$43,865.00	\$0.00
Impact/Capital Fund	\$137,326.12	\$143,185.56	\$5,859.44
Arsenic Sinking Fund	\$7,444.79	\$12,444.85	\$5,000.06
Recap/Bank of the West	\$10,220.18	\$12,987.67	\$2,767.49
Account Totals =	\$243,280.43	\$252,713.30	\$9,432.87

Cash Management:	Deposits	\$30,389.52
Less: General Journal cash account entries:		
monthly scanner fee		\$45.00
NSF returned cks+fees (2)		\$73.47
	Disbursements	\$20,838.18
	Net Gain/(Loss)	\$9,432.87

April billing with 838 active accounts totaled \$37,884.87. Water consumption for the month of April was reported at 5,157,000 gallons compared to 3,006,000 gallons the previous month and the April 2014 comparison of 5,014,000 gallons. Total gallons billed for the fiscal year-to-date was 44,550,000 gallons (10 months) compared to last year's total gallons billed for fiscal year-to-date of 46,043,000 gallons. The financials include Quick Books invoices #1952 to #1972 and In-Hance Audits #12,775 through #12,856 with the accounts receivable in both In-Hance and Quick Books balancing at \$26,312.81.

No new Impact Fees were collected in April.

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 Dave Moore and, upon vote the financial report for April was unanimously approved.

Agenda Item # 6 Operations Report and Approval as of 5/25/2015

Randy Hrabina presented the Operations Report, giving a recap of the month's activities with 47 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 4 blue stakes marked for the period. There were 24 pink slips mailed out for May. Test results from Test America Labs for monthly Bac-t's (E-Coli & Coliform) for May were negative.

WELL STATS: No change from last month

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

The ADEQ inspector completed the annual inspection with "no further action as a result of the inspection" needed and "no deficiencies" found. Management presented the Consumer Confidence Report annual letter that will be mailed to all account holders on or before June 30th.

Dave Moore then made a motion to accept the Operations Report and CCR letter as presented. Lavon Van Dusen seconded the motion and upon vote the motion was unanimously approved.

Agenda Item # 7 Public Budget Hearing

The Public Hearing for the Budget and Rate Increase review occurred promptly at 6:15 PM as scheduled. The Board opted to follow the Budget Committee recommendation for no rate change at this time and use the current budget in the new fiscal year with minor expense adjustments. The expectation is this decision will require further review at the end of the current fiscal year because expenses are known to be increasing and revenues are declining due to reduced water use. There was one question from the public, Ed Konieczny, about the need for a Budget document. The question was satisfactorily answered by the Chair. Barrie Dickerson made a motion to accept the Budget recommended by the Budget Committee in the new fiscal year with no rate changes. The motion was seconded by Dave Moore and, upon vote, was unanimously approved.

Agenda Item # 8 Proposal for New Backflow Procedures and Mailings

The new Backflow Procedure and letters were reviewed by the Board. Three new letters were presented, containing increasingly strident compliance requests, to be mailed at three specified times in the late summer and early fall. A motion was made by Barrie Dickerson and seconded by Lavon Van Dusen, to use these letters in the future. Upon vote, the measure passed unanimously.

Agenda Item # 9 Continuing discussion of Management's meter reviews

The meter appraisal program that resulted from a review of zero use customers is essentially complete. Several accounts were found to have meters that were working incorrectly or being read improperly. Where this resulted in a substantial one-time billing to a customer after months of zero

billing, the water use was billed at the lowest tier rate as the average use would have been in that tier. The Chair suggested management should be doing this annually. No Board action was required.

Agenda Item # 11 New annual audit contract with CPA, Alyx Cohen

The Board discussed retaining Alyx Cohen as the District auditor when her current contract ends on June 30, 2015. Barrie Dickerson made a motion, seconded by Dave Moore, to renew the contract with Alyx Cohen for the 2015/2016 fiscal year. Upon vote, the measure passed unanimously.

Agenda Item # 13 Special Customer Request-a/c #132 34453 Bertha St

A special request was presented to the Board by a property owner to reduce penalties associated with a skipped-renter's water account that the owner would be paying. The Board and Management suggested the property owner keep the water account in their name to prevent this problem in the future and recover water costs in the rent. The Board was willing to offer installments with no interest as has been done for other users but was unwilling to set a precedent by adjusting the penalties. A motion was made by Barrie Dickerson and seconded by Dave Moore, to deny the customer's request for special consideration. Upon vote the measure passed without opposition.

Agenda Item # 12 Backfilling the exposed Kings Ranch water line

Management has reached an agreement with Tony Chandler regarding doing backfill and slurry cover of the exposed Kings Ranch water line. Management states the job will be labor intensive as it involves taking boulders out, putting in stone (AB or something that will pack similar to AB), crowning the ditch, and putting 3-4 inches of slurry on top of it. Tony has agreed to do the work, covering 100 feet of line for \$6500.00. If it is found there is more than 100 feet that needs to be covered, the cost will be adjusted accordingly. The job will begin at the earliest possible opportunity. Lavon Van Dusen made a motion to have Tony Chandler do the job as presented, for \$6,500, based on 100 feet, with the understanding that if there is more than 100 feet needing covered, the cost would be adjusted accordingly. The motion was seconded by Barrie Dickerson and, upon vote, the measure passed unanimously.

Agenda Item # 10 Tiered Rate Discussion & Competitors Tiered Billing Review

Dave Moore presented several pages of information he collected regarding other City and District water costs. It appears many use tiered billing as the BCCWID does but most have quantity tiers that are much tighter than our District's. It was suggested that at some point in the future the District might want to review the current tier structure to try to promote conservation at the higher tier levels without impacting anyone at the lower tiers. The articles suggest the way to get people to conserve is to tighten and restrict tiers at the upper levels. This encourages people to use less water to stay under the higher, more expensive tiers. The other issue discussed in the articles is the financial state of area water districts. A district should review its base rates and impact fees to make sure the district is financially healthy. Most Water District's in Arizona are operating at a loss and augmenting their operations with either debt (bonds) or taxation. The State ADEQ inspector has told management that, as far as he is aware, BCCWID is the only district with no debt. We don't borrow money and we don't tax, as other districts do. The sense of the Board and Management is when the District's tiers are tightened the primary reasons will be conservation and reduced water use that will protect against any future need for water rationing. No Board action was required at this time.

Agenda Item # 14 Call to the Public

Ed Konieczny had a question about the advertising amount shown in the budget. He was wondering what the District was advertising. Management responded that a few times each year announcements of certain actions are required to be advertised in a major newspaper. Examples would be the current meeting because of the Budget and Rate Change possibility, elections, and anything else requiring a legal notification.

With no other business to come before the Board, the Chair adjourned the meeting at 6:55 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 07/13/2015
A full recording is available – 55.34 minutes.