

**MINUTES FOR THE
BLACK CANYON CITY WATER IMPROVEMENT DISTRICT
January 20, 2006 REGULAR BOARD MEETING**

Chair Jim Evans opened the meeting at 7:05 PM due to technical problems (recording equipment) calling for the customary reflection period to be observed by the Board and Public. Roll Call of Board Members showed a quorum present with the following Board members in attendance:

Jim Evans, Chair
Robert Marley, Vice Chair
John O'Daniel, Treasurer

Ron Lee, Secretary and Mary Brown, Member-at-large were absent due to illness

Also in attendance: Water Management - Randall Hrabina and Sarah Hrabina
Public: Bob Cothorn, Marlene Evans and Marilyn O'Daniel – all Owner/Users; Also in attendance Bruce Colbert from the Big Bug News and Mrs. Colbert.

Agenda Item #4: Board Member Reports

Vice Chair R Marley stated he'd like to report on, noting it is also listed as an action item – Yavapai County Election Services Contract (Agenda Item #14) indicating he could do it now or later with Chair Evans suggesting to report on it now. R Marley stated the County had sent us a contract that would allow us to sign up for services if we wanted to sign up for election by ballot and they were offering that to all election districts. R Marley indicated he called Yavapai County and spoke with a woman to obtain more details. To continue the elections as normal in the past no action was necessary. If in the future we wanted to have an election by mail we could sign up for it at that time. My proposal would be to leave it as is with no action required.

Agenda Item #5 Approval of 12/15/05 Regular Board Minutes

J O'Daniel motioned to approve the minutes as written and R Marley seconded the motion. Upon vote the motion to accept the minutes from the December 15, 2005 regular Board meeting were approved unanimously.

Agenda Item #6 Treasurer's Report (as of 12/31/2005)

Treasurer John O'Daniel presented the Financial Report for the period ending 12/31/05. The beginning and ending balances for all accounts were given:

Account	Beginning	Ending
General Fund	\$222,798.45	\$275,172.38
Security Deposits	\$ 39,925.00	\$ 39,925.00
Capital Reserve	\$215,791.56	\$132,967.49
Arsenic Sinking Fund	\$ 13,410.82	\$ 16,774.24
Bank of the West	\$ 11,285.01	\$ 8,417.86

J O'Daniel also noted there was no change in the set-aside funds frozen by Yavapai County back in '02 with the ending balance reported at \$11,571.09.

December billing totaled \$24,484.57 with J O'Daniel giving a breakdown of the 813 active accounts. The gallonage for the month was 4,834,000 as compared to 5,901,000 in November, noting a drop of about a million gallons; (Fiscal) year-to-date total is 41,011,000 with J O'Daniel noting it is real close to last year's figures – a difference of only about 200,000 gallons.

Cash Management Reports show total receipts of \$31,177.04 and disbursements of \$55,210.57 from the General Fund, noting this included the final capital disbursement to Industrial Service in the amount of \$29,177.34. John O'Daniel indicated he checked the financials and they included Qbook invoices 645 through 649 and the Taabs audit numbers were 7054 through 70103 and the accounts receivable balanced in both at \$25,744.01. No impact fees were collected during December and J O'Daniel indicated the monthly general journal entries were also attached for approval.

Chair Evans stated he would accept a motion for approval with R Marley so moving. The motion was seconded by Chair J Evans and upon vote the Financial Report for the period ending 12/31/2005 was passed unanimously.

Agenda Item #7 Operations Report (as of 01/17/06)

R Hrabina presented an overview to the Board and Public: 19 Completed Work Orders, 16 Blue Stakes marked and 31 "Pink Slips" for past due accounts. Leak repairs were reported on Mud Springs & Phyllis, Roadrunner and Chapo Drive. It was noted the Capital Improvement Valve Project included a valve for Chapo and was installed during the repair.

Water samples were negative; Well Stats –

Water levels:

Big John #1 Water level at 20'; Draw to 22';
Big John #2 Water level at 20'; Draw to 28'

GOA #1 Water level at 20'; Draw to 23';
GOA #2 Water level at 20'; Draw to 36'

Not included on the report is the running time; but running time for Big John is 6 to 7 hours and GOA is 6 to 8 hours.

Oasis is still off.

Chlorination – The chlorination system at Big John is up and running; still working on GOA and Oasis. It was anticipated it would be completed in a month, but it appears it will take at least another month to complete; it's a lot of work with both the electrical and plumbing. R Hrabina indicated all the underground work is done, but not tied- no electrical work done yet at GOA or Oasis. J O'Daniel inquired if APS was required to come out with R Hrabina indicating it was not required because service is not being disconnected at all the way they are doing it. Additional discussion followed regarding the main (electrical) panel box and its location inside the building.

R Hrabina stated also included with the Operations Report is a letter from ADEQ noting it relates to the violation of August 26, 2004 for the Grade 3 Operator and wells that were not approved. The letter states we're in compliance but indicates they (ADEQ) reserves the right for additional action.

Chair Evans indicated he would accept a motion to accept the Operations Report and J O'Daniel so moved. R Marley seconded the motion and upon vote the motion carried without opposition.

Agenda Item #8 Reorganization and Appointment of Board Members -2006

Chair Evans opened the discussion stating inasmuch as there are two Board members absent we need to act on this with J O'Daniel suggesting we table the matter until the full Board is present. Chair Evans indicated he didn't think they could do that and S Hrabina stated the requirement was for it to be done at the first meeting and suggested, if all the positions were staying in place to act on it and place it back on the agenda next month to appoint someone else to any of the positions, such as the Chair and revise it or leave it as is. R Marley moved to maintain all the Board positions with the stipulation to review it next month as suggested by J O'Daniel. The motion was seconded by J O'Daniel and upon vote passed unanimously to retain James Evans, Chair; Robert Marley, Vice Chair; Ronald E. Lee, Secretary; John O'Daniel, Treasurer and Mary Brown as Member-at-large.

Agenda Item #9 Request for Fire Hydrant Testing

Chair Evans opened the discussion noting there was no one present representing the Fire Department and adding it was Chief Birch who had made the request. R Hrabina indicated the Board had a copy of the Fire Hydrant Profile as of November, 2005 (see attachment #1) with Chair Evans indicating he wasn't aware Management does that, believing it was the Fire Department that had to do the tests. R Hrabina indicated the Water District has always done the tests, adding it's done periodically but not necessarily done annually (last test 10/2001). Additional discussion followed regarding the data and it was noted in Note #2 the average storage supply of 220,000 should be 180,000 gallons. R Hrabina also stated the tests were done over a 5-minute period. In addition to the fire hydrants maintained by the Water District there

Agenda Item #9 Request for Fire Hydrant Testing (con't)

were four (4) other hydrants privately owned; one (1) at Bradshaw Mountain RV Resort and three (3) at Oasis at Black Canyon City. Chair Evans inquired what size supply they had with R Hrabina stating all are off a 6-inch lines, adding however they both are serviced by a 4-inch meter/backflow. Additional discussion followed regarding the classifications of the hydrants and R Hrabina indicated he would drop a copy of the Hydrant Profile off at the Fire Department.
NO BOARD ACTION REQUIRED

Agenda Item #10 Final Approval of 2004/05 Audit – by Darlene Wood, CPA

S Hrabina/Management indicated she took full responsibility for not having the final audit for the Board for the meeting and the matter was TABLED

Audit# 11 Drainage Improvements at Big John Site

S Hrabina/Management indicated Supervisor Tom Thurman is planning on visiting the site personally on Saturday 1/22/06 and, therefore, there was nothing new to report and the matter was TABLED.

Audit# 12 Review and/or approve Capital Improvements for year

R Hrabina/Management opened the discussion with item **(a) Storage Tank at Big John site**, noting the Board members had a copy in their packet (see attachment #2) and it is in addition to the capital improvements given to the Board the previous month. R Hrabina indicated he called the Chair during the month when one of the old hydro-pneumatic tanks, installed around 1958 at the Big John site, sprang a leak. We had a difficult time plugging it, noting he had to call his brother in Pennsylvania to send him a special type of tank plug that is just not available from supplies in Arizona. Management plugged the tank and three days later there was another leak; it's not going to end. I've added the replacement of the tank to the capital improvements. This is not the type of project we want to do in the summer at peak use; we'd want to do before that. R Hrabina indicated he got a price from Brown Tank at a cost of \$19,500, noting the last tank we bought was about \$18,000 and with pipe, fittings, labor and crane costs the total cost estimate was stated to be \$22,250.00. R Hrabina noted the crane cost also includes the removal of the old tank. The other additional item is for a line replacement at Phyllis and Mud Springs Road with R Hrabina explaining there was another leak at this location; it's the third leak at that section of pipe and indicated the 2-inch galvanized line needs to be replaced with a 6-inch, tying it back into the 2-inch and then when we re-blacktop we don't have to worry about having to dig it up again. It was further explained the expense involved in the road repairs. Total cost for the project estimated at \$6,800.00. The permit (for the repair) is for sixty (60) days so, if approved by the Board, could be done under the same permit. The other projects proposed last month **(b) Proposed Long-range Plan as outlined with Dec Operations Report** (see attachment #3) R Hrabina stated the Board could approve any, all or none. The proposal of the new fire hydrant for the business center (at an estimated cost of \$3,000) R Hrabina stated he was now highly recommending it, explaining the standpipe on K-Field and Vladimir was hit for the third time last week and is currently shut off due to the damage with Management's recommendation is to remove it with J O'Daniel inquiring if the recommendation to remove it was with the installation of the new one with R Hrabina indicating it was. It was noted the standpipe is only on a 4-inch line whereas the new hydrant would be off a 6-inch line. It was also noted the location, instead of in front of Bylers Restaurant would be a little further north, closer to the bank, near the bench/bus stop which would make it closer to K-Field where the standpipe would be removed. Chair Evans inquired how far down on K-Field with R Hrabina responding it's on the corner of Vladimir, noting it's about 400-feet (from Old Black Canyon Highway).

Additional discussion reverted back to the hydro-pneumatic tank and where the valves need to be located with R Hrabina indicating Randy Brown at the tank company indicated they would want to come out and do their own measurements to be sure before ordering. J O'Daniel

Audit# 12 Review and/or approve Capital Improvements for year (con't)

also inquired of any other tank companies with R Hrabina indicating there was another tank company that did the school tank, but unsure if they do hydro-pneumatic tanks but could contact them for a price. It was also noted the crane outfit the District has used in the past is Tempe Crane Co. with it being noted arrangements would need to be made to have the trucking company agree to haul the old tank to the storage yard. Chair Evans inquired of the available capital funds at \$132 (thousand) and if we anticipated any other large expenses from it. R Hrabina noted we didn't expect this (tank replacement) or the other "new" one (line replacement Mud Springs/Phyllis St). Chair Evans stated he felt some type of cathodic protection should be included with the tank project and R Hrabina indicated he would look into it. Chair Evans indicated the line replacement and the tank replacement would be the top priority for improvements. Additional discussion followed regarding bidding procedures. The new fire hydrant was also addressed although it was noted it would be highly unlikely that anyone would bid on such a small project which is why Management has given a price for the installation. R Hrabina stated he would want to add to the priority list the concrete brace for the water main that feeds the April storage tank that crosses a wash on BLM land, noting it spans the was approximately 30-feet. Additional discussion followed regarding the location, the tree that needs to be removed and the work that is needed. Chair Evans and J O'Daniel indicated they would like to see the site to better evaluate the situation with R Hrabina indicating he would make arrangements to show them the site. Chair Evans noted the District might need an engineer to design and recommend the appropriate measures to take to correct it. The tree is a separate issue and Chair Evans inquired if it would be appropriate to get bids for a professional tree trimmer to remove. J O'Daniel suggested waiting until next month, after they see the site to make a decision. J O'Daniel also inquired about the status on the grant that was discussed several months ago with S Hrabina/Management noting Chief Birch had offered to write and apply for the grant, but no information has been asked for to date by the Chief. Chair Evans indicated the Chief was currently out of town but should be back next week and could perhaps contact him to get an update on the grant. Chair Evans indicated the District had sufficient funds for the tank replacement and the line replacement with J O'Daniel noting he would like to have more than one price for the tank replacement before making a decision. R Hrabina indicated he would continue to plug the tank, as needed, with S Hrabina suggesting the Board make a motion to go out for bids on the tank, to be approved at the next meeting. J O'Daniel motioned for Management to advertise for sealed bids for the tank replacement. Tony Chavez from the Public inquired if the Board didn't need to approve the expenditure before going out for bids with Chair Evans indicating the procedure is to go out for bids first (the Board would approve the expenditure at the time the bid is approved; or the Board has the right to reject any and all bids). R Marley seconded the motion on the floor and upon vote the motion to advertise for bids for a new 5,000 gallon hydro-pneumatic tank was passed without opposition. The sealed bids will be opened at the February meeting. Additional discussion followed regarding the cathodic protection and it was noted DC-current was most likely the way to go.

Chair Evans indicated the line replacement is the other item we need to address with R Marley stating he would like to motion authorizing Management to proceed with the line replacement at Mud Springs and Phyllis with J O'Daniel seconding the motion. Upon vote the motion passed without opposition. J O'Daniel inquired about the length of time it would take to do the replacement with R Hrabina indicating the actual work would most likely take two (2) days with the water having to be shut off during the construction. The District would also have to rent the traffic barricades in order to detour the traffic during the repair. J O'Daniel inquired about the actual cost with R Hrabina indicating the only thing the District is approving is the labor cost for Management to do the repair. The material costs are estimated and the actual costs will be itemized for the District with the District paying for those costs directly. Chair Evans inquired if there were any questions from the Public on this issue (NONE).

Regarding some of the other issues listed on the Capital Improvements Chair Evans asked if there was anything else that needs to be discussed at this time with R Hrabina noting nothing that was urgent. The Valve Program is important to Management; it's been tabled from a number of years ago – if you drag your feet longer, they might all get in for "free", noting the one

Audit# 12 Review and/or approve Capital Improvements for year (con't)

proposed for Chapo Drive was put in by Management during the recent repair. R Hrabina indicated it's Management's policy if we have to dig something open to make a repair, while we're at it if it's a good spot to put a valve we put it in. It would be foolish not to. In the estimate, we estimated \$1,700 for each location, because we did it with the repair the only cost was the actual cost of the valve which was about \$325.00. It didn't take us any longer to put it in since we had the line apart to begin with.

J O'Daniel suggested getting an update from Chief Birch regarding the hydrant and grant before the next meeting so we can act on that with R Hrabina indicating he would.

Audit# 13 New Sound/Recording Equipment for Meetings (tabled from Dec)

Ron Lee had requested this agenda item and due to his absence, was TABLED

Audit# 14 Yavapai County Election Services Contract (tabled from Dec)

R Marley addressed this in Item #4 Board Reports with no Board action required

Agenda Item #15 Call to the Public – NONE

With no other business to come before the Board, the meeting adjourned at 8:20 pm by Chair Evans.

ATTESTED:

I, _____ for the Black Canyon City Water Improvement District certify that the minutes, as transcribed, are true and correct to the best of my knowledge and belief.

Respectfully submitted,

Transcription of minutes completed by Sarah J. Hrabina on 02/08/2006

Amended:[] YES [] NO

Minutes of the Regular January 20, 2006 Board Meeting approved
by Board action on: _____ as herein transcribed

BLACK CANYON CITY WATER IMPROVEMENT DISTRICT HYDRANT RECORD

HYDRANT #	LOCATION	TYPE	FLOW	STATIC	CLASS
1	*MAREN & MAGGIE MINE	HYDRANT	670 GPM	54 PSI	B
2	*DOGTRACK PARKING LOT	HYDRANT	610 GPM	60 PSI	B
3	*CANON ELEMENTARY SCHOOL	HYDRANT	890 GPM	76 PSI	B
4	BIG JOHN WELLS OLD BLK CAN HWY	STANDPIPE	800 GPM	90 PSI	B
5	*19220 SAGUARO DRIVE	HYDRANT	340 GPM	60 PSI	C
6	*SAGUARO DR/CUL-DE-SAC	HYDRANT	340 GPM	60 PSI	C
7	MECHLING/K-FIELD ROAD	HYDRANT	615 GPM	78 PSI	B
8	K-FIELD & VLADIMIR ROAD	STANDPIPE	580 GPM	65 PSI	B
9	K-MINE RD/POST OFFICE	STANDPIPE	630 GPM	64 PSI	B
10	34703 BERTHAT ST/EAST SIDE	STANDPIPE	580 GPM	74 PSI	B
11	KINGS RANCH II; LOT #38	STANDPIPE	550 GPM	70 PSI	B
12	OASIS DR/OLD BLK CANYON HWY	STANDPIPE	480 GPM	60 PSI	C
13	PHYLISS ST/BEHIND LIBRARY	HYDRANT	590 GPM	48 PSI	B
14	MUD SPRINGS RD/OLD BLK CAN HY	HYDRANT	790 GPM	62 PSI	B
15	ALBINS ST/MUD SPRINGS ROAD	HYDRANT	530 GPM	57 PSI	B
16	K-MINE/BEHIND TRADING POST	STANDPIPE	630 GPM	64 PSI	B
17	K-MINE/ABBOTT STREET	STANDPIPE	630 GPM	68 PSI	B
18	*19420 SPENCER STREET	HYDRANT	370 GPM	74 PSI	C
19	COUNTY SHERIFF STATION	HYDRANT	290 GPM	45 PSI	C
20	*OASIS DR/LAMB REALTY	HYDRANT	630 GPM	50 PSI	B
21	CANON JR HIGH/EAST SIDE	STANDPIPE	480 GPM	45 PSI	C
22	*ABBOTT STREET	HYDRANT	380 GPM	60 PSI	C
23	*PALM LN/OLD BLK CANYON HWY	HYDRANT	800 GPM	80 PSI	B
24	*CANON/NEW SCHOOL-NORTH	HYDRANT	1,000 GPM	100 PSI	A
25	*CANON/NEW SCHOOL-SOUTH	HYDRANT	1,000 GPM	100 PSI	A
26	OLD BLK CANYON HWY/ENTRANCE @BRANDSHAW MNT RV RESORT	HYDRANT	800 GPM	80 PSI	B
27	WYATT WAY & CACTUS WAY/LOOP	HYDRANT	300 GPM	40 PSI	C
28	MEMORIAL DR (off Indian Hills)	HYDRANT	300 GPM	35 PSI	C

NOTES:

- (1) *Asterisk indicates hydrants off a 6-inch supply line
- (2) Canon School-North (#24) is off an 8-inch supply line with an average of storage supply of ^{180,000} 220,000 gals
- (3) Profiles are rated over a five (5) minute period; at most location profiles will drop extremely on longer test or use
- (4) In addition to the above fire hydrants, there are four (4) privately owned hydrants within the system that are NOT owned or maintained by the Water District; they are:
 - (a) 1 HYDRANT in Bradshaw Mountain RV Resort at the end of Jerry St;
 - (b) 3 HYDRANTS within "Oasis at Black Canyon City" Development

ADDITIONAL CAPITAL IMPROVEMENTS
For Board Consideration as recommended by Management

(1) NEW TANK AT BIG JOHN – Cost Estimate

Tank (Brown Tank Co.) Approx 8 wk delivery	\$19,500.00
Pipe and fittings	250.00
Crane Rental	1,000.00
Labor	<u>1,500.00</u>
Total Estimated Cost	\$22,250.00

(2) LINE REPLACEMENT – PHYLLIS ST & MUD SPRINGS – Cost Estimate

Replace water main, approx 60-ft with 6" PVC with valves and possibly two (2) branch tie-ins Total material estimate	\$ 2,000.00
Stone, Cement and Blacktop	3,000.00
Labor and Backhoe	<u>1,800.00</u>
Total Estimated Cost	\$ 6,800.00

**BLACK CANYON CITY WATER IMPROVEMENT DISTRICT
DISTRIBUTION SYSTEM CAPITAL IMPROVEMENT PLAN**

The following projects are improvements that will enhance the BCCWID system to better serve the community. This long-range plan (5 years and beyond) is based on available funds and Board approval.

Estimated costs are provided for each project.

- \$ 2,000 Build concrete brace for water main that feeds the April storage tank at wash on BLM land (spans wash approx 30'; 4" galvanized pipe) and remove old tree

- \$ 17,000 valve Program – Installation of additional valves to isolate areas. The additional valves will enable the District to minimize the disruption of service to customers during a routine or emergency repair to the system. Cost for each valve installation is estimated to be \$1,700 with ten (10) locations needed; they are: (1) South end of Bertha St; (2) K-Field across from W Phyllis St; (3) K-Mine at Abbott St; (4) Wanda at BLM land; (5) Chapo Rd; (6) Palo Verde at Ironwood; (7) Wagon wheel Cr; (8) Camino del Sol; (9) Thompson Dr; (10) Aril Dr.

- \$ 3,000 Installation of new Fire Hydrant for Business Center (near Byler's Restaurant)

- \$ 5,000* Create new maps of the distribution system including new water lines, valves & hydrants *Note: This could be considerably less, or at no cost if services donated

- \$ 85,000 Replace water mains on Church and David Streets with 6" Schedule 900 PVC including three (3) fire hydrants (Note: Engineering work has already been done)

- \$ 28,000 Replace water main on Wanda Dr with Schedule 900 6" PVC and one (1) fire hydrant (Note: Engineering work has already been done)

- \$25,000 Engineered Study/Evaluation
A proper evaluation of our businesses and homes would have to be completed to determine what fire flow is needed and for how long. The only example right now is Rock Springs, which according to the Fire Dept would require 3,000 GPM for 3 hours. Relying on storage capacity alone, we would need 540,000 gallons storage. Currently we have 520,000 gallons, assuming the tanks are filled to the top. On average with normal usage, it is estimated the amount in storage is 450,000 gallons.
To properly plan for this type of project, an Engineer would have to be hired to calculate and determine the size water mains needed to be installed, accounting for the head-loss we have from our storage tanks to our fire hydrants and if additional storage capacity would have to be installed.

- \$1,000,000+

FINANCIAL PROJECTIONS

Capital Reserve funds on hand (as of 12/2005) (This is with ALL capital expenditures for the arsenic and chlorination systems paid in full)	\$125,000
Estimated cash reserves for projects, per year (based on current rate structure: Total revenue is \$90,000 with \$45,000 for debt reduction [wells Fargo loan] and approx. \$40,000 set aside for the Arsenic Sinking Fund to be used to replenish the media for the filtration system)	\$ 5,000
Additional cash reserves in the General Fund (as of 12/2005) (based on current rate structure the 2005/06 Budget nets a \$27,000 cash flow, before accounting for depreciation)	\$245,000
27,000	\$