

**OFFICIAL MINUTES FOR THE
BLACK CANYON CITY WATER IMPROVEMENT DISTRICT
December 27, 2016 REGULAR BOARD MEETING**

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

Chair: Barrie Dickerson
Vice Chair: Eva Berst
Member-at-Large: Susan Marley

Treasurer: David Moore
Secretary: Lavon Van Dusen

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

Agenda Item # 3 Board Member Reports

Dave Moore reported on BCCWID website and Black Canyon City Bulletin Board Facebook postings. On the District website, he posted the minutes for the October regular Board meeting as well as the agenda for the current meeting. Facebook postings included the agenda/meeting notice for the December Regular Board meeting, a Board vacancy notice, and a notice of a temporary water shutdown in the Kings Ranch/Kings Way area.

Agenda Item # 4 Approval of Minutes: 11/22/16 Regular Meeting

The minutes from the 11/22/16 regular Board meeting were provided to the Board. After brief discussion, Dave Moore made a motion to accept the minutes with minor corrections. Eva Berst seconded and, upon vote, the minutes for the 11/22/16 Regular Board meeting were approved unanimously.

Agenda Item # 5 Treasurer's Financial Report for Approval as of 11/30/16

Dave Moore presented the financial report for the period ending 11/30/2016 with beginning, ending and change balances for each account.

Account	Beginning	Ending	Change
General Fund	\$60,426.79	\$42,641.44	(\$17,785.35)
Security Deposits	\$44,475.00	\$44,475.00	\$0.00
Impact/Capital Fund	\$282,025.19	\$289,497.80	\$7,472.61
Arsenic Sinking Fund	\$92,659.41	\$97,675.24	\$5,015.83
Recap/Bank of the West	\$13,044.97	\$8,781.26	(\$4,263.71)
Account Totals =	\$492,631.36	\$483,070.74	(\$9,560.62)

Cash Management:	Deposits	\$31,905.23
And/Less: General Journal cash account entries:		
Monthly scanner fee		\$45.00
NSF returned check & NSF bank charge		\$41.77
	Disbursements	\$41,379.08
	Net Gain/(Loss)	(\$9,560.62)

Note: disbursements for the month include:

- 4th legal service payment of \$3,725.93 (total to date: \$17,517.43)
- Capital Improvement/April generator-Loftin of \$12,272.23
- Capital Improvement/Valve Program of \$3,600

November billing with 839 active accounts totaled \$37,198.53. Water consumption for the month of November was reported at 4,532,000 gallons compared to 4,377,000 gallons the previous month and the November 2015 comparison of 3,772,000 gallons. Total gallons billed for the fiscal year-to-date was 24,759,000 gallons (5 months) compared to last year's total gallons billed for fiscal year-to-date of 27,265,000 gallons. The financials include Quick

Books invoices #2169 to #2180 and In-Hance Audits #13,778 through #13,812 with the accounts receivable in both In-Hance and Quick Books balancing at \$26,583.75.

No impact fees were collected in November.

The data was respectfully submitted by Management, Sarah Hrabina, and reviewed by Treasurer, Dave Moore, for final board approval. Sue Marley made a motion to accept the financial report for the period ending 11/30/16. The motion was seconded by Barrie Dickerson and, upon vote, the financial report was unanimously approved.

Agenda Item # 6 Operations Report and Approval as of 12/26/2016

Randy Hrabina presented the Operations Report, giving a recap of the month's 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. There were 42 blue stakes marked for the period (due to the county moving all stop signs and speed limit signs in town). There were 32 pink slips mailed out for December. Test results from Test America Labs for monthly Bac-t's (E-Coli & Coliform) for the month were negative.

3rd Quarter Arsenic, as reported to ADEQ:

	4th Qtr	3rd Qtr	2nd Qtr
Big John	1.5	7.7*	<3.0
GOA	7.6	5.3	4.8
Oasis	<1.0	<1.0	<3.0

*Note: Last quarter we discussed Big John and the possibility of an error with the reported number being incorrect. The result this quarter confirms that.

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

<u>Water levels:</u>	<u>Nov 2016</u>	<u>Dec 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'

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 November 2016.

Sue Marley made a motion to accept the Operations Report as presented. Eva Berst seconded the motion and upon vote the Operations Report was unanimously approved.

Agenda Item #7 Board Vacancies/Appointments as of January 1, 2017

Sue Marley expressed concern about the wording of the "Notice of Board Position Vacancy" which might be interpreted as stating there is only one Board vacancy, when there are actually three. Even though the Chair and Vice Chair, if appointed, plan on resuming their roles on the Board, currently there will be three open positions as of January 1, 2017, which possibly should be reflected in the notice. Anyone interested in any of the open positions (including current Board members whose terms are expiring) must submit a Letter of Intent, which will be considered at the next Board meeting, with the two remaining Board members selecting the most qualified candidates to fill the open positions. After much discussion, Barrie Dickerson made a motion to instruct Management to contact the Yavapai County Special District Representative to determine if the wording on the "Notice of Board Position Vacancy" will suffice for appointments. The motion was seconded by Lavon Van Dusen and, upon vote, the measure passed unanimously. Decisions concerning appointments to the open positions will be postponed until the Board has further clarification from the County on this matter.

Agenda Item #8 Management Contract Renewal

Dave Moore had met with Management, and later with Chair Barrie Dickerson, to ask for some revisions to the proposed contract presented at last month's Board meeting. The Board was presented with a copy of the requested revisions which recommended:

- Not shifting the office costs from Management to the District, but rather increasing the monthly fee paid to Management by \$600 (estimated office costs) and leaving Management responsible for paying these costs.
- adding a Succession Plan if and when Management decides at the end of the five year extension, not to renew.

After some discussion, Dave Moore suggested the Board postpone the vote until the January meeting so the Board and Management have an opportunity to review the contract more thoroughly, as this is a very important document and he wants to be certain everyone is comfortable with everything stated in it. Dave made a motion to table this agenda item until the January Board meeting so everyone has time to more thoroughly study the contract and make certain they are completely comfortable with it. The motion was seconded by Barrie Dickerson and, upon vote, the measure passed unanimously.

Agenda Item #9 Update on Ansel v. BCCWID Yavapai Co Superior Court #P1300CV2016-00448

Dave Moore gave a status report on the lawsuit. On Jan. 18, 2017 depositions will take place for plaintiff Cary Ansel and for his expert witness. In February there will be a follow-up on the "Order to Show Cause" meeting with the judge. It was also noted that on Dec 5, 2016 Management Randy Hrabina was served with a notice of a suit filed against him individually (separate from the suit against the District). Randy will be defended by the same counsel that is representing the District. Sue Marley asked if there was any chance that the County Board of Supervisors would pursue Eminent Domain, possibly taking over the section of land that is the focus of the lawsuit. She stated that from her perspective, the District has been pouring time and money defending against this suit, when we have a proper and legal easement on the property. Dave Moore said he would call the county for more information, but at this time Eminent Domain had not been discussed.

Agenda Item #10 Call to the Public

None

With no other business to come before the Board, the Chair adjourned the meeting at 6:28 P.M.

CERTIFICATION:

I, Sarah J. Hrabina, certify that the Agenda for the December 27, 2016 Regular Board Meeting was publicly posted at the Black Canyon City Post Office Bulletin Board, on Friday, Dec 23, 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 01/06/2017. A full recording is available—41:57 minutes.