

**OFFICIAL MINUTES FOR THE
BLACK CANYON CITY WATER IMPROVEMENT DISTRICT
May 24, 2016 REGULAR BOARD MEETING
& PUBLIC BUDGET HEARING**

Chair, Robert Marley called the meeting to order at 5:45 PM. Roll call showed a quorum.

Chair: Robert Marley
Vice Chair: Barrie Dickerson

Treasurer: David Moore
Member-at-Large: Susan Marley

Not in attendance: Secretary: Lavon Van Dusen

Also in attendance: Management– Randy Hrabina, Sarah Hrabina
Owners/Users: Eva Wells

Agenda Item # 3 Board Member Reports

Dave Moore reported on Black Canyon City Bulletin Board Facebook postings. During the month he posted the April summary, May agenda/meeting notices, an FYI on where the water comes from, and some information regarding leaks.

Agenda Item # 4 Approval of Minutes: 4/26/16 Regular Meeting

The minutes from the 4/26/16 regular Board meeting were provided to the Board. One minor error was noted. Sue Marley moved to accept the minutes with the one minor correction. Barrie Dickerson seconded and, upon vote the minutes for the 4/26/16 Regular Board meeting were accepted unanimously.

Agenda Item # 5 Treasurer's Financial Report for Approval as of 4/30/2016

Due to time constraints resulting from a lengthy meeting agenda, Dave Moore presented an abbreviated oral financial report for the period ending 4/30/2016. The entire financial report with beginning, ending and change balances for each account was provided to all Board members in written form.

Account	Beginning	Ending	Change
General Fund	\$59,690.53	\$56,289.38	(\$3,401.15)
Security Deposits	\$44,625.00	\$44,625.00	\$0.00
Impact/Capital Fund	\$211,971.62	\$219,484.09	\$7,512.47
Arsenic Sinking Fund	\$57,536.19	\$62,547.37	\$5,011.18
Recap/Bank of the West	\$11,857.30	\$20,669.76	\$8,812.46
Account Totals =	\$385,680.64	\$403,615.60	\$17,934.96

Cash Management:	Deposits	\$40,579.83
Less: General Journal cash account entries:		
monthly scanner fee		\$45.00
Bank of the West coding error fee (to be reversed)		\$45.00
	Disbursements	\$22,554.87
	Net Gain/(Loss)	\$17,934.96

April billing with 838 active accounts totaled \$34,410.97. Water consumption for the month of April was reported at 3,891,000 gallons compared to 4,377,000 gallons the previous month and the April 2015 comparison of 5,157,000 gallons. Total gallons billed for the fiscal year-to-date was 46,477,000 gallons (10 months) compared to last year's total gallons billed for fiscal year-to-date of 44,550,000 gallons. The financials include Quick Books invoices #2091 to #2103 and In-Hance Audits #13,402 through #13,463 with the accounts receivable in both In-Hance and Quick Books balancing at \$20,260.70.

One new Impact Fee was collected in April: \$2,500.00 Audit #13,440; a/c#796

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

Agenda Item # 6 Operations Report and Approval as of 5/23/2016

Randy Hrabina presented the Operations Report, giving a recap of the month's activities with 20 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 12 blue stakes marked for the period. There were 30 pink slips mailed out for May. Test results from Test America Labs for monthly Bac-t's (E-Coli & Coliform) for the month were negative.

WELL STATS: Well levels are unchanged since last month and continue to be in the "normal" range

<u>Water levels:</u>	<u>April 2016</u>	<u>May 2016</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'

Management reported that the concrete pad for the generator needed at the Cholla site has been poured and the generator will be picked up Wednesday (May 25).

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 2016.

Barrie Dickerson made a motion to accept the Operations Report. Dave Moore seconded the motion and upon vote the Operations Report was unanimously approved.

Agenda Item # 8 Consumer Confidence Report

Board members had reviewed the proposed Consumer Confidence Report that is sent annually to all owner/users. Dave Moore made a motion to approve the report. The motion was seconded by Sue Marley and, upon vote was passed unanimously.

Agenda Item # 9 CPA Engagement Letter for 2015/16 Audit

The Board discussed retaining our current CPA, Alyx Cohen, and sending her an engagement letter for the 2015/16 audit. Sue Marley made a motion to retain Alyx, the motion was seconded by Dave Moore, and upon vote the measure was passed unanimously.

Agenda Item # 7 Public Budget Hearing

At precisely 6:00 PM the Public Budget Hearing was opened for public input. There were no comments so the hearing was closed at 6:02 PM. A short discussion about professional fees and their possible impact on the budget occurred. With the possibility of having to defend a lawsuit regarding control of one of the District's easements, the budgeted \$7,000 for professional fees could be totally inadequate. Recognizing the District has to maintain control of its water line easements to protect ALL owner/user interests, the District would be required to hire legal assistance and vigorously defend. Barrie Dickerson made a motion to approve the budget with no changes. Dave Moore seconded the motion and, upon vote the measure passed unanimously.

Agenda Item #10 Goodman Law Firm Letters

After interacting with owner Cary Ansel in previous meetings regarding an easement on his property, the District recently received a couple of demand letters from his attorney. The Board decided to go into Executive Session (ARS 38-431.03 (4)) with management representative, Sarah Hrabina, to discuss the letters and try to determine what issues required decisions and how to respond. After a 15 minute session, they returned, resumed the Board meeting, and began discussion of a list of issues that Susan Marley, acting as secretary, read. The issues were as follows:

- 1) Were we correct in our actions on the easement? After a brief discussion, Sue Marley made a motion stating the District, Board, and its agents were correct in their actions taken on the easement. The motion was seconded by Dave Moore.

- 2) Do we need to involve our attorney at this time?
- 3) Do we need to respond or have our attorney respond to both letters?
- 4) Do we send the \$5 back?

Questions 2, 3, and 4 were addressed together in one motion. Chair Marley made a motion that we do not need to involve our lawyer at present, rather we should return the letters and the \$5 with no other response. The motion was seconded by Barrie Dickerson and, upon vote, was passed unanimously.

- 5) Who is empowered to accept a certified letter or summons from the court? After some discussion as to the best way to handle future communication it was decided that Chair Marley would be the person to accept all future contacts. Sue Marley made a motion that any correspondence from courts or attorney, if at all possible, be accepted by Bob Marley and denied by anybody else (if possible). The motion was seconded by Dave Moore and, upon vote, the measure passed unanimously.
- 6) Who is our designated contact to interface with our attorney, should it become necessary? Chair Marley volunteered to fulfill this function. Barrie Dickerson made a motion to make Bob Marley our designated legal contact. The motion was seconded by Sue Marley and, upon vote the measure passed unanimously.

Agenda Item #11 Policies and Procedures Manual Revisions

After a brief discussion, Barrie Dickerson made a motion to accept the revisions to the Policy and Procedures Manual. The motion was seconded by Dave Moore and upon vote, the revisions were accepted unanimously.

Agenda Item #12 Call to the Public

None

With no other business to come before the Board, the Chair adjourned the meeting at 6:47 P.M.

CERTIFICATION:

I, Sarah J. Hrabina, certify that the Agenda for the May 24, 2016 Regular Board Meeting was publicly posted at the Black Canyon City Post Office Bulletin Board, on Friday, May20, 2016 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 7/11/2016. A full recording is available in 2 parts (before and after the break for the Executive Session) Part one: 26:29; Part two: 17:23 minutes.