

**OFFICIAL MINUTES FOR THE  
BLACK CANYON CITY WATER IMPROVEMENT DISTRICT  
MARCH 26, 2019 REGULAR BOARD MEETING**

Chair, Dave Moore called the meeting to order at 5:48 PM,  
Roll Call showed a quorum (4 of 5):  
Dave Moore, Chair; Eva Berst, Vice Chair; Dorothy Moore, Treasurer; Jed Carter, Member-at-Large  
Secretary: currently an open position  
Also in attendance: Management– Randy Hrabina, Sarah Hrabina attending telephonically  
Public: Scott and Diana Butler  
The Chair asked for a moment of silence for the customary Reflection Time

**Agenda Item #3 Board Member Reports**

Dorothy Moore reported on her tour of the District with Randy Hrabina, stating she found it more detailed and complicated than she had thought it would be. Eva Berst reported the postings to the Black Canyon City Bulletin Board on Facebook and Dave Moore reported the postings made to the BCCWID website.

**Agenda Item #4 Approval of Minutes 2/26/19 Regular Board Meeting**

The February 26, 2019 Regular 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. Jed Carter seconded the motion and, upon vote, the minutes from the February 26, 2019 Regular Board Meeting were approved unanimously.

**Agenda Item #5 Treasurer's Financial Report for Approval as of 2/28/19**

Treasurer Dorothy Moore presented the 2/28/19 Financial Report:

Account	Beginning	Ending	Change
General Fund	\$ 64,903.38	\$ 72,191.52	\$ 7,288.14
Security Deposits	\$ 45,540.00	\$ 45,540.00	\$ 0.00
Impact/Capital Fund	\$102,826.21	\$103,639.50	\$ 813.29
Arsenic Sinking Fund	\$ 86,166.87	\$ 89,011.85	\$ 2,844.98
Recap/Bank of the West	\$ 20,210.56	\$ 5,888.78	-\$ 14,321.78
Account Totals =	\$319,647.02	\$316,271.65	-\$ 3,375.37
Cash Management	Deposits		\$ 30,918.79
GJ Adjustments:			
Monthly scanner fee			-\$ 45.00
Cash Management	Deductions/checks		-\$ 34,249.16
	Net Gain/(Loss)		-\$ 3,375.37

(Disbursements includes Chandler Construction OBC Hwy Project #2 40% \$19,400)

Sarah Hrabina reported that AZ Sales tax is due by the 20th of each month; however, the Feb report/payment was NOT made on time. Although she usually does this earlier in the month, Sarah attempted to do this just before the deadline & had a computer glitch in updating her password. The delay caused the payment to be late & a penalty incurred in the amount of \$134.46. If the Board wants Management to reimburse the District for the penalty they will.

February billing totaled \$37,272.55. Water consumption for the month was reported at 3,750,000 gallons compared to 3,594,000 gallons the previous month and the February 2018 comparison of 4,780,000 gallons. Total gallons billed for the fiscal year-to-date was 33,737,000 gallons (8 months); with comparison to previous fiscal year-to-date of 38,298,000 gallons. The financials include Quick Books invoices #2472 to #2477 and In-Hance Audits #16,340 through #16,390 with the accounts receivable in both In-Hance and Quick Books balancing at \$30,459.36.

Review of all audit adjustments was done- 7 of the 9 were customer refunds for properties sold; 1 delinquent fee posted; and 1 tier rate adjustment a/c#644 for major water leak (106k gals)

No Impact Fees were collected in February.

Dave Moore made a motion to accept the Financial Report as presented, with the change of the Disbursements as discussed, removing the two from last month and adding the one from this month, as well as moving that the District will pay the \$134.46 penalty incurred for the late payment for the AZ state sales tax, since Management rarely makes a late payment. Eva Berst seconded the motion with the corrections and addressing of the late payment and, upon vote, the motion carried unanimously.

**Agenda Item #6 Operations Report for Approval as of 3/15/19**

Chair Dave Moore suggested that since Randy Hrabina was attending the meeting telephonically, he would not need to go over the entire report in detail. Instead it would be more productive to just have Board members review the report and ask any questions they might have. The report covered work completed from Feb. 26, 2019 through March 15, 2019 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 9 Blue Stakes marked for the period; pink slips were not out as of reporting date.

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

WELL STATS: Well levels continue to be in the NORMAL range

Water Levels:	Last Report/ Feb 2019	This Report/ March 2019
Big John #1	21' Draw to 23'	21' Draw to 23'
Big John #2	21' Draw to 24'	21' Draw to 24'
GOA #1	21' Draw to 23'	21' Draw to 23'
GOA #2	21' Draw to 25'	21' Draw to 25'
Oasis #1	22' Draw to 25'	22' Draw to 25'
Oasis #2	22' Draw to 25'	22' Draw to 25'

Black Canyon Highway Project is complete including re-blacktopping and clean-up. Once Management verifies that the County has written off the finalized project, the last 10% owed to the contractor will be paid.

Dave Moore inquired as to the two "Customer Service/Other" work orders that stated, "Monument Lid raised", as he was unfamiliar with that job description. Randy explained that where there are valves (which are close to the road or in the blacktop) there are monuments that are cemented in and they are blacktopped around, or if they are out of the blacktop, they are just raised up. Over time, the monuments can become too low due to re-blacktopping, or gravel/dirt building up around the monument. The two monuments in question were too low and needed to be raised.

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 February 2019.

Randy asked to take a moment to discuss the upcoming media replacement project. He explained that periodically (every 3 to 5 years), the media in the arsenic systems needs to be replaced in order to continue functioning properly. Currently the systems at Oasis and Big John are due to be replaced. AdEdge is the company that installed the systems (back in 2006) and they are the ones from whom the District purchases the replacement media. The cost, per site, is \$46,177 plus sales tax. That cost includes AdEdge coming out, removing all old media, disposing of the old media by taking it to an ADEQ approved dump site, and then installing the new media. Doing both sites will cost a total of \$92,354 plus sales tax. This price includes all labor and shipping but does not include the sales tax. However, sales tax is charged on materials only, not labor. Randy estimates the sales tax will be around \$4,500. The media replacement is required by ADEQ when arsenic levels begin to rise, so the District is required to do it. This process is part of the periodic maintenance needed to keep the District functioning, but since it involves such a large outlay of money, Randy wanted the Board to be aware of this upcoming cost.

Dave Moore commented that it was his understanding that it had been expected that the media at Big John would need to be replaced, but that the Arsenic count at the Oasis site would not rise as quickly as it did. Randy agreed, explaining that typically Big John and GOA need replacements sooner than Oasis, which seems to go on and on before needing media replacement. Because of this, Management has been pumping more water into the system from the Oasis site in order to try to get a bit more life out of the media at the GOA and Big John sites. As a result of doing that, the arsenic numbers at Oasis went up quicker than expected, so it is in need of being replaced now. The media at the Oasis site was last replaced in January of 2015, and at the Big John site September 2014. Since two sites need to be done at once, there will be a slight shortfall of funds in the Arsenic Sinking Fund, so the balance (approximately \$5,000 to \$6,000) will have to be taken out of the General Fund. Chair Moore commented that this should not be a problem, as the needed funds are available in the General Fund.

With no further discussion or questions, Dave Moore made a motion to accept the operations report as of March 15, 2019, with the inclusion of the expenditure of approximately \$96,000 of which \$89,000 will come out of the Arsenic Sinking Fund and the remainder of the expense coming out of the General Fund. The motion was seconded by Jed Carter and, upon vote, the measure passed unanimously.

**Agenda Item #7            Open Board Position/Letter-of-Intent; Appointment**

Chair Moore explained that, as discussed briefly at the previous Board meeting, Scott Butler had submitted a Letter-of-Intent in regards to the open Board position, but had been unable to attend last month's meeting. Dave asked him to introduce himself and tell the Board a little about himself. Scott stated he is a nurse who has been an Arizona resident for 12 years and has lived in Black Canyon City for almost a year. Although he has no specific Board experience Scott has concerns about water for himself and his family. The Chair then verified that Scott is a registered Arizona voter and asked other Board members if they had any other questions for Scott. There were none.

With no other comments or questions, Eva Berst made a motion to appoint Scott Butler to the Board in the position of Secretary. The motion was seconded by Dave Moore and, upon vote, the measure passed unanimously.

**Agenda Item #8            Oath-of-Office**

Chair Dave Moore asked Scott Butler to come forward to take the oath-of-office. Scott came forward and was sworn in as the Board's newest member. Following the swearing in, Scott joined the rest of the Board at the table.

**Agenda Item #9            Budget Committee Report and Recommendation**

The Chair directed the attention of the Board members to the Report from the Budget Committee for the upcoming 2019-2020 Fiscal Year. The Committee was comprised of two Board members; Chair Dave Moore and Vice-Chair Eva Berst; Sarah Hrabina from Management; and from the Public, Tony Chavez and Dave Norton. Committee members all felt very good with where the District is with this year's budget. There were some minor revisions made for this budget. The only major change was reversing the monthly surcharge taking it out of the Operating Budget and including it in Capital Improvements Budget.

The proposed Budget does not include any rate increases at this time. However, the Committee did discuss the effects of a \$1 per customer, per month rate increase, which would equate to approximately \$10,000 of additional revenue for the District per year. Sarah Hrabina explained that this idea was suggested in order to give the Board an additional option when considering the budget for the next fiscal year. She added that the Budget Overview reviewed by the Budget Committee needed a revision since the original overview was showing an "Arsenic Sinking Fund Carryover" which now will not be available since the arsenic media needs to be replaced at two well sites.

Dave pointed out that the Board is not required to accept the Committee's proposal, if they felt another plan would be better. However, he stressed that the Budget Committee had studied all the financial information and, based on that data, made their recommendations of either no rate increase or the \$1 increase. Dave's personal feeling was that any increase should be delayed for another year if possible, but it was up to the Board to make the final determination.

Jed Carter expressed concerns that the Arsenic Sinking Fund was being depleted. He asked how long it might be before the District would be needing those funds again. Randy Hrabina answered that the arsenic media had been recently replaced at the GOA site, so the District should not have to be doing any more media replacement (following the upcoming replacement for Oasis and Big John) for several years. He did point out though, that they can never know for sure and that water usage affects how often the media replacement is needed. He said, based on past usage, that GOA should not need media replacement for 2 ½ to 3 years. Randy stated that, historically, the District has always had the money needed for arsenic media replacement (other than currently being somewhat short due to two sites needing to be done at once). With this assurance from Randy, Jed agreed that the District could probably hold off on raising rates for another year.

Dorothy Moore said she was in agreement with no rate increase, stating that the customers have done well with trying to conserve water and she hated to hit them with an increase when the customers had done what was asked of them. Dave added that during the Budget Committee meeting one of the members from the Public stated that, to raise rates after the customers had worked so hard to conserve, would seem like a slap in the face to the owner/users. Eva Berst also concurred with this thinking.

With no further discussion, Jed Carter made a motion to approve the budget as presented with no rate increases, amending acct# 704, reducing that account, as well as reducing acct# 694 by the same amount. Dave Moore seconded the motion and, upon vote, the measure passed unanimously.

The next step will be to advertise the Proposed Budget with a final Public Budget Hearing to be advertised for the May 28th Board meeting.

**Agenda Item #10      Call to the Public**

None

**With no other business to come before the Board, the Chair adjourned the meeting at 6:38 P.M. Chair Dave Moore thanked everyone for their attendance and announced that the next Board Meeting will be April 23, 2019.**

**Certification:**

I, Sarah J. Hrabina, certify that the Agenda for the March 26, 2019 Regular Board Meeting was publicly posted at the Black Canyon City Post Office Bulletin Board, on March 15, 2019, on or before 4:30 PM.

**Sarah J. Hrabina**

Sarah J. Hrabina

**ATTESTED:**

I, Scott Butler, Secretary 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,

**Scott Butler**

Scott Butler, Secretary

Transcription of minutes completed by Lavon Van Dusen 4/9/2019.

A full recording is available; 0:49:53 in length