

**OFFICIAL MINUTES FOR THE
BLACK CANYON CITY WATER IMPROVEMENT DISTRICT
MAY 25, 2021 REGULAR BOARD MEETING AND PUBLIC BUDGET / RATE HEARING**

Chair Dave Moore called the meeting to order at **5:01 PM**. This month's meeting was held at the Public Library, the usual location for the Board meeting with some COVID-19 restrictions still in place. Dave noted that the meeting location was still closed to the public in-person and encouraged the public to continue to attend the meeting telephonically and to email any questions they might have to the Board Chair. Dave announced that at 5:20 p.m., the regular board meeting will be paused to hold the public hearing and resume again after the public hearing. Dave did not receive any emails or requests from the public to attend the regular board meeting telephonically.

Agenda Items:

Item #1 **Roll Call** showed a quorum; 4 of 5 board members were present:
 In-Person: Dave Moore, Chair; Dorothy Moore, Treasurer; Scott Butler, Vice Chair; Karen Gray, Secretary
 Telephonically: None (Jed Carter, Member-at-Large, was absent)
 Management: Randy Hrabina, Sarah Hrabina
 Public: None

Item #2 The Chair asked for a **moment of silence** for the customary Reflection Time.

Item #3 Board Member Reports

- Dave Moore verified with Scott Butler that the usual District information was posted on the Facebook pages. Scott reported no Facebook feedback was received.
- Dave reported posting the current board meeting Agenda and the **March** Approved Board Minutes to the BCCWID website.

Item #4 Approval of Minutes for 04/27/2021 Regular Board Meeting

The minutes for the April 27, 2021 Board Meeting were received and reviewed. All Board members stated they had read the minutes and found no corrections necessary. Management requested one correction to delete the wording "*Financial Reports and the*" from the last sentence in the last paragraph of Agenda Item #5, Financial Reports. Scott Butler made the motion to accept the minutes with the correction. Karen Gray seconded the motion and, upon vote, the minutes from the April 27, 2021 Board Meeting were unanimously approved.

Item #5 Approval of Treasurer's Financial Reports as of 04/30/2021

Treasurer Dorothy Moore presented a recap of the 04/30/2021 Financial Management Report:

| Account | Beginning | Ending | Change |
|---------------------------|------------------------|----------------------|-----------------------|
| General Fund | \$ 98,851.46 | \$ 95,776.82 | \$ (3,074.64) - |
| Security Deposits | \$ 46,250.00 | \$ 46,250.00 | \$ -0- |
| Impact/Capital Fund | \$ 127,085.65 | \$ 136,875.75 | \$ 9,790.10 + |
| Arsenic Sinking Fund | \$ 89,462.87 | \$ 94,462.87 | \$ 5,000.00 + |
| Recap/Bank of the West | \$ 18,086.49 | \$ 19,111.59 | \$ 1,025.10 + |
| Account Totals = | \$ 379,736.47 | \$ 392,477.03 | \$ 12,740.56 + |
| <hr/> | | | |
| Cash Management | Deposits | | \$ 41,428.99 + |
| GJ Adjustments: | | | |
| Less: NSF CK + Fee | | | \$ (87.60) - |
| Less: Monthly Scanner Fee | | | \$ (45.00) - |
| Cash Management | Deductions/checks | | \$ (28,555.83) - |
| | Net Gain/(Loss) | | \$ 12,740.56 + |

April billing totaled \$44,446.67. Water consumption for the month was reported at 4,588,000 gallons compared to 3,584,000 gallons for the previous month, and the April 2020 comparison of 4,185,000 gallons. Total gallons billed for the fiscal year-to-date 2020/21 was 47,218,000 gallons (10 months) with comparison to previous fiscal year-to-date 2019/20 of 42,214,000 gallons. The financials include Quick

Books invoices #2795 to #2838 and In-Hance Audits #17,931 through #19,036 with the accounts receivable in both In-Hance and Quick Books balancing at \$25,139.46.

There was a power outage on April 14, 2021 that caused the In-Hance software program to jump from audit report number 17,970 to 18,967, skipping 997 audit report numbers. The audit report numbers are automatically generated and are not adjustable at the user level, leaving no ability to correct the numbers. No other data was lost in the software program as a result of the power outage. Dave plans to replace the existing universal / uninterruptible power supply (UPS) with a new one as it failed to operate correctly during the power outage.

Review of all audit adjustments was done – delinquent & penalty fees posted; final reads/refund security deposits; re-read/corrections; turn-ons/turn-offs; no impact fees were collected in April. Attached are the monthly General Journal Entries for approval.

Respectfully submitted by Sarah J. Hrabina, Management and approved by Dorothy Moore, Treasurer.

After a few questions and comments regarding the power outage, backups, and UPS for the computer system, no additions or corrections were noted for the Treasurer’s Financial Report. Karen Gray made a motion to accept the 04/30/2021 Financial Reports as presented. Scott Butler seconded the motion and, upon vote, the motion carried unanimously.

Item #6 Approval of Operations Report as of 05/24/2021

Randy Hrabina presented the Operations Report, giving a recap of the April 27, 2021 through May 24, 2021 activities with 35 work orders completed including turn-ons, turn-offs, new/removed meters, meter/valve/box repair/replacements, line break/leak repairs, well/pump/system repairs, meter re-read/final reads, water pressure/conditions and other service needs.

Randy gave the Board a brief overview of the two K-Field main line rupture incidents. There were 19 Blue Stakes marked for the period; 56 pink slips issued for the period.

WATER SAMPLES: Results from Test America for monthly Bac-t's (E-Coli & Coliform) tested **NEGATIVE**.

| Quarterly Arsenic Testing: | | | | |
|-----------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Location | 2021 1st QTR | 2021 2nd QTR | 2021 3rd QTR | 2021 4th QTR |
| GOA / EPDS1 | 4.3 | 6.5 | | |
| Big John / EPDS3 | <1.0 | <1.0 | | |
| Oasis / EPDS4 | <1.0 | 2.3 | | |

Randy anticipated the arsenic media for GOA would need replaced at the end of 2021 and for OASIS at the end of 2022, depending on water usage and well drops. The arsenic media replacement cost is estimated at \$45K per replacement media, disposal costs included.

WELL STATS: Well levels have dropped again.

| Water Levels | Last Report / April 2021 | This Report / May 2021 |
|-------------------------|---------------------------------|-------------------------------|
| Big John #1 | 24' Draw to 24' | 28' Draw to 31' |
| Big John #2 | 24' Draw to 26' | 28' Draw to 33' |
| GOA #1 | 26' Draw to 29' | 28' Draw to 30' |
| GOA #2 | 27' Draw to 27' | 30' Draw to 30' |
| Oasis #1 | can't dip – tube issue | can't dip – tube issue |
| Oasis #2 | 26' Draw to 29' | 29' Draw to 34' |
| GOA #3 – Not Online Yet | Engineer should be done in June | |

The engineer anticipated the GOA #3 well certification would be submitted to ADEQ by the beginning of June, 2021. Again, ADEQ assured Randy that there would be a ten day turn-around time after certification is submitted by engineer. Randy expected the GOA #3 well to be online by mid-June, 2021.

System Operator, Bob Hanus inspected the daily logbook for the system, as required by ADEQ, and found everything to be in order for the April, 2021 reporting period.

Respectfully submitted by Randy Hrabina, Management.

The floor was opened for discussion. Randy explained that the well with the biggest concern of going down right now during the drought is GOA #1 being at a 59' depth, as it will keep caving in on itself below a 49' water depth because it was drilled crooked and cannot be rehabbed. The other wells are at a 75' depth. Randy called Roger Wagner from Coldwater Canyon Water Co. and their wells have dropped to a 41' Draw. Roger reported hearing of some wells in the BCC area that have already dried-up.

Randy also reminded the Board that the lease for the Big John well will expire in July, 2022 and recommended drilling a new well on land owned by BCCWID rather than renewing the Big John lease. The District would lose the use of the Big John well until a new well is drilled. It was determined to delay this topic until the performance of GOA #3 can be evaluated once it is online. Once GOA #3 is in production, GOA #1 will be shut down as power would not be adequate to run all three GOA wells at one time. Also, the arsenic media is only for two pumps at one time. The use of GOA wells may be rotated.

Dave recommended increasing water conservation efforts by implementing LEVEL 3 of the 2002 Drought Plan. Although a board vote was not required to go to LEVEL 3, Dave wanted to call for a Board vote as the 2002 Drought Plan was implemented into policy and procedure when it was passed.

After the discussions, Dave Moore made a motion to accept the operations report as submitted for period ending May 24, 2021 and implement LEVEL 3 of the 2002 Drought Plan with public notifications to be posted. The motion was seconded by Scott Butler and, upon vote, the measure passed unanimously.

Item #7 2021/2022 Public Budget and Rate Hearing, Commencing at 5:21 p.m.

Chair Dave Moore explained that last month, at the April 27th board meeting, the budget committee presented to the Board their recommendations for the upcoming year's budget for Board consideration. The proposed budget did not show any rate increases, as discussed last month. Normally, the floor would be opened to public comments, however, no public called to attend the meeting telephonically. Dave closed the floor for public discussion at 5:22 p.m. due to lack of public attendance.

Discussion was then opened to the Board. All Board members were satisfied with the discussions held last month regarding the proposed budget and no new discussions were introduced. Scott Butler moved to approve the 2021/2022 proposed budget as presented at last month's meeting with no rate increases. Karen Gray seconded the motion and, upon vote, the 2021/2022 budget was approved unanimously.

Item #8 Meter Reads

Chair Dave Moore noted that all Board members received a memo from the Management team recapping what transpired over the last month or so regarding a meter reading situation and then turned the floor to Sarah Hrabina from Management to review the topic in more detail. Sarah informed the Board that it was discovered in April, after their long-time employee terminated his position, that many meters had not been read according to policy. Management, during his employment, had no reason to question the employee's integrity and trusted the employee was performing his job per policy.

POLICY: Meter readings are to be written on the meter read sheets only when the meter is actually read. If unable to read the meter (which can happen), the read sheet should be marked "estimated" and the reason for the estimate documented on the read sheet, i.e. mean dog; vehicle parked over meter box; overgrowth; and such. The read sheets are then kept on file in the office as records. The meter reader should also document on the read sheets any needed repairs noticed while in the field, such as leaks or broken auto-reads, which are then to be followed up with a work order for the repair to be completed.

The Management team continued and gave a detailed report to the Board of the inaccuracies in both over-billed and under-billed accounts and the adjustments made in an effort to rectify the accounts in the most reasonable way possible after the inaccuracies were discovered.

An extended discussion was held by the Board and the Management team to address ways to avoid a situation like this in the future. One suggestion was to have a different person perform re-reads, final reads or spot checking as a double-check point. Karen Gray requested additional time for the Board and Management to review the existing Policy and submit proposed policy changes at the July, 2021 meeting.

Dave Moore made a motion to accept Karen Gray's request for a Board and Management review of the existing Policy and submit proposed policy changes at the July, 2021 meeting for a vote. Dorothy Moore seconded the motion. Upon vote, motion passed unanimously.

Item #9 K-Field/Wanda Transite Line Replacement

Chair Dave Moore noted all persons present received some information on this topic and introduced Randy Hrabina to explain the topic in more detail. Randy explained that there were not one, but two major line breaks on K-Field Rd. These lines were 4" transite pipes installed in the 1960's. The first repair, on May 14th, was completed at 11 p.m. The second call came in at 12:30 a.m. on May 15th. Water for customers was finally turned back on at 4:30 p.m. on May 15th.

The K-Field/Wanda project was scheduled as the next capital improvement project for the fall of 2021. Due to the recent main line breaks, Randy felt the project needed moved to immediate consideration. The scope of the project would be to replace approximately 2,400 feet of old 4" transite pipe on K-Field Rd., Wanda Dr. and the remainder of Bertha St. with new 4" C-900 pipe and install 47 new service lines and meters, for a total of 3,800 feet of digging, the most digging we've done to date.

The estimated cost of materials, including the 4" C-900 water main pipe, service lines, valves and fittings, but not the meters, was \$40,795.35. The meters were excluded from the estimate as about half of the meters were already in inventory. To add the meters would be an additional \$4,000.00. The estimated cost to Tony Chandler of Chandler Construction for the digging labor and black-top repairs after digging was \$190,000.00. Chandler Construction was the lowest bidder for our last three projects, who successfully completed those projects, so Randy felt confident Tony had given us a fair market quote without the need to go through the bidding process for the project. The total estimated cost for the project was \$234,000.00 and would take approximately 4 to 5 weeks to complete.

As of May 25th, there was only \$145,000.00 remaining in the budget for capital improvements, about \$89,000.00 short to complete the project. There was, however, \$91,000.00 in the General Fund and \$99,000.00 in the Arsenic fund on that date. Randy recommended pulling \$50,000.00 from the General Fund and \$50,000.00 from the Arsenic Fund to cover the shortage for the project. Each month, the funds are replenished by \$39K; \$9K to capital improvements, \$25K to general funds and \$5K to arsenic funds. Randy also recommended the monthly replenishment amount of these three funds be channeled solely into the capital improvement fund for the next two months to re-establish the \$75,000.00 minimum reserve set for the capital improvement fund before replenishing their respective funds.

Dave suggested that the K-Field/Wanda Transite Line Replacement Project be declared an Emergency Project. Scott Butler requested the Board make a definition of an emergency project for future reference and set parameters for an emergency project. Dave Moore made a motion to approve the K-Field/Wanda Transite Line Replacement Project as an Emergency Project to be done in the scope described by the Management team for a contracted amount of \$190,000.00 to Chandler Construction for the digging labor and the black-top repairs after digging, plus an additional \$44,000.00 in materials, including taxes, provided by the District. Scott Butler seconded the motion and, upon vote, motion passed unanimously.

Item #10 Call to the Public

None

With no other business to come before the Board, the Chair adjourned the meeting at 6:27 P.M. Chair Dave Moore thanked everyone for their attendance and announced that the next Board Meeting will be held on Tuesday, July 27, 2021 (no meeting for June, 2021).

Certification:

I, Sarah J. Hrabina, certify that the Agenda for the May 25, 2021 Regular Board Meeting and Public Budget / Rate Hearing was publicly posted at the Black Canyon City Post Office Bulletin Board, on May 20, 2021, 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 the minutes was completed by Karisse (Kriss) Stanger on 07/13/2021.
A full recording is available; 1:26:52 in length.