

**OFFICIAL MINUTES FOR THE
BLACK CANYON CITY WATER IMPROVEMENT DISTRICT
FEBRUARY 27, 2018 REGULAR BOARD MEETING**

Chair, Dave Moore called the meeting to order at 5:45 PM.

Roll Call showed a quorum (4 of 5):

Dave Moore, Chair; Eva Berst, Vice Chair; Barrie Dickerson, Treasurer; Jed Carter, Member-at-Large

Also in attendance: Management– Randy Hrabina, Sarah Hrabina

Public: Tony Chandler, Cindy Brannan, Vicki Zimmerman

Not in attendance: Carol Ramirez, Secretary (resignation letter to be covered in Agenda Item #8)

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

Agenda Item #7 Reynolds Road Project Bid Opening and Possible Award

The Board chose to begin the meeting with Agenda Item #7. The Chair stated that the District has advertised and received bids for the Reynolds Road Project from the following contractors: Chandler Construction, Hansel Construction, MJP Contractors, and Premier Civil Contracting. Management checked both license and insurance requirements for each contractor. A bid was also received from Lincoln Construction via mail and marked "BID", but the required separate envelope with license and insurance was not received, so this submission was considered "non-responsive". Management tried to contact the contractor but did not receive a return phone call. The Chair noted that the Board reserves the right to select the best bid, to reject all bids, or to review only at this time, approving to make the final selection at a future regular or special Board meeting.

The Chair noted that, coupled with the bids, the County has indicated they want to pave this road. County records show the roadway is actually in the Water District's name, and to pave it they will need the Board to either (1) give them an easement, or (2) quit-claim the parcel to the County. This issue was discussed in a previous Board meeting and the decision was made to get bids first to see what the District's costs would be to replace the water lines before making the final decision concerning County and this project. Before opening bids, the Chair asked that, for the record, the public in attendance state their name. The only bidding contractor in attendance was Tony Chandler. The Chair verified that all Board members had received a copy of the Scope of Work for the project.

At this point the Chair began opening the sealed bids, taking them in alphabetical order. The bid amounts were as follows:

Chandler Construction:	\$23,750.00
Hansel Construction:	\$34,020.00
MJP Contractors:	\$52,992.27
Premier Civil Contracting:	\$69,439.86

The Chair asked if any Board members or management had any questions for the one contractor who attended the meeting. Randy Hrabina stated he had no questions as to whether Tony could complete the job for that price since Chandler had done the last project and had completed it within the projected bid amount. Randy verified with Tony that it was understood that the contractor's responsibility included putting slurry under the culvert. Tony confirmed that he had understood that the slurry was required. Barrie Dickerson made a motion to accept the bid submitted by Tony Chandler for the Reynolds Road project. Eva Berst seconded the motion and, upon vote, the measure passed unanimously.

At this point the Chair asked for input concerning what to do with the road in regards to the County's desire to pave. The Board's options are to either provide an easement, or to quit-claim that portion of road to the County. Since this matter had been discussed at a previous Board meeting, the facts were reviewed briefly and it was agreed that the best option would be to quit-claim the property to the County. Barrie Dickerson made a motion to quit claim the property on Reynolds Road to Yavapai County, with Jed Carter seconding the motion. Upon vote the measure passed without opposition.

Agenda Item #3 Board Member Reports

Dave Moore reported the postings made to BCCWID website and Eva Berst reported the postings to the Black Canyon City Bulletin Board on Facebook.

Agenda Item #4 Approval of Minutes 1/23/18 Regular Board Meeting

The Jan. 23, 2018 Regular and Reorganization Board Meeting minutes were reviewed. All Board members stated they had read the minutes and found no corrections necessary. Eva Berst made the motion to accept the minutes as written. Dave Moore seconded the motion and upon vote the minutes from the Jan. 23, 2018 Regular and Reorganization Board Meeting were approved unanimously.

Agenda Item #5 Treasurer's Financial Report for Approval as of 1/31/18

Chair Moore called upon the Treasurer to present the financial report.

Barrie Dickerson presented the 1/31/18 Financial Report:

Account	Beginning	Ending	Change
General Fund	\$ 41,191.56	\$ 56,837.70	+\$15,646.14
Security Deposits	\$ 45,110.00	\$ 45,110.00	\$ -0-
Impact/Capital Fund	\$272,965.87	\$273,388.19	+\$ 422.32
Arsenic Sinking Fund	\$111,502.04	\$113,156.90	+\$ 1,654.86
Recap/Bank of the West	\$ 25,471.25	\$ 18,517.88	-\$ 6,953.37
Account Totals =	\$496,240.72	\$507,010.67	+\$10,769.95

Cash Management	Deposits	\$45,053.07
GJ Adjustments:		
Monthly scanner fee		- \$ 45.00

Cash Management	Deductions/checks	<u>-\$34,238.12</u>
	Net Gain/(Loss)	\$10,769.95

(Note #1: Includes legal installment payment of \$6,225.33;

Note#2: AZ Sales Tax payment is made with a DEBIT from the Bank of the West account)

January billing totaled \$37,322.63. Water consumption for the month was reported at 3,706,000 gallons compared to 4,084,000 gallons the previous month and the Jan 2017 comparison of 3,168,000 gallons. Total gallons billed for the fiscal year-to-date was 33,518,000 gallons (7 months); with comparison to previous fiscal year-to-date of 31,657,000 gallons. The financials include Quick Books invoices #2332 to #2340 and In-Hance Audits #15,533 through #15,591 with the accounts receivable in both In-Hance and Quick Books balancing at \$23,811.57.

No Impact Fees were collected in January.

Dave Moore moved to accept the January 31, 2018 Financial Report with Eva Berst seconding the motion. Upon vote the Financial Report as of 1/31/18 passed unanimously.

Agenda Item #6 Operations Report and Approval as of 2/26/18

Randy Hrabina presented the Operations Report, giving a recap of the January 23, 2018 through February 26, 2018 activities with 34 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 7 Blue Stakes marked for the period; 38 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>Last Report/January 2018</u>	<u>This Report/February 2018</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 daily log book for the system, as required by ADEQ, and found everything to be in order for the month of January 2018.

Dave Moore asked whether or not the sunscreen on the Kings Ranch site had been repaired. Randy Hrabina stated that after some inquiries it was found that the factory had made a mistake and had overlooked the order. The error was corrected and the repairs were supposed to have been made today. Randy will check tomorrow to make certain the work was completed. With no other discussion, Barrie Dickerson moved to accept the Operations Report as presented. Dave Moore seconded the motion and upon vote the Operations Report as of 2/26/2018 was approved unanimously.

Agenda Item #8 Board Resignation-Carol Ramirez; Open Position & Appointment of Interim Acting Secretary

The Chair verified that all Board members had a copy of the letter of resignation from Carol Ramirez, Board Secretary. Chair Moore stated that he hated to see her go as she had been very dedicated and committed to doing her job, but he understood that sometimes things just don't work out. Eva Berst made a motion to accept Carol's letter of resignation. Dave Moore seconded and, upon vote, the motion was passed unanimously.

With the position of Board Secretary now vacant, the Chair discussed the need to fill the position, stating that the opening had been posted to the public on the bulletin board and on the District website, and would continue to be posted until the position was filled. He also asked Eva Berst if she would be willing to serve as interim Acting Secretary (as she has done in the past) until the position could be filled, and she graciously agreed to do so. Jed Carter made a motion to appoint Eva Berst as the interim Acting Secretary. Dave Moore seconded the motion and, upon vote, the measure was passed without opposition.

Agenda Item #9 Budget Committee

The Chair opened the discussion pointing out that it was time, once again, to form a Budget Committee to plan the budget for the 2018-2019 Fiscal Year. Barrie Dickerson stated that, in the past, the committee was comprised of the Board Treasurer and another Board member, Sarah Hrabina from Management, as well as owner/users willing to serve on the committee. Since Tony Chavez has participated for many years, Barrie stated she would be calling him to see if he would agree to again be on the committee. At this point she had no other people in mind but would give it some thought. Dave Moore stated he might know of someone who would be willing to serve. He also stated that he had served on the Committee in the past and would be willing to do so again this year. Eva Berst inquired if there can be more than just two members of the public, and was told that there could be more, and that in the past, there had been times there were at least three.

Chair Moore gave a recap of the budget process as follows: The Committee will meet, look at the current finances, and compile a budget to present to the Board. The Committee will also review the rate structure and make recommendations. The Board will then review the options and approve a Proposed Budget and possible rate adjustment. These will be advertised, with a final Public Budget and Rate Hearing held before final approval, which must be completed by the May Board meeting. Sarah Hrabina pointed out that, in order to meet the final May deadline, the Committee had to present its recommendations to the Board by the April Regular Board meeting at the latest. She stated that, if

possible, it would be best for the Committee to make its presentation by the March meeting, as the notice for the Public Budget and Rate Hearing has to be posted for 30 days prior to the meeting and there is not a full 30 days between the April and May Board meetings. After discussion, it was determined that the Committee would be ready to present its recommendations at the March Regular Board meeting. Barrie Dickerson made a motion to approve the 2018-19 Budget Committee. Dave Moore seconded and, upon vote the measure passed unanimously.

Agenda Item #10 CPA Engagement Letter for Fiscal Year 2017/2018

Chair Moore explained that Alyx Cohan, the District's CPA, needs approval in the form of an Engagement Letter in order to perform the District's year-end audit. The fiscal year ends on June 30, 2018, so the audit would be for the 2017-2018 Fiscal Year. Alyx has performed the District's audits in the past and has done a good job. Barrie Dickerson made a motion to approve Alyx Cohan to perform the 2017-18 Fiscal Year Audit. Jed Carter seconded the motion and, upon vote the measure passed unanimously.

Agenda Item #11 Update on: Ansel vs BCCWID Yavapai Co Superior Court #P1300CV2016-00448

The Chair indicated it would not be appropriate for a lengthy discussion on the matter but gave a brief update on the lawsuit.

Agenda Item #12 Call to the Public

Vicki Zimmerman introduced herself and presented her letter of interest in filling the position of Board Secretary. She stated she works for the City of Carefree so she is familiar with procedures. Chair Moore thanked her for submitting a letter of interest.

With no other business to come before the Board, the Chair adjourned the meeting at 6:29 P.M. Chair Dave Moore thanked everyone for their attendance and announced the next Board Meeting would be March 27, 2018.

NOTE: Management indicated that, for the March Regular Board meeting, they would not be present in person, but would attend telephonically.

Certification:

I, Sarah J. Hrabina, certify that the Agenda for the February 27, 2018 Regular Board Meeting was publicly posted at the Black Canyon City Post Office Bulletin Board, on February 23, 2018, on or before 4:30 PM.

Sarah J. Hrabina
Sarah J. Hrabina

ATTESTED:

I, Dave Moore, Chair for the Black Canyon City Water Improvement District certify that the minutes are true and correct to the best of my knowledge and belief.

Respectfully submitted,

Dave Moore
Dave Moore, Chair

Transcription of minutes completed by Lavon Van Dusen 03/06/2018.
A full recording is available: 42:41 min. in length