

BCWC MEETING AGENDA MAY 20, 2023

Begin meeting and go over key points that will be discussed. Recognize ALL Board members. Derek Olson Treasurer, Rick Balentine Water Director, Brian Knapp Secretary

1) Annual Report, Billing, Surcharge, Bank Account (PAGE 3) Treasurer, Derek Olsen

Current finances and current state of accounts
Application for rate increase, 2023 and why
Surcharge water hauling, Dec 2022 to Jan 2023

2) Pump House Water Operator, Ken Nagy

Discuss what happened during water shortage, Emailed Timeline
Pump House Rd is actively being worked for repairs
Wendy Gort visit May 11th. ADEQ recommended 3rd party, Grade 4 water system analyst.
Submitting report to ADEQ that our system is Optimized & up to date.
A few Pump House Improvements. **(PAGE 4)**
Proposed projects for 2023/2024. **(PAGE 5)**
Retirement and new water operator search

3) ADWR, SRP, ADEQ and WIFA President, Bryan Staley

ADEQ site visit February 7th
~ 2 Upper managers evaluated new sand filter and pump house
~ Provided better understanding of new sand filter media (Turbidex vs Sand)

ADWR & SRP site visit March 28th
~ Evaluated intake & system
Allowing to shore up intake but no funds
~ SRP says ADWR will be working on developing the Hydrographic Survey Reports
(which analyze water claims) for each sub-watershed in the Verde through 2030.

WIFA Complete Infrastructure Project
Derek and I had conference call with their financing dept. approx. May 2
\$1.35M Project, 49% principle forgiven. Balance to water patrons approx. \$65/month
ACC Rate increase \$96/month + \$65 WIFA loan. Total monthly \$161/month.
Do we want to move forward with line project? ACC still would have to approve.

WIFA current approved funds of \$240,000 from ACC 2020 rate increase.
Must be applied for by July 2023 or it will be forfeited.
Approximate Costs to water patrons \$100k = \$10/month \$200k = \$20/month

Note: As told by Gila County Road Dept. they will not grade our roads until the water lines are relocated to center of the roads unless our roads become impassable.

3A) RCAC Community Annual Income Survey and USDA President, Bryan Staley

Survey was completed. We did not qualify for any grant money from the USDA.
Our income level was higher than their highest tier for any available funds.
Our community is not considered "dis-enfranchised". ADEQ

5) ACC Rate Increase (PAGE 6) President, Bryan Staley

This current rate increase has to happen for the water company just to remain solvent and continue operations to deliver water.

~ACC recommends, at a minimum, a rate increase be submitted every 3-5 years to keep up with inflation.

~1956, 67 years since first ACC approval. On a 4 year avg., water company should have had 17 rate increases since that time. In BC's history there have been 5.

~ PAGE 5 See attached for detailed history of Bonita Creek Water Company proposed and approved rate increases as recorded from the ACC since 1956 to present.

~Rate increases with ACC take roughly 1 year to implement.

~If the ACC does not agree to the rate increase or even reduces what we requested, the water company most likely won't survive.

~ OTHER OPTIONS (If ACC does not come through)

Selling the water company

DWID or (Domestic Water Improvement District).

Mannie Bowler, ADEQ Community Liaison Manager

Spoke with Mayor of Pinetop, Stephanie Irwin, 35 years dealing with DWIDS

Spoke with Dave Brown, Brown & Brown Law in St Johns AZ, DWID representation

Only water users within the water company would be in the DWID. However

once in the DWID, you are legally bound whether you use company water or not.

~ IF THESE ARE NOT OPTIONS. The future BCWC boards must stay on top of submitting for rate increases in a timely manner to keep the company healthy and prevent patron donations.

4) Water Conditions & Conservation (PAGE 7). President, Bryan Staley

Rain Harvesting, Website

Because of this winters difficulties...

This winter was unprecedented and there is a chance it could happen again.

If a few of the critical components of the infrastructure project are not able to be completed, such as, the intake, the roads and automation, prior to next winter, we may have more of what we experienced. Start looking into rain catch as an alternative and begin to prepare now.

5A) April 2024 will be 3 year tenure for board per 2020 bylaws. Giving my April 2024 notice.

6) Thank you to ALL Present and Past Water Operators. President, Bryan Staley

Ken Nagy. John Goulett. Doyle Warner. Bill Artwohl. Karl Kohloff. Steve Rose.

6) Firewising Lorna Glaunsinger

7) Q and A BCWC Board

8) Meeting adjourned

9) Lunch

BONITA CREEK WATER COMPANY PROFIT & LOSS

January 2019 - December 2022

	Jan - Dec 2019	Jan - Dec 2020	Jan - Dec 2021	Jan - Dec 2022
Income				
Fence donation (deleted)	10.00			
Other Administrative Services				30.00
Other Donated Income		8,660.00	77,443.97	3,108.91
Unapplied Cash Payment Income	-68.36	-365.49	1,845.82	-242.79
Voluntary HOA Dues (deleted)	4,700.00	4,619.52		
Water Sales		0.00		
Gallons sold	4,439.61	6,533.70	6,286.07	6,118.58
Monthly Water Fee	22,377.83	23,192.55	32,086.13	46,335.11
New Customer Setup Fees	122.30	120.01	230.00	150.00
New Meter Fee	39.55	0.00	0.00	1,030.00
Total Water Sales	\$ 26,979.29	\$ 29,846.26	\$ 38,602.20	\$ 53,633.69
Total Income	\$ 31,620.93	\$ 42,760.29	\$ 117,891.99	\$ 56,529.81
Gross Profit	\$ 31,620.93	\$ 42,760.29	\$ 117,891.99	\$ 56,529.81
Expenses				
Bank Service Charges	24.00	60.00	30.00	24.00
Billing Cost			550.00	3,300.00
Contracted Labor				
Water Operator	15,210.00	15,600.00	17,150.00	23,400.00
Total Contracted Labor	\$ 15,210.00	\$ 15,600.00	\$ 17,150.00	\$ 23,400.00
Contractor Services	985.00	1,100.00		
Dues & subscriptions			755.56	1,050.01
Equipment Rental		46.04		
Firewise Costs	240.00		50.00	
Insurance	4,030.00	3,739.00	3,408.47	4,126.00
Interest Expense				142.13
Licenses & Fees		52.27	1,100.02	360.51
Meeting Expense	525.41	526.00		547.46
Office & Postage Expense	64.00		50.78	
Professional Fees	126.00	3,359.80		2,500.00
Property Tax	1,123.14	1,221.96	621.99	1,223.18
Repairs and Maintenance	11,618.35	21,060.39	24,518.59	18,571.84
Sales Tax	103.78	0.00	0.00	0.00
State Income Tax	165.00			64.24
Supplies	251.00			104.42
Unapplied Cash Bill Payment Expense			0.00	0.00
Uncategorized Expense			0.00	
Utilities	2,618.75	2,487.45	2,340.62	3,054.52
Water Treatment		335.00	1,255.00	
Total Expenses	\$ 37,084.43	\$ 49,587.91	\$ 51,831.03	\$ 58,468.31
Net Operating Income	-\$ 5,463.50	-\$ 6,827.62	\$ 66,060.96	-\$ 1,938.50
Other Income				
Interest Income	0.48	0.26	0.16	0.12
Other Miscellaneous Income				5,970.00
Total Other Income	\$ 0.48	\$ 0.26	\$ 0.16	\$ 5,970.12
Other Expenses				
Amortization Expense	499.00	499.00	499.00	499.00
Depreciation Expense	6,264.00	6,768.00	1,789.27	8,797.52
Total Other Expenses	\$ 6,763.00	\$ 7,267.00	\$ 2,288.27	\$ 9,296.52
Net Other Income	-\$ 6,762.52	-\$ 7,266.74	-\$ 2,288.11	-\$ 3,326.40
Net Income	-\$ 12,226.02	-\$ 14,094.36	\$ 63,772.85	-\$ 5,264.90

PUMP HOUSE IMPROVEMENTS AND UPDATES

The pump house went through some major challenges and improvements over this past year.

The board would like to thank everyone who had a part in seeing these updates through as well as those who donated and provided nourishment. Without you, it would not have gotten done.

THANK YOU !!!

This last winter, though it felt like it was uphill both ways, in the snow and had a windchill factor of -30, we were still able to get our new Sand Filter installed, a new inline mixer, a new Alum tank mixer, a new Alum tank, a new air compressor, a new sump pump for our intake and a new filter vessel installed. All of these necessary components were replaced to help assist us in our daily water making efforts.

For more information on our system, delivery, sign up and all things Bonita Creek Water, visit:

www.bonitacreekwatercompany.org



NEW PLUMBED SAND FILTER, RATED 60 YRS +



NEW ALUM TANK MIXER



NEW INLINE MIXER

**Bonita Creek Water Company Projects
2023/2024
(in this order)**

Pump House Automation Completion - Chlorine Reader and Tank Leveler

Trench to be dug between pump house and tanks. Install new 2" schedule 80 water line, new communications cable in conduit, new 220v power in conduit, small Chlorine sample shed built, Install new 100gallon bladder tank, install new 1/2hp inline pump, install new communications card and have it programmed to the pump house main board.

PAGES 8 & 9 Water Meter Automation - Providing water company and home owners the ability to better monitor and be alerted with water operations 24/7/365.

60 meters to install to complete community meter automation. System monitoring is \$85 per month while providing billing department with water patron monthly statements. Water company currently spends \$550 a month for reading and billing. Meter batteries have a lifecycle of 10 years but can be manually read at anytime. Total R.O.I. will be within a 5 year period.

Road and Easement Repairs - After this winter with the snow and rains our water company access roads suffered significant deterioration and erosion.

Backhoe and operator, grading and granite delivery for the storage tank easement (3 trucks), Billy Ichida's driveway (1 truck), the pump house road (2 trucks) and pump house driveway and surrounding area (3 trucks). Total of 8-9 trucks of material and labor needed.

Water Creek Intake Rebuild - To shore up creek intake to prevent sediment and creek debris through winter and monsoon storms.

Backhoe, operator and engineering. Labor and materials to construct an upstream barrier for our intake, new concrete footings, rebar and possible check gate.

PROPOSED & SUBMITTED 2023 RATE INCREASE

ACC recommends a minimum rate increase be submitted every 3-5 years to keep up with inflation.

It's been 67 years since the first ACC approval in 1956. On a 4 year avg., our water company should have had approximately 17 rate increases since that time. In BC's history, 5 have been proposed and approved by the ACC. Only 2 have been approved since 2000. To date, the ACC has yet to deny a rate increase.

1956 Base rate approved \$5.00		16 yrs
1972 Base rate approved \$5.50		16 yrs
1988 Base rate approved \$18.00	BC Requested \$25.	7yrs
November 1990 water company sold for \$1. Dude Fire		
1995 Base rate approved \$19.75	BC Requested \$100	8 yrs
2003 Base rate approved \$32.15	Remained same	16 yrs
2011 Water expansion to Unit 2		
2020 Base rate approved \$64.15	BC Requested \$100	3 yrs
2023 Base rate approved \$TBD	BC Requested \$96.23	

According to the ACC, a rate increase application can take roughly 5-6 months to review and up to 1 year to implement.

NOTE: If the ACC does not agree to our proposed rate increase or reduces any amount of what has been requested, there is a chance the water company may not survive.

2003 WATER RATES		
2003 - 2020 Monthly Base Rate		\$32.15
Tier 1	0 - 3,000 Gal.	\$4.25 per 1000 Gal.
Tier 2	3,001 - 10,000 Gal.	\$4.75 per 1000 Gal.
Tier 3	10,001 > Gal.	\$5.75 per 1000 Gal.

CURRENT WATER RATES AS OF 2021		
Average 50% increase from previous 16 year rates		
Current Monthly Base Rate		\$64.15
Tier 1	0 - 2,000 Gal.	\$6.91 per 1000 Gal.
Tier 2	2,001 - 7,000 Gal.	\$10.37 per 1000 Gal.
Tier 3	7,001 > Gal.	\$12.44 per 1000 Gal.

PROPOSED 2023/2024 WATER RATES		
33.3% Increase from current rates		
Proposed Monthly Base Rate		\$96.23
Tier 1	0 - 2,000 Gal.	\$10.37 per 1000 Gal.
Tier 2	2,001 - 7,000 Gal.	\$15.56 per 1000 Gal.
Tier 3	7,001 > Gal.	\$18.66 per 1000 Gal.

RAIN HARVESTING (as an additional water alternative)

Working Toward Conserving

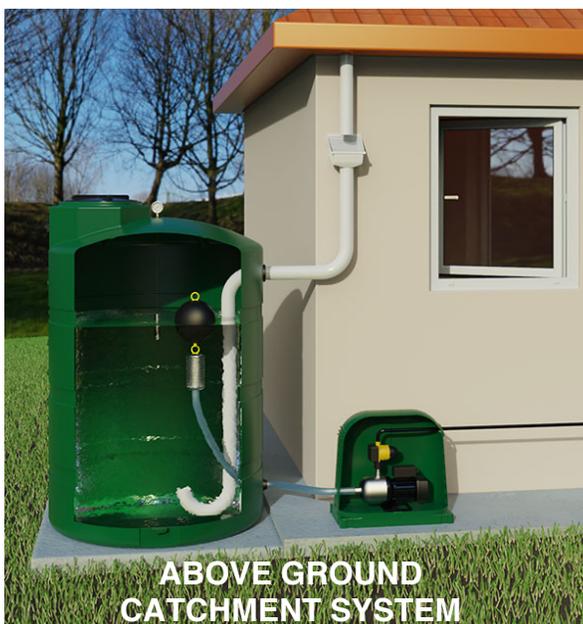
When at all possible, please don't use drinking water to water your yard. The amount of cost, man power and facility maintenance it takes to make one gallon of drinking water is overwhelming. We have created this page in hopes to help educate our residents and alleviate some of the stresses of the Bonita Creek Water system.

By capturing as much rainfall as possible from buildings and structures, we can use that water to irrigate landscaping during dry times and prevent erosion during times of high precipitation. By using rainwater for washing laundry, flushing toilets and pressure washing houses and vehicles, we can further contribute to water conservation by limiting the use of drinking water and reducing the energy used to deliver that water from the municipal supply. The combination of these effects can greatly contribute to the conservation of our most precious natural resource - water.

Where Do I Start?

Before you set up a water catchment system, think about these questions;

- ~What will the water be used for?
- ~Will I want the option to expand the system?
- ~How much rain can be collected?
- ~Where will the tank overflow go?
- ~Where can the containers be located?
- ~Above or below ground?
- ~Can the containers serve several purposes where they are located such as shading a garden, providing a windbreak or as the edge of a structure?
- ~Do I need to hide the containers for aesthetic purposes or neighborhood restrictions?
- ~How will the water get from the roof to the container and to the end use area?
- ~Will the system be gravity fed, or will it need a pump?



FAQs **Frequently Asked Questions**

Complete entry level systems run about \$1,500 - \$2,500
(Materials Only)

Average roof area is approximately 1000 SF

1" of rain on this size roof will produce 600+g of water

Payson averages 22" of rain a year
thats 13,500+g annually
or 1,100+g/month or 36g/day.
(not including snow)

All rain harvesting information and questions can be found on our Bonita Creek Water website:

Bonita Creek Water Company

AMI Water Meter Automation

Advanced Metering Infrastructure, or AMI for short, are high-tech water meters that have lots of new features. These new meters allow customers to track their usage on an hourly, daily or monthly basis through an online password protected portal. Read on for some of the benefits of AMI meters and how the data they provide can help to detect potential water leaks, meet local guidelines, conserve water and get better customer service.

What are the benefits of Advanced Metering Infrastructure?

Benefits of Advanced Metering Infrastructure include: improved utility operations; improved water conservation, leak detection and enhanced security and resilience.

AMI Solutions are scalable, so utilities may implement the system in stages depending on their budgets and needs. AMI fully automates meter reading, billing and data collection processes, making it a sustainable long-term solution for utilities and their communities.

A few of the benefits of an AMI Meter Reading System

1. AMI Meters Can Provide Timely Notification of Leaks

Water conservation is a driving force behind Arizona water shortages. Replacing traditional water meters with data-centric AMI meters can provide customers with round-the-clock readings and alert them to anomalies that may indicate a leak. With Internet access to data in real-time, the water company and its users can see changes in water usage as they happen and also monitor long-term patterns.

Imagine being at work and getting a text or email that there is a leak at your unoccupied home? A quick response to this situation not only saves water but can protect your home from water damage.

Wondering why your water bill shows high usage? Log on to your personalized secure online portal and see the usage pattern at your home. Perhaps a malfunctioning irrigation timer is turning your sprinklers on daily instead of twice a week. All this information and more is available at your fingertips. There's no need to wait for a manual monthly meter read to detect abnormalities in usage.

2. AMI Meters Provide Customers Guidance for Meeting Local Guidelines

Arizona and California droughts have raised water awareness to new levels.

With AMI meters, customers can track their water usage at their fingertips and adjust it to meet their needs. This info allows customers to budget their water usage more effectively

3. AMI Meters Support Customer Conservation Efforts

In addition to state and locally-mandated water use regulations and restrictions, many water-wise customers self-impose their own standards to conserve water. AMI meters make it easy to set personal budgets and conservation goals. In addition, AMI meters allow curious customers to experiment and to see the difference certain actions make in water usage. Want to know exactly how much water your irrigation system uses? Simple! Go online and see your water usage before and after your sprinklers run in the middle of the night.

AMI meters are especially helpful if your goal is to stay within a particular water rate tier. The Bonita Creek Water Company charges are divided into three categories (0-2000 gallons for first tier, 2001 to 7,000 gallons for the second tier and over 7,001 gallons for the third tier), so usage can affect overall consumption charges.

4. AMI Meters Result in Efficient Service

Finally, AMI meters help customers receive more efficient service quickly. Because customers have full access to their water usage data 24 hours a day, they can become proactive participants and contact BCWC with any water usage concerns as they happen. This eliminates the need to wait for a monthly bill to notice that something is amiss (like excess water use that may indicate a leak).

Additionally, because water usage data is available on a timeline basis, there is less need to send a field service investigator to the site to reread a meter because it's available 24 hours a day. What's more, BCWC and the customer can view the same water use data simultaneously and discuss any concerns.

These are just a few ways the AMI meters are empowering customers to take control of their water usage and make decisions that are best for them and their home.

High-Resolution Readings to Detect Ultra-Low Flows

Neptune® ProCoder™



DSTx-10 DataSense™ 10-Year Transmitter



Transmitter Description

- Independent transmitter connected to standard meter pickups (pulsed output only)
- Collects and transmits information from most North American Utility meters (including multi-utility collection – water, gas, and electric within the same system network)
- Transmits from within underground pits without the necessity to modify the pit cover
- Stand alone unit with internal power source (10 years expected battery life)
- High reliability in indoor or outdoor environments
- Easy and quick installation - no need for extensive infrastructure
- Splash-proof; Water-proof optional
- Easy to retrofit to compatible, existing utility meters