

**OFFICIAL MINUTES FOR THE
BLACK CANYON CITY WATER IMPROVEMENT DISTRICT
MARCH 21, 2017 REGULAR BOARD MEETING**

Chair, Dave Moore called the meeting to order at 5:49 PM.

Roll Call showed a quorum present:

Dave Moore, Chair; Eva Berst, Vice Chair; Carol Ramirez, Member-at-Large

Not in attendance: Barrie Dickerson, Treasurer. (Out-of-town for vacation/spring break)

Also in attendance: Management– Randy Hrabina, Sarah Hrabina

Owners/Users/Public: Tony Chavez, Cindy Brannan

The Chair asked for a moment of silence for the customary Reflection Time

Agenda Item #3 Board Member Reports

Dave Moore reported the postings made to BCCWID website and Black Canyon City Bulletin Board Facebook. It was noted the open Board position would be extended until the April meeting.

Agenda Item #4 Approval of Minutes: 02/28/17 Regular Board Meeting

The Chair indicated the minutes were provided in the board packets and asked if everyone had a chance to read and if there were any errors or corrections. With none noted, the Chair called for a motion to accept as written. Eva Berst moved to accept the minutes as written and Carol Ramirez seconded the motion. Upon vote, the February 28, 2017 minutes were approved unanimously.

Agenda Item #5 Treasurer's Financial Report for Approval as of 02/28/17

With the absence of the Treasurer, the Chair called upon Sarah Hrabina to present the financial report for the period ending 02/28/2017.

Account	Beginning	Ending	Change
General Fund	\$39,534.25	\$39,310.74	(\$223.51)
Security Deposits	\$44,475.00	\$44,475.00	\$0.00
Impact/Capital Fund	\$287,680.56	\$293,859.66	\$6,179.10
Arsenic Sinking Fund	\$97,820.22	\$97,845.02	\$24.80
Recap/Bank of the West	\$9,802.15	\$9,130.26	(\$671.89)
Account Totals =	\$479,312.18	\$484,620.68	\$5,308.50
Cash Management	Deposits	\$30,491.81	
GJ Adjustments:			
Monthly scanner fee		-\$45.00	
Cash Management	Disbursements	-\$25,138.31	
	Net Gain/(Loss)	\$5,308.50	

Note: disbursements (above & beyond the ordinary expenditures) included: legal fees of \$5,000

February billing totaled \$34,030.75. Water consumption for the month was reported at 3,825,000 gallons compared to 3,168,000 gallons the previous month and the Feb. 2016 comparison of 3,701,000 gallons. Total gallons billed for the fiscal year-to-date was 35,482,000 gallons (8 months); down in comparison to previous fiscal year-to-date of 38,209,000 gallons. The financials include Quick Books invoices #2207 to #2212 and In-Hance Audits #13,927 through #13,959 with the accounts receivable in both In-Hance and Quick Books balancing at \$24,168.05.

One (1) impact fee was collected in February.

The data was respectfully submitted by Management, Sarah Hrabina, reviewed and approved by Treasurer, Barrie Dickerson, for final board approval. Carol Ramirez moved to accept the financial report for the period ending 02/28/17 as submitted. The motion was seconded by Eva Berst and, upon vote, the financial report was approved unanimously.

Agenda Item #6 Operations Report and Approval as of 03/20/2017

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 19 blue stakes marked for the period; 50 pink slips. Test results from Test America for monthly Bac-t's (E-Coli & Coliform) for the month were negative. Arsenic levels for the 1st quarter were also reported.

WELL STATS: Well levels continue to remain unchanged and in the "normal" range

<u>Water Levels:</u>	<u>Feb 2017</u>	<u>March 2017</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 February 2017.

After some Board discussion, Carol Ramirez moved to accept the Operations Report as presented. Eva Berst seconded the motion and upon vote the Operations Report was approved.

Agenda Item #7 Update: Capital Improvement Expenditure for a Rodder Transmitter & Receiver System

Chair Dave Moore called upon Randy Hrabina (Management) to open the discussion. Randy indicated the equipment was not yet ready for pick up. An invoice emailed in advance is needed to get the check cut for payment (C.O.D. purchase) and has not yet been received. After discussing with Dave, what was ordered was different from what was discussed at the last Board meeting. What was approved (last month) was 1,000-ft with a device to read. Randy stated he discovered he could get the same 1,000-ft. with copper wire, but not the reading device. Randy indicated he felt the option of having the copper wire was much better and Dave agreed. We will be able to borrow Roger Wagner's reading device. Carol Ramirez asked how it changes the expenditure with Randy indicating it will actually be less. Dave Moore added not having the transmitter should actually increase its flexibility with bends and 90's and Randy concurred. After additional discussion regarding the blue stake request and status, the Chair noted there was no Board action required since the cost was less than originally approved.

Agenda Item #8 Budget & Rate Committee Report and Scheduling Public Hearing

The Chair opened the discussion indicating the committee included both himself and Barrie Dickerson from the Board, Management, Dorothy Moore and Tony Chavez who has served from the public for many years. One concern noted was water sales (Income) are down and expenses are up. Legal fees are a factor, but not exclusively. Three (3) options were reviewed by the committee. One reflected no change, one with a \$3 per mo./per customer increase and one with a \$4 per mo./per customer increase. The committee is recommending a flat rate increase of \$4 per mo./per customer. It was explained it would be reflected in the water base rate, currently \$15 per mo., increasing it to \$19/mo. The rates for actual water used, under the tier rate structure, would remain the same. The Chair called upon Sarah (Hrabina/Management) to explain the other portion of the budget. Currently monthly water bills include a line item for Capital Improvements, making those funds restricted exclusively for capital expenditures. The committee's recommendation is to move this line item to the operating or general fund and not restrict it. It would have no impact to the customer base. The impact would be on reducing the funds available for future capital improvements. Carol Ramirez inquired how that works and it was indicated funds already collected and in the Capital Improvement Fund account would continue to be restricted for capital improvements. The "new" account would not be restricted and could be used for legal fees or other costs. The Board could also approve Operating Funds be used for capital improvements, if needed.

After additional discussion the Chair called for a motion to approve the proposed rate increase with Eva Berst so moving. The motion to increase the water base rate from \$15 per mo./per customer to \$19 per mo./per customer and change the restricted capital improvement fee to a non-restricted general fund fee was seconded

by Carol Ramirez. Upon vote the motion was approved unanimously. The Chair called for a motion to approve the committee's 2017-18 Proposed Budget with Eva Berst so moving. The motion was seconded by Carol Ramirez and upon vote approved without opposition. The Board will schedule the Public Budget and Rate Hearing for the April 25, 2017 Board meeting.

Agenda Item #9 D & O Insurance

Chair Dave Moore called upon Sarah Hrabina (Management) to provide the background information on the D&O insurance. Sarah indicated the District's previous provider had declined to renew the policy due to the pending lawsuit. The premium last year had been \$805 and after NFP Insurance received quotes, the best quote was \$3,562.00. After discussion, Eva Berst moved to approve the new D&O Insurance quote. The motion was seconded by Carol Ramirez and upon vote, the motion was approved unanimously.

Agenda Item #10 Update on Ansel v. BCCWID Yavapai Co Superior Court #P1300CV2016-00448

Dave Moore gave a brief update on the lawsuit.

Agenda Item #11 Call to the Public

Tony Chavez, a frequent attendee, apologized for not attending regularly and asked for additional information regarding the rodder equipment. He also indicated the need and value of the Board having D&O insurance.

With no other business to come before the Board, the Chair adjourned the meeting at 6:38 P.M.

Chair Dave Moore noted the next Regular Board Meeting, including the Public Budget and Rate Hearing will be on April 25, 2017.

CERTIFICATION:

I, Sarah J. Hrabina, certify that the Agenda for the March 21, 2017 Regular Board Meeting was publicly posted at the Black Canyon City Post Office Bulletin Board, on March 17, 2017, on or before 4:30 PM.

Sarah J. Hrabina
Sarah J. Hrabina

ATTESTED:

I, Eva Berst, Vice Chair and "Acting" Secretary for the Black Canyon City Water Improvement District certify that the minutes, as transcribed by Sarah J. Hrabina, are true and correct to the best of my knowledge and belief.

Respectfully submitted,

Eva Berst
Eva Berst

Transcription of minutes completed on 04/11/2017. A full recording is available: 49:47 minutes.