

Board Meeting Minutes

4/24/2021

- Meeting was called to order at 10:37am
- Lorna Glaunsinger made introductions of the Board members – Bryan Staley, Brian Knapp, Derek Olson, Rick Ballentine
- Bryan Staley provided an overview of what the new board has been doing to come up to speed on matters pertaining to the Bonita Creek Water Company (BCWC), specifically the classification of the Water Company as either Transient or Community.
- Discussion on the status of the Bonita Creek Water company ensued approximately ~75 minutes, with discussion occurring among the attendees and the Bonita Water Company Board.
 - Salt River Transfer & Exchange Agreement
 - Lorna Glaunsinger provide a summary of current status
 - In 2015 BCWC entered in to a transfer agreement with SRP, to pump from the creek (15 acre) feet
 - The agreement is aligned with the Cragin Reservoir from a water allocation perspective
 - BCWC pays about \$900 per year for the water
 - BCWC was originally entitled to 85 acre feet
 - Most recent agreement has the BCWC entitled to to 15 acre feet
 - The allocation now looks to be arriving at 11 acre feet
 - Per Bryan Staley, The BCWC should know more about the agreement in the coming weeks
 - ADWR is pending ruling on the agreement with SRP
 - Per Bryan Staley stated that the SRP agreement requires metering of all water usage
 - Wells “may” be metered by SRP
 - Connections to the creek (pipe/straw) “may” be metered by SRP
 - It is possible that no new wells may be allowed
 - It is possible that no new straws may be allowed
 - It has been confirmed by SRP that Rain water retention/catching will not be metered
 - Per Lorna Glaunsinger – no one in the BC has water rights
 - Bill Glaunsinger suggested that the BCWC should approach SRP about a rebate for the reduction in water from the 11 acre feet instead of 15
 - Water Company Classification
 - Bryan Staley stated that a determination is trying to be made as to whether we are a community water company or a transient water company.
 - Bryan Staley and his wife Tina have hired an attorney (personally funded) to look at the SRP agreement and give him assessment. Purpose:

- To determine what we are getting as a water company from SRP
 - To determine what we signed up for as a water company with SRP
- Rick Ballantine spoke to the difference between a community water system and a transient water system.
 - Rick's position is that the BCWC is on the cusp of being classified as a community water company and that we should stay that course
- Lorna Glaunsinger stated that as a water company we are close to running out of funds and expect that any bank surplus will be exhausted by June. The water company cannot self-sustain on current income, losing money each month
- The rate increase request is being reviewed by the Arizona Corporation Commissions. As it hasn't been approved yet and we don't know what the approved rate increase will be.
- The BCWC cannot raise rates without approval as we are under the purview of the Arizona Corporation Commission
- If classified as a Community Water company, ADEQ – would be crediting back 2/3 of the cost of establishing a community water supply, year 1. Ken – Costs would not be realized until December, after the rate increase
- Rick Ballantine suggested that the use of settling tanks on the community water system could significantly reduce the costs related to the filtration system
- It was suggested that donations be made to the Water Company. Donations would be qualified as taxable income and the Water Company is a non-profit entity.
- Ken Nagy stated that Part of the challenge we are encountering is that utilization of water is growing, especially since folks are using Water Company water for irrigation. Should suggest to patrons that they use a rain catchment system to retain water for irrigation and reduce overall BCWC costs.
 - Per Tina Stately, SRP provides a 25% credit, up to 1 \$1,000 towards a rain-catch system
 - Need to educate all the patrons on how things work – small group tours, Ken happy to do it; all the board should participate
- Jack Helzer - The suggestion is that we will be a community water system at some point – the rate increase is dependent on the community water system designation
- Lorna Glausinger suggested that the Board should meet, should evaluate all options related to the water company classification, consider the pros and cons and determine how to move forward.
 - Board to meet separately and determine transient vs. community
 - Options to consider

- Attempt to remain a Transient Water Company
 - BCWC will exhaust funds by June
 - A new rate request will need to be submitted to the ACC and an approval will likely take a year
 - Convert to a Community Water Company
 - Costs will increase
 - The rate increase request through the ACC could be approved in the near-term based on being a Community Water company
 - Rick to be trained as a Grade 1 operator; Ken to retire September 1st. An Operator is required by a community water system
 - BCWC to assess how we can we determine the quality of water on our own via tests to understand what we are walking into in the way of tests/costs if now a Community Water Company
- Pat Nagy review the current financial status of the BCWC
 - Derek Olson and Lorna Glaunsinger to make arrangements to go to the bank to transfer signatories
 - BCWC needs to establish a Billing Policy
 - BCWC needs to meet with Renice to establish her interest and terms in continuing on in her current role
- Lorna Glaunsinger provided a fire-wise update
 - The Perley brush pit is available for use by the Bonita Creek Community, Lorna manages the key and access.
 - A trailer is available for use by the Bonita Creek Community members to haul waste to the Perley brush pit. Donations for its use are welcome
- Bryan Staley held a brief discussion on the petition that is circulating the BC related to retention of individual water rights for Bonita Creek owners
- The website requires updates to bring it current. Bryan Staley will take on ownership of the website to include any updates that may be required
- Meeting was adjourned at 12:15pm