#### OFFICIAL MINUTES FOR THE BLACK CANYON CITY WATER IMPROVEMENT DISTRICT July 28, 2015 REGULAR BOARD MEETING

Chair, Robert Marley called the meeting to order at 6:00 PM. Roll call showed a quorum.Chair: Robert MarleySecretary: Lavon Van DusenVice Chair: Barrie DickersonTreasurer: David MooreMember-at-Large: Susan MarleySecretary: Lavon Van Dusen

Also in attendance: Management–Randy Hrabina, Sarah Hrabina Owners/Users: Ed Konieczny, Cary Ansel Public: Cindy Brannan

# Agenda Item # 3 Board Member Reports

None

# Agenda Item # 4 Approval of Minutes: 05/26/15 Regular Meeting

The minutes from the 05/26/15 regular board meeting were provided to the Board. With no additions or corrections, Barrie Dickerson moved to accept the minutes. The motion was seconded by Sue Marley and, upon vote the minutes for the 05/26/15 Regular Board meeting were accepted unanimously.

## Agenda Item # 5 Treasurer's Financial Reports for Approval as of 05/31/2015 & 6/30/15

Dave Moore first presented the financial report for the period ending 05/31/15, with beginning, ending and change balances for each account reported.

Beginning	Ending	Change
\$40,230.22	\$23,181.51	(\$17,048.71)
\$43,865.00	\$43,865.00	\$0.00
\$143,185.56	\$151,413.41	\$8,227.85
\$12,444.85	\$17,444.98	\$5,000.13
\$12,987.67	\$8,598.47	(\$4,389.20)
\$252,713.30	\$244,503.37	(\$8,209.93)
Deposits	\$38,659.06	
	\$45.00	
Disbursements	\$46,823.99	
Net Gain/(Loss)	(\$8,209.93)	
	\$40,230.22 \$43,865.00 \$143,185.56 \$12,444.85 <u>\$12,987.67</u> \$252,713.30 Deposits Disbursements	\$40,230.22 \$23,181.51   \$43,865.00 \$43,865.00   \$143,185.56 \$151,413.41   \$12,444.85 \$17,444.98   \$12,987.67 \$8,598.47   \$252,713.30 \$244,503.37   Deposits \$38,659.06   \$45.00 \$45.00

May billing with 837 active accounts totaled \$38,922.08. Water consumption for the month of May was reported at 5,001,000 gallons compared to 5,157,000 gallons the previous month and the May 2014 comparison of 5,618,000 gallons. Total gallons billed for the fiscal year-to-date was 49,551,000 gallons (11 months) compared to last year's total gallons billed for fiscal year-to-date of 51,661,000 gallons. The financials include Quick Books invoices #1973 to #1984 and In-Hance Audits #12,857 through #12,904 with the accounts receivable in both In-Hance and Quick Books balancing at \$26,776.07.

No new Impact Fees were collected in May.

Note: Yavapai County incorrectly posted our transfer funds, depositing the entire \$43,000 to the Arsenic Sinking Fund. Upon discovery of the error, correction was made on 6/4/15 and documented. Balances above reflect correct balances.

change balances for each a		the period ending 00/30/13,	with beginning, enui
Account	Beginning	Ending	Change
General Fund	\$23,181.51	\$49,155.27	\$25,973.76
Security Deposits	\$43,865.00	\$43,735.00	(\$130.00)
Impact/Capital Fund	\$151,413.41	\$134,729.55	(\$16,683.86)
Arsenic Sinking Fund	\$17,444.98	\$17,452.44	\$7.46
Recap/Bank of the West	\$8,598.47	\$9,382.15	<u>\$783.68</u>
Account Totals =	\$244,503.37	\$254,454.41	\$9,951.04
Cash Management: Less: General Journal cash account entries:	Deposits	\$40,005.76	
monthly scanner fee		\$45.00	
Voided Check		\$92.61	
NSF check & fee		\$51.07	
	Disbursements	\$30,051.26	
	Net Gain/(Loss)	\$9,951.04	

Dave Moore next presented the financial report for the period ending 06/30/15, with beginning, ending and

June billing with 837 active accounts totaled \$43,436.39. Water consumption for the month of June was reported at 5,969,000 gallons compared to 5,001,000 gallons the previous month and the June 2014 comparison of 6,659,000 gallons. Total gallons billed for the fiscal year-to-date was 55,520,000 gallons (12 months) compared to last year's total gallons billed for fiscal year-to-date of 58,320,000 gallons. The financials include Quick Books invoices #1985 to #1998 and In-Hance Audits #12,905 through #12,953 with the accounts receivable in both In-Hance and Quick Books balancing at \$31,474.66.

No new Impact Fees were collected in June.

The data was respectfully submitted by Management, Sarah Hrabina, and reviewed by Treasurer, Dave Moore, for final board approval. Lavon Van Dusen made a motion to accept the financial reports. The motion was seconded by Sue Marley and, upon vote the financial reports for May and June were unanimously approved.

#### Agenda Item # 6 **Operations Report and Approval as of 7/27/2015**

Randy Hrabina presented the Operations Report, giving a recap of two month's activities with 61 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 5 blue stakes marked for the period. There were 35 pink slips mailed out for July. Test results from Test America Labs for monthly Bac-t's (E-Coli & Coliform) for the month were negative.

WELL STATS: No change fror Water levels:	n last month <u>May 2015</u>	<u>July 2015</u>
Big John #1	21' Draw to 24'	21' Draw to 24'
Big John #2	21' Draw to 25'	21' Draw to 25'
GOA #1	22' Draw to 24'	22' Draw to 24'
GOA # 2	22' Draw to 24'	22' Draw to 24'
Oasis # 1	23' Draw to 25'	23' Draw to 25'
Oasis # 2	23' Draw to 27'	23' Draw to 27'

Management did note that the river is drying up, so the well levels might begin to drop in coming months.

System Operator, Bob Hanus, inspected the system and daily log book, as required by ADEQ, and found everything to be in order for the months of May & June 2015.

Sue Marley then made a motion to accept the Operations Report as presented. Barrie Dickerson seconded the motion and upon vote the motion was unanimously approved.

### Agenda Item # 8 Year-end 2014-2015 Budget Review

Management reviewed the unaudited 2014-2015 fiscal year results with the Board to aid in determining whether the Budget set in the spring is prudent. It appears revenues were below budget by approximately 5% and this is probably related to decline in total water sales, which was also about 5%. Expenses were 9% above budget. The end result was net income was only 79% of what was expected for a shortfall of close to \$50,000. If this is allowed to continue, it may not be possible to schedule needed improvements for some time. The Budget was passed this spring with the understanding that a significant ordinary income shortfall, which it was agreed this is, might require billing rate adjustments in the fall. This issue will be addressed at the September Board meeting. Review only no Board action taken at this time.

# Agenda Item # 9 Discussion for New Capital Improvement Projects for 2015-16

The system operator, Randy Hrabina, had requested a discussion of New Capital Improvement Projects for the current fiscal year, 2015-2016. After reviewing the available funds, he determined there was insufficient reserve to schedule improvements at this time. The Chair pointed out that the budget shortfall previously mentioned has worsened the situation and cannot be allowed to continue if the District is to continue to be totally revenue financed (no taxes or bonds). Discussion was tabled, to be revisited at a future Board meeting.

#### Agenda Item #7 Board Review of Completed Capital Improvement Project-Exposed Water Line

The covering of the pipeline from the April Tank to Kings Ranch customers was completed by Chandler Construction in June. The job was bid at approximately \$6000/100 foot of line covering and resulted in 375 feet needing to be covered. The final cost was \$24,375. Getting someone other than Chandler to do the job was deemed unlikely by Management given the small dollar cost and the steep slopes that had to be worked on. Chandler also had the materials required locally available, including the slurry, which minimized hauling and cement mixing costs. Management is satisfied the job was done well. Barrie Dickerson made a motion to accept the job as complete. Lavon Van Dusen seconded the motion and, upon vote, the measure was passed unanimously.

## Agenda Item # 10 Call to the Public

Cary Ansel had questions about the King's Ranch line stabilization project. He owns the 17 acre property that the Water District easement crosses. A list of 10 questions was read and given to each Board member. He requested discussion at the next Board meeting (September 29).

### With no other business to come before the Board, the Chair adjourned the meeting at 6:45 P.M.

#### **CERTIFICATION:**

I, <u>Sarah J. Hrabina</u>, certify that the Agenda for the July 28, 2015 Regular Board Meeting was publicly posted at the Black Canyon City Post Office Bulletin Board, on Friday, July 24, 2015 on or before 4:30 PM.

## Sarah <u>I.</u>Hrabína

Sarah J. Hrabina

# ATTESTED:

I, Lavon Van Dusen, Secretary for the Black Canyon City Water Improvement District certify that the minutes, as transcribed by myself, are true and correct to the best of my knowledge and belief.

Respectfully submitted,

Lavon Van Dusen

Lavon Van Dusen

Transcription of minutes completed on 08/26/2015 A full recording is available – 45.48 minutes.