

**OFFICIAL MINUTES FOR THE
BLACK CANYON CITY WATER IMPROVEMENT DISTRICT
MARCH 24, 2020 REGULAR BOARD MEETING**

Chair, Dave Moore called the meeting to order at 5:51 PM, explaining that this month's meeting was being held at the Water Office since the Public Library, the usual location for the Board meeting, is closed due to the COVID-19 virus.

Roll Call showed a quorum (5 of 5):

Dave Moore, Chair; Dorothy Moore, Treasurer; Jed Carter, Member-at-Large (arrived 5:58)

Attending Telephonically: Scott Butler, Vice Chair; Karen Gray, Secretary

Management– Randy Hrabina, Sarah Hrabina

Public: Tony Chavez

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 the Black Canyon City Bulletin Board on Facebook as well as to the BCCWID website. Dave mentioned that, due to the COVID-19 virus, it is uncertain as to whether or not public facilities will be open in time for the April, or even the May meeting. If public facilities are not open, Dave encouraged telephonic attendance until public facilities are re-opened. Yavapai County Board of Supervisors has suspended Public Call at their Board of Supervisors meetings until June 17. Dave stated the BCCWID might need to do the same at future Board meetings until the pandemic subsides.

Agenda Item #4 Approval of Minutes for 2/25/20 Regular Board Meeting

The minutes for the February 25, 2020 Regular Board Meeting were reviewed. All Board members stated they had read the minutes and found no corrections necessary. Dave Moore made the motion to accept the minutes as written. Dorothy Moore seconded the motion and, upon vote, the minutes from the February 25, 2020 Regular Board Meeting were approved unanimously.

Agenda Item #5 Treasurer's Financial Report for Approval as of 2/28/20

Treasurer Dorothy Moore presented the 2/28/20 Financial Report:

Account	Beginning	Ending	Change
General Fund	\$ 34,043.77	\$ 29,582.73	-\$ 4,461.04
Security Deposits	\$ 45,990.00	\$ 45,990.00	\$ 0
Impact/Capital Fund	\$ 86,666.28	\$ 93,311.88	+\$ 6,645.60
Arsenic Sinking Fund	\$ 36,496.63	\$ 38,996.63	+\$ 2,500.00
Recap/Bank of the West	\$ 11,060.37	\$ 19,404.11	+\$ 8,343.74
Account Totals =	\$214,257.05	\$227,285.35	+\$ 13,028.30
Cash Management	Deposits		+\$ 41,540.31
GJ Adjustments:			
Less: Monthly scanner fee			-\$ 45.00
Two Voided checks (#11459 & #11517)			+\$ 75.23
Cash Management	Deductions/checks		- \$ 28,542.24
	Net Gain/(Loss)		<u>+\$ 13,028.30</u>

Feb billing totaled \$36,303.21. Water consumption for the month was reported at 3,448,000 gallons compared to 3,596,000 gallons the previous month and the February 2019 comparison of 3,750,000 gallons. Total gallons billed for the fiscal year-to-date was 35,006,000 gallons (8 months); with comparison to previous fiscal year-to-date of 33,737,000 gallons. The financials include Quick Books invoices #2617 to #2626 and In-Hance Audits #17,084 through #17,127 with the accounts receivable in both In-Hance and Quick Books balancing at \$30,708.39.

Review of all audit adjustments was done- delinquent & penalty fees posted; Final Reads/refund Sec Deposits; re-read/corrections; turn-on;/turn-off

Two Impact Fees were recorded in February

Audit#17,125 a/c#819; Audit#17,127 a/c#820
Total \$5,000.00

Sarah Hrabina stated that, in keeping with Social Distancing and other safety recommendations to prevent the spread of COVID-19, the Water Office doors will be locked, even during business hours. Notices will be posted at the Water Office, Post Office, and on the BCCWID website. Customers who usually pay in person will be instructed to put payments in the drop box pipe. Those who usually pay in cash will be encouraged to get a money order from the post office, before placing payment in the drop pipe. Anyone putting cash in the drop pipe will do so at their own risk.

With no further questions or discussion, Karen Gray made a motion to accept the 2/28/20 Financial Report as presented. Dave Moore seconded the motion and, upon vote, the motion carried unanimously.

Agenda Item #6 Operations Report for Approval as of 3/23/20

Randy Hrabina presented the Operations Report, giving a recap of the Feb 25, 2020 through March 23, 2020 activities with 18 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; 48 pink slips.

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

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

Water Levels:	Last Report/ Feb 2020	This Report/ Mar 2020
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'

System Operator, Bob Hanus inspected the daily logbook for the system, as required by ADEQ, and found everything to be in order for the month of February 2020.

Management stated that GOA #3 is finished, including the sand filter, except for the final hook-up at the well. Randy has been waiting for the completion of the water samples report, which he received in an email today. He now has to print out the report (approx. 157 pages), fill out some paperwork, and send some to ADEQ and some to Water Resources, which he will do this week. Once approved by ADEQ, the well can be put online.

Jed Carter asked if Management might foresee a problem in getting necessary water treatment chemicals caused by the COVID-19 shutdowns. Randy stated that he had just recently bought an additional supply, so he has an adequate amount to last for several months.

Management Randy Hrabina stated that GOA was temporarily shut down so he could change out an electric panel. Dave Moore asked for further explanation as to the work that was needed at this site. Randy explained that it was an electrical issue that he had worked on about a month ago. He was able to do a temporary fix, but needed to do a more complete repair. The work will be finished tomorrow and the well will be put back online.

With no further discussion or questions, Dave Moore made a motion to accept the operations report as of March 23, 2020. The motion was seconded by Jed Carter and, upon vote, the measure passed unanimously.

Agenda Item #7 2020-21 Budget & Rate Committee Report & Recommendation

Chair Dave Moore began by thanking the Budget Committee volunteers for their time and efforts. Committee members included Chair Dave Moore (replacing Scott Butler due to COVID-19 concerns); Treasurer, Dorothy Moore; Sarah Hrabina, Management; and from the public, Tony Chavez and Kariisse Stanger.

At Dave's request, Sarah gave a recap of the meeting, stating that they began by reviewing the current budget and seeing how well it was functioning for the District in the 2019-2020 Fiscal year. Sarah noted that income was slightly higher than expected due to higher water usage compared to this time last year. There were also a few other numbers that were either increased or decreased slightly. From this information three possible budgets were created for the committee to discuss:

1) no rate change

2) \$2 rate increase per customer/per month with \$1 for Capital Improvements, and \$1 for Operations/Maintenance (General Fund)

3) \$3 rate increase per customer/per month with \$1 for Capital Improvements, and \$2 for Operations/Maintenance (General Fund). It is important to note here that, if needed, funds can be moved from the General Fund to the Capital Improvements Fund. However, funds cannot be moved from Capital Improvements to the General Fund.

The Committee discussed the effects of a flat rate increase determining every \$1 per customer/per month increase equates to approximately \$10,000 additional revenue.

Dave Moore then led a discussion, allowing all Board members to express their thoughts on the District's current budget and opinions on the three budget options presented by the Committee. In looking at the data to-date at the time of the meeting, it was noted that the financials had not been that low at that date since 2015. The Budget Committee in 2015 chose not to have a rate increase for the next fiscal year. However, they had to revisit the decision in July 2015 at which time it was determined then that there was a need for a \$3 rate increase, which was then implemented. The last District rate increase was in 2017. Because costs have gone up since that time, it is necessary to consider a rate increase. Another concern is that the District's current Management team, whose contract ends in two years, does a lot of things at no additional cost, that a new management team most likely will charge for. Also, there is a local contractor that does the District's big Capital Improvements projects who is much less expensive than the competition coming from out of town. When he retires, the costs for Capital Improvements will increase significantly. The new budget needs to include the Capital Improvements funds to complete projects while the District is able to do it at a lower cost. With all these things in mind, the consensus was that Option #3, a \$3 rate increase, was in the best interest of the District. Jed Carter made a motion to accept Option #3 (\$3 rate increase) for the 2020-21 Proposed Budget. Scott Butler seconded the motion and, upon vote, the measure passed unanimously.

Agenda Item #8 Schedule Public Budget & Rate Hearing

Chair Dave Moore explained that the District is required to present the proposed budget to the public and must advertise the Public Budget and Rate Hearing. Due to concerns of the COVID-19 library closure limiting space for the April meeting, the Hearing will be held at the May 26, 2020 Board meeting. No Board action was required for this agenda item.

Agenda Item #9 CPA Engagement Letter (tabled from last month)

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, 2020, so the audit would be for the 2019-2020 Fiscal Year. Alyx has performed the District's audits in the past and has done a good job. Dave gave a quick review of the fees that Alyx would most likely be charging for her services based on what the District had paid her in the past. Dorothy Moore made a motion to approve Alyx Cohan to perform the 2019-20 Fiscal Year Audit. Jed Carter seconded the motion and, upon vote the measure passed unanimously.

Agenda Item #10 Call to the Public

Tony Chavez encouraged everyone to be optimistic about how things are going with the COVID-19 virus, as he feels it will be over soon. He does feel that the Water District is being run as well as possible under the circumstances.

With no other business to come before the Board, the Chair adjourned the meeting at 6:39 P.M.

Chair Dave Moore thanked everyone for their attendance and announced that the next Board Meeting will be held on Tuesday, April 28, 2020.

Certification:

I, Sarah J. Hrabina, certify that the Agenda for the March 24, 2020 Regular Board Meeting was publicly posted at the Black Canyon City Post Office Bulletin Board, on March 17, 2020, on or before 4:30 PM.

Sarah J. Hrabina

Sarah J. Hrabina

ATTESTED:

I, Karen Gray, 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,

Karen Gray

Karen Gray, Secretary

Transcription of minutes completed by Lavon Van Dusen 4/22/2020.

A full recording is available; 49:33 in length.