

**OFFICIAL MINUTES FOR THE
BLACK CANYON CITY WATER IMPROVEMENT DISTRICT
APRIL 24, 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; Vicki Zimmerman, Secretary

Also in attendance: Management– Randy Hrabina, Sarah Hrabina

Public: Cindy Brannan, Stacy Thurman, Sharon Thurman, Jason Kovaleski, Kari Kovaleski

Not in attendance: Jed Carter, Member-at-Large

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 Eva Berst reported the postings to the Black Canyon City Bulletin Board on Facebook.

Agenda Item #4 Approval of Minutes 3/27/18 Regular Board Meeting

The March 27, 2018 Regular Board Meeting minutes were reviewed. All Board members stated they had read the minutes and found no corrections necessary. Barrie Dickerson made the motion to accept the minutes as written. Vicki Zimmerman seconded the motion and, upon vote, the minutes from the March 27, 2018 Regular Board Meeting were approved unanimously.

Agenda Item #5 Treasurer's Financial Report for Approval as of 3/31/18

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

Barrie Dickerson presented the 3/31/18 Financial Report:

Account	Beginning	Ending	Change
General Fund	\$ 64,676.41	\$ 75,800.92	+\$ 11,124.51
Security Deposits	\$ 45,110.00	\$ 45,110.00	\$ -0-
Impact/Capital Fund	\$273,581.11	\$273,759.70	+\$ 178.59
Arsenic Sinking Fund	\$114,736.06	\$116,310.08	+\$ 1,574.02
Recap/Bank of the West	\$ 19,031.80	\$ 18,415.60	-\$ 616.20
Account Totals =	\$517,135.38	\$529,396.30	+\$ 12,260.92

Cash Management	Deposits	\$44,059.36
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GJ Adjustments:

Monthly scanner fee	- \$	45.00
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Cash Management	Deductions/checks	<u>-\$31,753.44</u>
	Net Gain/(Loss)	\$12,260.92

(Note #1: Includes legal installment payment of \$6,000.00; NFP D&O \$3,562;

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

March billing totaled \$35,543.05. Water consumption for the month was reported at 3,389,000 gallons compared to 4,780,000 gallons the previous month and the March 2017 comparison of 2,594,000 gallons. Total gallons billed for the fiscal year-to-date was 41,687,000 gallons (9 months); with comparison to previous fiscal year-to-date of 38,076,000 gallons. The financials include Quick Books invoices #2352 to #2358 and In-Hance Audits #15,658 through #15,713 with the accounts receivable in both In-Hance and Quick Books balancing at \$17,968.70.

One Impact Fee was posted in March: a/c #82; audit #15,528 in the amount of \$2,500.00

Dave Moore pointed out two small typographical errors (date on page 1 and yearly total for 2018 gallonage on page 2) to be corrected. Eva Berst moved to accept the March 31, 2018 Financial Report with the noted corrections, with Vicki Zimmerman seconding the motion. Upon vote the Financial Report as of 3/31/18 passed unanimously.

**Agenda Item #6 Ansel v. BCCWID Yavapai Co. Superior Court #P1300CV2016-00448
Settlement Communication with Attorney**

Chair Dave Moore called for an Executive Session, to move out of the Public meeting in order to have a private conversation with the attorney in accordance with Arizona Revised Statutes. He estimated the session would take approximately 15 minutes.

At 5:56 Dave paused the public meeting and the Board members and Management team moved to a private conference room for the Executive Session.

At 6:25 The Board and Management returned from the Executive Session and Chair Dave Moore reconvened the Public Regular Board Meeting.

Agenda Item #7 Operations Report and Approval as of 4/23/18

Randy Hrabina presented the Operations Report, giving a recap of the March 21, 2018 through April 23, 2018 activities with 25 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 4 Blue Stakes marked for the period; 30 pink slips.

Test results from Test America for monthly Bac-t's (E-Coli & Coliform) for the month were negative.

WELL STATS: Well levels dropped again this month

Water Levels:	Last Report/ March 2018	This Report/ April 2018
Big John #1	23' Draw to 25'	25' Draw to 27'
Big John #2	23' Draw to 25'	25' Draw to 27'
GOA #1	23' Draw to 25'	25' Draw to 27'
GOA # 2	23' Draw to 25'	25' Draw to 27'
Oasis # 1	23' Draw to 25'	25' Draw to 27'
Oasis # 2	23' Draw to 27'	25' Draw to 27'

Well levels have dropped two feet in the last week and a half, which is very unusual for April. Randy reported that the well stats have never before been this bad in April.

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 March 2018.

Barrie Dickerson inquired as to the service call to the Dog Track. Randy stated that the water had been turned on for the customer and someone stole the brass fittings out of the back flow, causing a water leak. This has happened 3 or 4 times in the past year. When the Sheriff's Office called and reported water running at the dog track, Management turned off the water at Maggie Mine Road.

With no other discussion, Vicki Zimmerman moved to accept the Operations Report as presented. Eva Berst seconded the motion and, upon vote, the Operations Report as of 4/23/2018 was approved unanimously.

Agenda Item #8 2017 Consumer Confidence Report

Chair Dave Moore explained that, annually, Management compiles the data required for the ADEQ report. In addition to the report, the District also includes an optional, informative letter to go along with the report. The report and letter are mailed to all Water District Owner/Users. Management provided each Board member a copy of the proposed letter for Board review and approval. Randy Hrabina stated that results of all samplings done by Management, ADEQ, and other agencies, will also be included in the information sent out with the letter and report. He added that the District has had no

violations in any area for this period. Barrie Dickerson made a motion to approve the 2017 Consumer Confidence Report and letter to be sent out to the public. Eva Berst seconded and, upon vote, the motion carried unanimously.

Agenda Item #9 Sales Tax Reports

The Chair, Dave Moore, directed attention to the brief outline from Sarah Hrabina, detailing her endeavors with the State of Arizona regarding the District's payment of sales tax to the State. Sarah provided the Board with additional information explaining how far back (2007 and 2009) some of the disputed payments were dated. After many hours of work trying to prove to the State that all taxes had been paid (including sending them copies of cancelled checks), the State determined that the amount still due from the District totaled \$154.71. Although she feels the District did not owe that amount, Sarah felt that was probably the closest the State would come to resolving the issues, so she paid that amount to them. She asked that the Board would approve her decision to make that payment.

Dave Moore made a motion to approve Management's action in paying the \$154.71 to the state of Arizona. Vicki Zimmerman seconded the motion and, upon vote, the measure passed unanimously.

Agenda Item #10 Arsenic System Upgrades

Chair Dave Moore asked Management Randy Hrabina to discuss the Arsenic System Upgrades. Randy began by explaining that the District's current arsenic system was installed in 2006, so it is now 12 years old. During that time the only money spent on it has been to replace the media when necessary. Now the system is in need of upgrades, as two of the systems cannot be backwashed without taking the controls from the third system. If the controls from the third system fail, it would not be possible to backwash the systems as needed, and arsenic levels would increase at all sites. Management has received a quote from AdEdge (the company from which the current systems were purchased) detailing what it will cost the district to do the necessary upgrades: \$73,167 plus tax and freight. The cost includes a one year warranty, except for electrical components, which have a two year warranty. This price does not include labor for installation, which would be the responsibility of the District. The cost for this system upgrade would come from the Capital Improvements Fund.

Dave Moore inquired as to the possibility of going to a manually controlled system rather than the current automatic system. Randy explained that, while a manual system would cost less, there are numerous advantages provided by the automatic system, including monitoring of things like what is going through each vessel and pressures within each system. Barrie Dickerson asked if a manual system might last longer than an automatic system. Randy did not feel this would be the case because the valves would wear out with either system. He felt that the new system should last longer than the current system did, due to the many improvements made since the first systems were developed, and that when components go bad in the future, they will be easier to replace.

Randy also stated that the GOA site would need arsenic media replacement by the first week of June of this year, pending Board approval. The arsenic levels quarterly testing reported last month showed the arsenic level at GOA to be 8.2 (regulations require this level to be below 10). The cost for the media would be approximately \$45,000, which would come from the Arsenic Sinking Fund.

With no further discussion, Barrie Dickerson made a motion to proceed with the arsenic system upgrades as requested by Management. The motion was seconded by Eva Berst and, upon vote, the Board approved the measure unanimously.

Agenda Item #11 New Well

Chair Dave Moore again called on Management Randy Hrabina, this time to discuss a request for Board approval to drill a new well. As stated earlier in the Operations report, the well levels are dropping due to the drought. Randy explained that at GOA #1 this is made worse by the fact that a few years ago, this site caved in. A well driller was brought in to blow it out, but it caved in again, making the well depth shrink from 70' to 53'. Due to the fact that it takes a minimum of 6 weeks to get a permit to drill, and the well driller will not schedule it until the District has the permit, Randy feels that the process needs to be started as soon as possible. In the early 2000's drought conditions made the

wells run very low and the District had to drill four new wells. Management wants to get the new well in place before GOA #1 reaches this point. The proposed new well would be drilled about 10' from the GOA #1 well. Randy explained that there are limited areas in Black Canyon good for drilling wells, and the current well sites are the best locations available to the District. The new well would be 70', as GOA #1 was originally. With Board approval, Randy will call immediately to get the process going. He is hoping to be able to schedule with Garth from Drill Tech (Randy's preferred driller) since he will drill a 12" well. If Garth is not available, Randy's second choice is Western Drilling, but they will only drill an 8" well. When asked about cost, Randy stated that the drilling would probably run around \$10,000-\$15,000, if the existing pump can still be used (which Randy felt would be possible).

With no further discussion, Barrie Dickerson made a motion to approve the new well at GOA #1 with Vicki Zimmerman seconding. Upon vote, the measure passed unanimously.

Agenda Item #12 Call to the Public

Jason Kovaleski had three questions;

- 1) How do the current well levels (affected by the drought) compare to previous years? Randy responded that this is the worst drop ever in well levels for the month of April.
- 2) When the new well is drilled, will the old one be abandoned or will it still be used as long as it is viable? Randy stated that if all goes as hoped, the old well would still be used, along with the new well. If both wells are viable, an additional pump would need to be purchased.
- 3) Is the new arsenic system basically the same system, just new electronics, or is it a whole new type of system? Randy stated it is the same system, just new electronics as the old ones have gone bad, they are outdated, and he can't get parts to repair them.

Jason also thanked Management and the Board for doing the work on Reynolds Road. This was followed by a question from the public as to whether or not Reynolds Road would be paved. Management explained that the County is responsible for the paving, and they should be getting that project done in the near future.

Sharon Thurman asked a question as to the availability of District water service to her property. She is currently on a well, but wants the option to get BCCWID water if the need arises. Management asked for her contact information and stated they would make certain she had water to a meter at her property for future use.

With no other business to come before the Board, the Chair adjourned the meeting at 6:59 P.M. Chair Dave Moore thanked everyone for their attendance and announced the next Board Meeting and the Public Budget Hearing will be May 22, 2018.

Certification:

I, Sarah J. Hrabina, certify that the Agenda for the April 24, 2018 Regular Board Meeting was publicly posted at the Black Canyon City Post Office Bulletin Board, on April 20, 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 05/09/2018.

A full recording is available in 2 parts: Part One: 10.33 min. in length; Part Two: 33.19 min. in length