

**OFFICIAL MINUTES FOR THE
BLACK CANYON CITY WATER IMPROVEMENT DISTRICT
SEPTEMBER 22, 2020 REGULAR BOARD MEETING**

Chair Dave Moore called the meeting to order at 5:55 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. Dave noted that the public was encouraged to attend telephonically and to email any questions they might have to the Board Chair. He did not receive any emails from the public, nor any requests to attend the meeting telephonically.

Roll Call showed a quorum (4 of 5):

Dave Moore, Chair; Dorothy Moore, Treasurer

Attending Telephonically: Scott Butler, Vice Chair; Jed Carter, Member-at-Large

Management: Randy Hrabina, Sarah Hrabina

Not in attendance: Karen Gray, Secretary

Public: None

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

Agenda Item #3 Board Member Reports

Dave Moore verified with Scott Butler that District information was posted on the usual Facebook pages. Dave also reported the postings to the BCCWID website.

Agenda Item #4 Approval of Minutes for 7/28/20 Regular Board Meeting

The minutes for the July 28, 2020 Regular Board Meeting were reviewed. All Board members stated they had read the minutes and found no corrections necessary. Jed Carter made the motion to accept the minutes as written. Scott Butler seconded the motion and, upon vote, the minutes from the July 28, 2020 Regular Board Meeting were approved unanimously.

Agenda Item #5 Treasurer's Financial Report for Approval as of 7/31/20 and 8/31/20

Treasurer Dorothy Moore first presented the 7/31/20 Financial Report:

Account	Beginning	Ending	Change
General Fund	\$ 65,462.06	\$ 55,327.47	-\$ 10,134.59
Security Deposits	\$ 46,250.00	\$ 46,250.00	\$ 0.00
Impact/Capital Fund	\$126,354.33	\$136,109.86	+\$ 9,755.53
Arsenic Sinking Fund	\$ 49,235.78	\$ 51,748.72	+\$ 2,512.94
Recap/Bank of the West	\$ 8,708.89	\$ 18,345.30	+\$ 9,636.41
Account Totals =	\$296,011.06	\$307,781.35	+\$ 11,770.29
Cash Management	Deposits		+\$ 52,797.91
GJ Adjustments:			
Less: Monthly scanner fee			-\$ 45.00
Cash Management	Deductions/checks		- \$ 40,982.62
	Net Gain/(Loss)		+\$ 11,770.29

July billing totaled \$50,717.50. Water consumption for the month was reported at 5,958,000 gallons compared to 6,547,000 gallons the previous month and the July 2019 comparison of 5,395,000 gallons. Total gallons billed for the fiscal year-to-date was 5,958,000 gallons (1 month); with comparison to previous fiscal year-to-date of 5,395,000 gallons. The financials include Quick Books invoices #2675 to #2686 and In-Hance Audits #17,386 through #17,439 with the accounts receivable in both In-Hance and Quick Books balancing at \$34,617.73.

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

No Impact Fees were recorded in July.

Dorothy then presented the 8/31/2020 financial report:

Account	Beginning	Ending	Change
General Fund	\$ 55,327.47	\$ 66,860.46	+\$ 11,532.99
Security Deposits	\$ 46,250.00	\$ 46,250.00	\$ 0.00
Impact/Capital Fund	\$136,109.86	\$146,024.76	+\$ 9,914.90
Arsenic Sinking Fund	\$ 51,748.72	\$ 54,252.13	+\$ 2,503.41
Recap/Bank of the West	\$ 18,345.30	\$ 14,033.71	-\$ 4,311.59
Account Totals =	\$307,781.35	\$327,421.06	+\$ 19,639.71

Cash Management	Deposits	+\$ 53,784.52
GJ Adjustments:		
Less: Monthly scanner fee		-\$ 45.00
Bank of West new checks printed		-\$ 64.49

Cash Management	Deductions/checks	- \$ 34,035.32
	Net Gain/(Loss)	<u>+\$ 19,639.71</u>

Aug billing totaled \$51,136.97. Water consumption for the month was reported at 5,950,000 gallons compared to 5,958,000 gallons the previous month and the Aug 2019 comparison of 5,937,000 gallons. Total gallons billed for the fiscal year-to-date was 11,908,000 gallons (2 months); with comparison to previous fiscal year-to-date of 11,332,000 gallons. The financials include Quick Books invoices #2687 to #2699 and In-Hance Audits #17,440 through #17,504 with the accounts receivable in both In-Hance and Quick Books balancing at \$35,961.14.

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

One Impact Fee was recorded in August: Audit #17,472 a/c#802 \$2,500

With no further discussion, Dave Moore made a motion to accept the 7/31/20 and 8/31/20 Financial Reports as presented. Jed Carter seconded the motion and, upon vote, the motion carried unanimously.

Agenda Item #6 Operations Report for Approval as of 9/21/20

Randy Hrabina presented the Operations Report, giving a recap of the July 28, 2020 through Sept 21, 2020 activities with 50 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; 38 pink slips (but management is still working on them), and Back Flow testing notices have been sent out.

Management had to replace the control panel at Big John #1 and had to have the pump pulled as the motor had quit working. Randy was able to replace the pump motor with a 15HP motor that was in stock. The pump and motor had been pulled from a well the District had leased from the Albins years ago. The motor was taken off the old pump and installed into the Big John pump making the repair less expensive. Drill Tech is the company that management now uses for pulling pumps since Pump Tech has closed due to retirement. They did the pump pulling job for \$750 total.

Randy stated that the new control panel put in at Big John was the last one the District had on hand (not counting two Series 1 panels which are for the boosters). Management mentioned that control panels that were priced at \$600-\$800 a year or so ago, are now running approximately \$2600. Randy found one for \$999 and is planning on buying it so the District has one on hand for the next time a control panel has to be replaced.

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

3rd Quarter Arsenic:

	1 st Qtr	2nd Qtr	3 rd Qtr
GOA	0.0031	0.0048	0.0062
Big John	<0.0010	<0.0010	0.0010
Oasis	<0.0010	<0.0010	<0.0010

NOTE: Management estimates that GOA arsenic media may need to be changed out in 2021

Lead & Copper Samples

Randy discussed the lead and copper testing required by ADEQ. All 10 copper samples were below the action level; however, 2 of the lead samples tested slightly above the action level of 15 ppb. One was 21; the other 22. As a result, ADEQ required the District to send lead notifications to all customers which was done on 9/15/2020. The 2 test sites over were both commercial accounts (the old medical center, and the Albins Civic Center) with very little water usage this year. In the past 20 years the District has never tested above the lead action level. The low usage is what is believed to have caused the increased level in the readings. A small number of calls have come in from customers asking for additional information, but relatively few and everyone to date has been satisfied with the information provided.

Additional testing will be required in 2021 as well as additional test sites (20 sites instead of 10 sites in addition to all three well sites in the District). If 90% of those tests are below, ADEQ will return the District's test schedule to the previous schedule of every 3 years. The increased testing required will cost the District an additional \$3,000 and involve a lot more paperwork to comply with testing requirements.

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

Water Levels:	Last Report/ July 2020	This Report/ Sept 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 months of July & Aug 2020.

Vice Chair Scott Butler asked what the life expectancy was for the arsenic medium. Randy answered that, originally the District was told that the medium would last about two years, but it has been lasting much longer than that. One factor is that monthly summer water usage in the past was as high as twelve million gallons, but current usage is about half that amount which prolongs the life of the arsenic media.

Scott then inquired as to whether the balance of the arsenic sinking fund lined up with the frequency of need for those funds. Randy stated that it did not last time there was a need for media replacement, but it would this time as there is currently enough in the fund and he estimates it will not need replaced until next April.

Randy stated that with current trends in the arsenic numbers it should be a long time before the media needs to be changed at the other sites. However, since we are in drought conditions well levels could start dropping, causing arsenic levels to go up, which means the arsenic media would be used up faster. Monthly reports that Randy gets from his supervisor and another source state that we are in a 35 year "super drought" and it is estimated it will last another four years, followed by a very "wet season".

At this point Scott inquired as to whether it might be wise for the District to be transferring more money each month from the General Fund to the Arsenic Sinking Fund to be certain the District had the needed funds whenever it becomes necessary to replace the media at the other well sites. Sarah Hrabina answered that, currently the District has been transferring \$2,500 into the Arsenic Sinking Fund each month but that amount could be changed to \$5,000 per month until the funds in that account reach \$90,000 (after the deduction for the media that will be needed for the GOA site next Spring). If, by chance, that money is needed for some other General Fund expense it can be transferred from the Arsenic Sinking Fund back into the General Fund.

Chair Dave Moore commented on the fact that Drill Tech has now replaced Pump Tech (who has retired) asking if they will do both the drilling and the setting of the pump if a new well is needed in the future. Management answered that, yes, Drill Tech would be pulling and setting pumps if/when needed. Randy also stated that he

was very impressed with the crew from Drill Tech, especially the young but very capable team leader who was extremely efficient in both pulling and setting the pump. He also mentioned Ed, a man who used to work for Pump Tech doing any major, complicated electrical work needed but now has gone out on his own as a consultant. He only charges \$35/hour and Randy has used him recently and feels that with him and Drill Tech he has both fronts, (drilling and electrical) well covered

With no further discussion, Dave Moore made a motion to accept the operations report as of Sept 21, 2020. The motion was seconded by Scott Butler and, upon vote, the measure passed unanimously.

Agenda Item #7 Election Cancellation/County Appointment Dorothy Moore, Scott Butler

Chair Dave Moore explained that there were three (3) Board member seats/positions available this year. He stated that Dorothy Moore and Scott Butler have both turned in their petitions seeking re-election, however Karen Gray was not able to submit her petition. Since no one else submitted a petition for the remaining available seat, Yavapai County cancelled the election, appointing the two candidates who filed their petitions, filling two of the three available seats. The third seat, for now, will remain unfilled. In January the Water District Board can appoint Karen if she wishes to continue to serve. If not, the Board will need to find someone else and have them submit a letter of intent to fill the vacancy. The County provided the Certificates for Dorothy and Scott, and Oaths-of-Office will be administered in January.

This item was for informational purposes only. There was no Board action required.

Agenda Item #8 Capital Improvements-Mud Springs Road

Management Randy Hrabina discussed this project which entails a 1000 foot long section of pipe which he feels is the worst section in the whole District. It has cheap plastic pipe which was put in at a depth of only about 18", and is right on top of caliche so when there is movement and shifting of the ground, it causes the pipe to crack. Also, previous improvement projects replaced other 4" pipes with 6" including crossing Mud Springs Rd. However, from there it goes to 4" pipe all the way to Cholla Rd. which causes problems with decreased water pressure when the boosters kick in at the Cholla and school sites. The plan is to upgrade that section by replacing the current 4" pipe with 6" C-900 pipe. The twofold purpose of this project is to greatly reduce line leaks and breakage, and to provide better volume and water pressure to customers when the boosters kick in. The cost estimate for this project is \$94,900 but it could go a little higher. Randy is proposing to do this project in January or February, depending on Capital Improvement funds available, because there is another project needing to be completed (leaking tank), and historically the Capital Improvements account balance has been maintained at no less than \$75,000. Randy felt that by waiting until January or February the target balance can be maintained.

At this point Randy moved to Agenda Item#9 "Capital Improvements-Hydro Tank at GOA Replacement" to discuss the other Capital Improvement project so the Board could understand the scope and cost of both proposed projects.

Agenda Item #9 Capital Improvements-Hydro Tank at GOA Replacement

Randy explained that at the GOA site there is a 4,000 gallon hydropneumatic tank which is over fifty years old and which has been leaking for several months. He has done repairs in the past using a special plug, but he does not want to use it for this leak because it is at a weld joint. Hiring a professional to fix the leak is not a practical option due to several factors including cost, work to prep the tank, and the age of the tank. Also, due to the condition of the tank, attempting to repair the leak could possibly cause an even bigger hole as the area around the repair could fail. The best option at this point is to replace the tank. Randy estimates the cost of the project to be approximately \$30,000. There is no need to bid this project since the tank will be purchased from USA Bluebook for approximately \$25,000 for the tank (which will have legally required certification stamps), with some additional cost to have flanges welded on, plus charges for freight, the crane to take out the old tank and set the new one in place, and fittings necessary to hook up the tank. Management will be doing the installation, saving the District money.

Allowing for unforeseen additional expenses, Randy estimates the cost of both projects will be approximately \$130,000 out of the Capital Improvements fund. Currently there is roughly \$150,00 in that fund, which would leave around \$20,000 in the fund. However in the coming four months (before doing the Mud Springs Rd project) there will be an increase of about \$40,000, since roughly \$10,000 is deposited into this fund each month. This means the balance in the Capital Improvements Fund will not fall much below the minimum that

Management tries to maintain, to cover unforeseen emergencies. Randy stressed that the tank replacement needs to happen now before the leak gets much worse.

With Management Randy Hrabina having fully discussed both Capital Improvement Projects, Chair Dave Moore directed the discussion back to Agenda Item #8 "Capital Improvements-Mud Springs Road" and asked for a motion to put the Mud Springs Rd project out for bids. Jed made the motion to put the project out for bids. The motion was seconded by Dave Moore and, upon vote, the motion passed unanimously.

Dave then asked for a motion to approve up to \$32,000 for the GOA tank replacement project. Jed Carter made the motion to approve the funds for the tank replacement project. Dorothy Moore seconded the motion and, upon vote, the motion passed unanimously.

Agenda Item #10 Lead Testing and Public Awareness

Chair Dave Moore began by stating that all Board members and all 850+ Water District customers received the Informational Pamphlet sent out by Management, regarding the Lead testing results. Since Randy Hrabina covered the information on this so well in the Operations Report, Dave felt there was no need to go over it again. Sarah Hrabina did add that, since sending out the pamphlet, several customers had contacted her requesting additional information. All customers seemed satisfied with the answers she provided. Randy added that any customer wanting to do their own testing of their water can do so by purchasing a test kit online from Home Depot for around \$20. He stated they are very easy to use and provide results (pass or fail) within 10 minutes.

This item was for informational purposes only. No Board action was required.

Agenda Item #11 Indian Hills Tank Site Update

Dave Moore reminded the Board that this item was on the agenda back in July and was regarding the tax parcel that was deeded over to the District back in 2009 (without the District's knowledge). The District had received a foreclosure notification for delinquent taxes in excess of \$13,000. Sarah has worked diligently with the county and has also contacted the attorneys for the person who would have been the plaintiff if the matter had continued in foreclosure. The County realized their error in levying taxes to the District on this property from 2009 to present, so they took this matter to the Board of Supervisors to have this amount abated. The Board of Supervisors agreed to the abatement, leaving only the 2008 taxes to be addressed. At the July Water Board meeting the Board had approved the expenditure of up to \$3,000 to cover the outstanding taxes on the property. Sarah has remitted a payment of \$2,227.89 to the Yavapai County Treasurer and now this matter is closed. This item was for informational purposes only. No Board action was required.

Agenda Item #12 Management Contract Revision for Training Issues

Chair Moore stated that this item was originally brought up in the April Board meeting and several meetings since then but has been repeatedly tabled. He gave a brief recap, explaining that Management has employed an individual, who lives here in BCC, since January on a very limited work schedule of two days a week, typically three hours a day. Management feel this person would be well qualified to be the office replacement when Randy and Sarah Hrabina step down and retire. Sarah feels having a smooth transition when the time comes would be a huge benefit to the District and it would be in the District's best interest to have this person well trained. It is hard to learn all aspects of the position with only six hours a week. When the Management contract was last renewed it only included the few part-time hours for office staff which is why Sarah is asking for the revision and Board consideration. The request is for an increase of \$1,800/month to be able to spend the time necessary for training Sarah's replacement.

Dave pointed out that if the Board does not hire someone locally, the alternatives are to find someone based out of town, some other accounting firm or individual, or a company like Improvement District Services (in Prescott) who does not have a very good reputation. The problem with these options is, since they are not local, customers cannot come in to drop off their payments, or have a drop box available to make payments. Owner/users would have to be dealing with someone from another location. Customers also might not be able to get immediate response or be able to communicate with someone in town. Dave is concerned that customers might not be happy with that kind of situation. If the Board can find someone locally who has the qualifications, it would be in the District's best interest to do so.

Dorothy Moore asked if the current part-time individual was aware that, if this request was granted, she would be required to work more hours than what she has been. The individual who has been doing the job understands how the job and required hours would change and she is willing to do it. Sarah stated that the

requested funds would cover the additional hours needed as well as provide a raise to the individual as the complexity of the work would increase.

Scott Butler then inquired as to the time frame for the training. Will it continue from now until Management's current contract expires? Sarah affirmed that this contract revision and training would continue until July of 2022 when Management's contract ends. If, by chance, Management agrees at that time to renew their contract for another year or so, the additional funds being requested now would be included in the requested contract amount at that time. She stated that, at this time, it is hard to say whether she and Randy will retire or continue serving the District for a bit longer. Scott's concern is that after being trained for the next two years, the office assistant could choose not to continue with the job after Sarah leaves. Sarah stated she does not believe that would happen, but she could not guarantee what the future holds. She believes this individual has put down roots here, she wants to work, and she likes not having to drive to Phoenix to go to work. Scott stated the only way he would feel comfortable voting "yes" on this request is if there was some kind of contractual agreement with this individual where she agreed to stay for a certain period after Sarah retired. Sarah said she could pose that question to her but she could not predict how she would respond. She also stated that if the Board and this individual agreed to this request, but then her life changed and she found it necessary to move and could no longer work for the District, Management's contracted payment would go back to what it had been before the increase.

Dave pointed out that there is always the possibility that this individual may not be the only person Sarah has to train. Something could happen where this person could no longer fill this position, in which case, Management would need to find someone else to train to fill the position. It would be difficult, if not impossible to find someone who lives locally, or close, who would be qualified to assume this position.

Randy interjected that he felt that Sarah's job in the office is actually harder than his job in the field, so she will be harder to replace. When they retire, the District can hire a company out of Prescott to take care of the leaks and all the other maintenance things, although it will probably cost the District a bit more. However, to get someone new into the office will be harder and cost a whole lot more. He stated that back when he first took over management of the District 21 years ago, Pam Massat had researched the best way to fill the office position and found that it would cost the District \$75,000/year to get someone out of Prescott to do the job which was more than what Randy was proposing to do everything. He feels it will be very difficult to find a company outside of Black Canyon City who would be willing to have an office here in town.

Dorothy suggested that maybe the Board could approve the request for the \$1,800/month for a specified period of time, then Sarah could tell the Board how the training was going and there could be discussion about continuing the additional funding at that time.

Dave stated at this time perhaps the best plan would be to table this item, giving Sarah a chance to talk with her employee and see how she feels concerning her future job with the District. He asked Scott if he would be more comfortable with that plan. Scott stated that he still had concerns that there was nothing contractual, and that a year or two down the road the District could possibly still find themselves without office help. In order for him to vote "yes" there would need to be some kind of contract ensuring that the office position would be filled for a specified time. Dave has talked with the employee and knows that she does not want to work for another company but she is willing to set up a corporation and be contractually obligated to the District to do the office aspect of the business, but not the operations aspect.

Scott then reiterated his question that if the Board agrees to the \$30,000+ that Management is requesting, what guarantee will the Board have that after the two years, there will be someone in the office. Dave answered that there is no guarantee at this time which is why he is suggesting that the Board consider agreeing to pay the requested \$1,800/month for six months to see if the employee is willing to make the commitment that Scott is strongly recommending the District to require of her. Dave feels that, at this time, the employee cannot really make that commitment since she has not yet had enough experience with the full scope of the job.

Jed Carter asked if the employee was currently under contract. Sarah explained that, at this time, she is simply an employee of American Country Homes. There is no contract involved with this employee at this time. Jed then inquired if there could be a contract with the employee to ensure that the District would still have someone running the office after Sarah leaves. Dave interjected that that is what Scott had been strongly recommending. He felt the best action now would be to table this item until the next meeting, at which point the Board would probably be in a better position to make this decision.

Due to the need for further discussion and information from the employee, Dave tabled this agenda item until the October Board meeting.

Agenda Item #13 Discussion and Possible Action on Accepting Credit Card Payments

Dave Moore stated that it did not appear there was enough demand for the service at this time. He stated that, as long as there were no objections, this item would be tabled for at least a year.

Agenda Item #14 October Board Meeting

Chair Moore stated that the next Board meeting, scheduled for October 27, needs to be changed to October 20 because Management Randy Hrabina will be undergoing surgery on the 27th. Dave made a motion to change the next Board meeting date from October 27 to October 20. The motion was seconded by Scott Butler and, upon vote the motion carried unanimously. Jed Carter did state he might have a conflict with the new date and said he would let Dave know if he would not be able to make it.

Agenda Item #15 Call to the Public

None

With no other business to come before the Board, the Chair adjourned the meeting at 7:14 P.M.

Chair Dave Moore thanked everyone for their attendance and announced that the next Board Meeting will be held on Tuesday, Oct 20, 2020.

Certification:

I, Sarah J. Hrabina, certify that the Agenda for the September 22, 2020 Regular Board Meeting was publicly posted at the Black Canyon City Post Office Bulletin Board, on September 17, 2020, 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 10/9/2020.
A full recording is available; 1:19:41 in length.