

**OFFICIAL MINUTES FOR THE  
BLACK CANYON CITY WATER IMPROVEMENT DISTRICT  
April 25, 2017 REGULAR BOARD MEETING and PUBLIC RATE AND BUDGET HEARING**

Chair, Dave Moore called the meeting to order at 5:45 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. (Unable to attend)

Also in attendance: Management– Randy Hrabina, Sarah Hrabina

Owners/Users/Public: Tony Chavez, Scott Quillen

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.

Dave Moore reported about the open board position and a possible appointment.

**Agenda Item #4 Approval of Minutes: 03/21/17 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 March 21, 2017 minutes were approved unanimously.

**Agenda Item #5 Treasurer's Financial Report for Approval as of 03/31/17**

With the absence of the Treasurer, the Chair called upon Sarah Hrabina to present the financial report for the period ending 03/31/2017.

Account	Beginning	Ending	Change
General Fund	\$39,310.74	\$26,965.66	- \$12,345.08
Security Deposits	\$44,475.00	\$44,475.00	\$0.00
Impact/Capital Fund	\$293,859.66	\$303,279.67	+ \$6,179.10
Arsenic Sinking Fund	\$97,845.02	\$97,864.57	+ \$19.55
Recap/Bank of the West	\$9,130.26	\$18,168.73	+ \$9,038.47
Account Totals =	\$484,620.68	\$490,753.63	+ \$6,132.95

Cash Management	Deposits	\$38,805.99
GJ Adjustments:		
Monthly scanner fee		-\$45.00
NSF Check 3/29 & fees		-128.65

Cash Management	Disbursements	<u>-\$32,499.39</u>
	Net Gain/(Loss)	+ \$6,132.95

Note: disbursements (above & beyond the ordinary expenditures) included: legal fees of \$5,000, \$3,272.50, and D&O ins. \$3,562.00

March billing totaled \$28,767.87. Water consumption for the month was reported at 2,594,000 gallons compared to 3,825,000 gallons the previous month and the March 2016 comparison of 3,701,000 gallons. Total gallons billed for the fiscal year-to-date was 38,076,000 gallons (9 months); down in comparison to previous fiscal year-to-date of 42,586,000 gallons. The financials include Quick Books invoices #2213 to #2222 and In-Hance Audits #13,960 through #14,006 with the accounts receivable in both In-Hance and Quick Books balancing at \$14,319.39.

No impact fees were collected in March.

The data was respectfully submitted by Management, Sarah Hrabina, reviewed and approved by Treasurer, Barrie Dickerson, for final board approval. Eva Berst moved to accept the financial report for the period ending 03/31/17 as submitted. The motion was seconded by Carol Ramirez 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 38 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 17 blue stakes marked for the period; 29 pink slips. Test results from Test America for monthly Bac-t's (E-Coli & Coliform) for the month were negative.

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

<u>Water Levels:</u>	<u>March 2017</u>	<u>April 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 for the month of March 2017.

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

**Agenda Item #7 Public Budget and Rate Hearing**

Water District budget discussion begins at 6:00 pm. Dave Moore explains the budget committee and what their job entailed. Committee presented their recommendations at the March 2017 board meeting. Feedback was sought from the public. The committee proposed budget includes a four dollar a month rate increase per customer. The budget also includes offsetting fees that were previously collected for the capital improvement funds to be moved to the operating general funds. The move was proposed due to capital improvement funds being restricted and operating general funds being unrestricted. This move has no effect on the monthly bill for the end user. Dave Moore calls for the floor to be opened for comments from the public. No comments from the public were made. The floor was closed at 6:02 pm. Dave Moore calls for discussion from the board regarding the proposed budget changes. Dave Moore calls on management to explain the necessity of the funds being reallocated. Sarah Hrabina explains that moving the funds from capital improvements to the operating general fund would allow the funds to be used for more than just capital improvements. Management further explains that the restrictions in place on capital improvement funds means that they can only be used for capital improvements. Moving the funds to the operating general fund would allow them to be used for other purposes as deemed necessary by the board. Management anticipates that the funds can be reverted in the next year or two. Dave Moore mentions that there is a roughly ten percent decrease in water sales, the cost of doing business has gone up, and the ongoing lawsuit are all resulting in less income and more expenses. These ongoing situations are causing the rate increase to be a necessity. Carol Ramirez moved to approve the rate increase. Eva Berst seconded the motion. The board voted and the motion was approved without opposition. Eva Berst moved to approve the 2017/2018 budget. Carol Ramirez seconded the motion. The board voted and the motion passed without opposition. The budget and rate hearing ended at 6:10 pm.

**Agenda Item #8 Board Vacancy and Possible Appointment**

Dave Moore opened the discussion of board vacancy by reading a letter of intent from Scott Quillen. The letter of intent was read before the board. Scott Quillen was asked if he had anything to state about himself and he said no. Dave Moore asked if there were any questions for the interested party. Scott Quillen was asked if he was a registered voter and replied affirmatively. Dave Moore called for a vote to approve Scott Quillen for the board secretary position. Carol Ramirez motioned for the action with Eva Berst seconding it. The board voted and the motion passed with no opposition. Scott Quillen then took the oath of office as administered by Dave Moore.

**Agenda Item #9            Capital Improvements**

Dave Moore called on Randy Hrabina to discuss management's ten-year plan for capital improvements. Management then explained to the board that this year instead of a five-year plan being created they created a ten-year plan. Randy Hrabina then explained what improvements should be a priority to be addressed. Management recommended not spending a lot of the capital improvement funds and holding off on implementing the plan due to the ongoing lawsuit and funding. Management then discussed the age of the water system and the possibilities of things going bad on it and how they would need to be addressed immediately if it happened. Randy Hrabina then proposed enacting phase two of the planned valve improvement program. Management discussed the costs and benefits of the phase two improvement. It was explained that phase two would involve the installation of four new main line valves. These valves would make future work on the lines in the affected areas impact less on the customer base at any one time. Management then fielded questions from the board about the procedures of shutting off water lines and the impact it has on customers. Randy Hrabina further answered questions from the board about the impact and cost of putting off capital improvements for the time being and starting them back up in the future. It was stated that improvements that were not completed now would cost more to do in the future due to inflation. Management then explained a situation with a valve on King's Way and the last time it was needed it did not work fully and how that impacted the sites. Management then further expanded on the benefits of two previously installed valves that helped address the King's Way valve not working correctly. The board inquired to the possibility of rebuilding a valve in place of buying a new one. Randy Hrabina explained that the cost of a replacement valve would be the same if not more than a new valve. The board then inquired about the replacement of the non-working valve on King's Way and possible reasons for its failure. Management expanded on this inquiring and stated that the valve does not need replacement now. Dave Moore asked management when they would like to begin implementing phase two of the valve upgrade. Management stated that they would like to begin the valve replacements in the month of May. Management explained that it would be cheaper replacing all the valves at one time instead of piecemeal. Dave Moore called for a motion to approve the valve replacement. Eva Berst seconded the motion. The board voted and the motion passed with no opposition.

**Agenda Item #10           Delinquent Accounts**

Sarah Hrabina updated the board on delinquent accounts. It was reported that two new meters were recently added. Two current meters were delinquent and needed to be removed. Both delinquent meters had been shut off and locked for nonpayment. Both accounts had long outstanding debts that were not paid. Management reported the first delinquent account has been unable to be contacted in some time. The second delinquent account was sent a certified letter that was never signed for and returned. Sarah Hrabina explained that the policy was to write off the account debts and remove the meters. It was told to the board that this would affect future residents of the addresses with the removed meters. They would have to pay an impact fee and have the meters reinstalled. The board inquired as to the tenancy of the properties and management reported that both delinquent account properties were vacant. Eva Berst motioned to remove the two meters. Carol Ramirez seconded the motion. The motion was voted on and passed with no opposition.

**Agenda Item #11           Update on Ansel v. BCCWID Yavapai Co Superior Court #P1300CV2016-00448**

Dave Moore provided a brief update on the lawsuit. Lawsuit is being added to the agenda for the month of May for possible approval for remediation or appeal.

**Agenda Item #12      Call to the Public**

Dave Moore thanked Tony Chavez for his budget committee contributions. Tony Chavez discussed high desert park building being renovated and updated. He then discussed possible offering the use of the building for board meetings. No other members of the public spoke.

**With no other business to come before the Board, the Chair adjourned the meeting at 6:41 P.M.  
Chair Dave Moore noted the next Regular Board Meeting will be on May 23, 2017.**

**Certification:**

I, Sarah J. Hrabina, certify that the Agenda for the April 25, 2017 Regular Board Meeting was publicly posted at the Black Canyon City Post Office Bulletin Board, on April 21, 2017, on or before 4:30 PM.

*Sarah J. Hrabina*  
Sarah J. Hrabina

**ATTESTED:**

I, Scott Quillen, 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,

*Scott Quillen*  
**Scott Quillen, Secretary**

Transcription of minutes completed on 05/11/2017. A full recording is available: 57:12 minutes.