

**MINUTES FOR THE
BLACK CANYON CITY WATER IMPROVEMENT DISTRICT
February 16, 2006 REGULAR BOARD MEETING**

Chair Jim Evans opened the meeting at 7:01 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 ALL Board members in attendance:

Jim Evans, Chair	Robert Marley, Vice Chair
John O'Daniel, Treasurer	Ron Lee, Secretary
Mary Brown, Member-at-large	

Also in attendance: Water Management - Randall Hrabina and Sarah Hrabina
Public: Tony Chavez, Bruce Daugherty, Danielle Daugherty, Marlene Evans and Marilyn O'Daniel and Ed Leak – all Owner/Users; Also in attendance CPA Darlene Wood, Bruce Colbert from the Big Bug News; Representing the Fire Department – Chief Tom Birch, Josh Johnson, Mike Rapps and Eric Snow; Other residents from Black Canyon City – Cindy Brannan and Stan Cothorn

Agenda Item #4: Board Member Reports

Chair J Evans reported he visited the site of the exposed water line with Management (discussed at the January Board Meeting) and noted he took a picture showing the ravine was at least thirty feet (30') deep with a tree branch leaning on it. The Chair indicated Management was working and looking into a solution for the problem. R Marley indicated he tried to find the site when he was biking, but never was able to find it.

Agenda Item #5 Approval of 1/17/06 Regular Board Minutes

J O'Daniel motioned to approve the minutes as written and M Brown seconded the motion. Upon vote the motion to accept the minutes from the January 17, 2006 regular Board meeting were approved unanimously.

Agenda Item #6 Treasurer's Report (as of 1/31/2006)

Treasurer John O'Daniel presented the Financial Report for the period ending 1/31/06. The beginning and ending balances for all accounts were given:

Account	Beginning	Ending
General Fund	\$275,172.38	\$262,786.19
Security Deposits	\$ 39,925.00	\$ 39,925.00
Capital Reserve	\$132,967.49	\$139,031.03
Arsenic Sinking Fund	\$ 16,774.24	\$ 20,144.04
Bank of the West	\$ 8,417.86	\$ 8,417.86 (type)

corrected to read \$9,251.50

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.

January billing totaled \$26,286.58 with J O'Daniel giving a breakdown of the 813 active accounts. The gallonage for the month was 5,600,000 as compared to 4,834,000 in December, and the (Fiscal) year-to-date total at 46,611,000. It was also noted in January of '05 the amount was only 4,284,000 gallons which was over a million less but J O'Daniel indicated the heavy rains last year versus no rain this year which makes the difference.

Cash Management Reports show total receipts of \$31,177.84 and disbursements of \$35,847.33. John O'Daniel indicated he reviewed the financials and they included Qbook invoices 650 through 663 and the Taabs audit numbers were 7104 through 7164 and the accounts receivable balanced in both at \$24,604.74. One impact fee was collected in January, audit#7164 in the amount of \$1,500 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 R Lee and upon vote the Financial Report for the period ending 1/31/2006 was passed unanimously.

Agenda Item #7 Operations Report (as of 02/15/06)

R Hrabina presented an overview to the Board and Public: 21 Completed Work Orders, 17 Blue Stakes marked and 36 "Pink Slips" for past due accounts. Leak repairs were reported on Mud Springs & Phyllis, again, with R Hrabina noting this is the location for the new line replacement –adding it has not been done yet but the permit was good for sixty (60) days. The other leak was a main line leak on Abbott Alley. It was also reported one new service was installed.

Water samples (for bacteria) were negative and it was also reported the water was tested for arsenic with the test result being barely readable at <(less than) 0.0010; basically undetectable.

Well Stats were reported-

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

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

Running time is 5 to 6 hours a day and the gallons pumped from 1/9/06 to 2/15/06 was 3,618,000 gallons with R Hrabina indicating the average for the 37 days equals 97,783 gallons per day.

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

GOA #2 Water level at 20'; Draw to 42'

Running time is 5 to 7 hours a day and the gallons pumped from 1/24/06 to 2/15/06 was 1,832,000 gallons with this average for the 22 days being 83,272 gallons per day. It was noted the statistics will never be totally accurate, indicating meters are read over a three day period but if you take the total it will be reasonably close to what is billed in a period.

Oasis is still off with R Hrabina indicating he had hoped all of the work (capital improvements for chlorination and new electrical work) would have been done prior to the meeting but stated there is still a few more days worth of work to be done.

Ending his report, R Hrabina asked if there were any questions from the Board. Chair Evans inquired of the GOA, why does the one (GOA #2) draw down so much more then the other? R Hrabina indicated it always has drawn down lower, adding the difference is GOA#1 is a 12-inch well and a 12-inch is much better than an 8-inch. R Lee inquired, with the lack of rain, are they (wells) still holding up; with R Hrabina indicating he was surprised they haven't fluctuated adding there is someone here, on the agenda, whose well on Lisa Drive has dried up. Additional discussion followed regarding the water depth being up in the river/creek. J O'Daniel inquired what still needed to be done at the Oasis Site with R Hrabina indicating additional wiring still needed to be done, adding there was a lot more to the wiring then first realized. It was noted the system had just been pressure tested and there were no leaks. The arsenic (system) is complete and in place. J O'Daniel also inquired about the new buildings with R Hrabina indicating Management is real pleased with the buildings. Chair Evans inquired about the valves replaced, asking if they are the valves for the individual homes . . . with R Hrabina responding, yes- they are the Water District's service valves; many are very old –they may hold, but not 100-percent. There were six done and R Hrabina indicated there are at least two more to do.

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

Before continuing to the next agenda item, Chair Evans stated, as a point of interest the FYI-Book is on the back table; adding it was not there last month so it is for both February and January, and is available for Public inspection.

Agenda Item #8 Sealed Bids for 5,000 gallon hydro-pneumatic tank replacement at Big John

Chair Evans opened the discussion stating two (2) bids were received; one from Brown Tank and Steel and one from Cashion Tank. Chair Evans proceeded to open the bids and stated

Agenda Item #8 Sealed Bids for 5,000 gallon hydro-pneumatic tank (con't)

the bid from Cashion Tank was in the amount of \$20,577.00 (complete, including sales tax/delivery) with delivery of 4 to 6 weeks. It was also indicated they require 40% down for special orders. The second bid- from Brown Tank and Steel when opened was in the amount of \$19,500 plus \$1,579.50 for sales tax (total \$21,079.50). It was indicated the price from Cashion Tank included the tax. Delivery for the Brown Tank was 10 weeks. Additional discussion followed regarding the specifications of the tank. The Brown Tank bid indicated it was to ASME code. J O'Daniel noted the Cashion Tank bid indicated it was per AWWA standard. R Marley inquired how the Board would be able to make the decision not knowing if the Cashion Tank bid was for an ASME-certified tank. It was noted there was not much difference in price between the two bids and Chair Evans indicated the Board could call a special meeting, if need be or accept the Cashion bid, subject to verification that the tank is ASME-certified. R Marley, noting Cashion being the lower price and shorter delivery time, motioned to accept the bid (\$20,577.00) received from Cashion Tank, subject to confirmation that it is ASME-approved. It was noted if it is not (ASME-certified) the Board could call a special meeting. The motion was seconded by R Lee and upon vote was approved without opposition.

**Agenda Item #9 Final Audit Report – Fiscal Year Ending 6/30/2005
from CPA Darlene Wood**

Chair Evans called upon CPA Darlene Wood with Ms Wood introducing herself and thanking the Board the opportunity to attend and address the Board. Ms Wood indicated the draft of the audit was previously approved by the Board at the December (2005) meeting and, primarily, the only thing added to the final report is the management discussion and analysis. Ms Wood directed the Board's attention to that, noting it summarizes nicely the details in the statement. It indicates an upward trend in assets with about an 8% increase. It also includes a summary of the projects for the period. The trends look very good for the District; the statement shows good financial management and Ms Wood indicated she would be happy to answer any questions on the report. Chair Evans called for questions from the Board – NONE; from the Public – NONE. Chair Evans indicated Board action was needed to approve the final audit report. S Hrabina/Management indicated the County requires a copy of the approved report. R Marley moved to accept the final audit report as prepared by the CPA and J O'Daniel seconded the motion. Upon vote the motion to approve the final audit report for the fiscal year ending 6/30/2005 was approved unanimously.

Agenda Item #10 Reorganization and Appointment of Board Members - 2006

Chair Evans opened the discussion noting this was discussed at the January meeting but wanted to discuss again with the full Board present. It was noted Mary Brown and Ron Lee were both absent from the January meeting. Chair Evans asked for any comments and R Lee suggested keeping the positions the same with other Board members concurring. Chair Evans noted he would like to discuss the starting time for the meetings, suggesting starting one-half hour later at 7:30 PM. Chair Evans indicated he has trouble getting to the meetings on time because he works in town (Phoenix) and asked for other Board comments on his suggestion. All Board members indicated changing the time to 7:30 PM would be acceptable. J O'Daniel inquired what would be required to give public notice with S Hrabina/Management indicating it would be posted at the post office and written notice would be given to Yavapai County. J O'Daniel inquired if it could be in effect for the March meeting with S Hrabina confirming. J O'Daniel motioned to change the start time for the Board meeting from 7 PM to 7:30 PM with M Brown seconding the motion. Upon vote the motion carried without opposition. It was noted the meetings would continue to be the third Thursday of each month and Chair Evans inquired if everyone was happy with the location with other Board members indicating they were pleased with the location (Community First Fellowship Hall). Chair Evans thanked the Board members, noting it will make it much easier for him.

Agenda Item # 11 Capital Improvements

Chair Evans asked Randy (Hrabina/Management) to address this noting the Board needs to know the priority for the work/projects. (#1) R Hrabina opened the discussion indicating the first item (on Long-Range Capital Improvement Plan) was the exposed main line. It was reported Management believes there may be two lines going up to the April Tank, both off of 4-inch lines. There would be nothing to lose to just abandon this line and would be at no cost to the District with the exception of perhaps installing one valve. Management will need to check on this and will have to shut water off in Kings Ranch for approximately 15-minutes. Management will report on this next month with final recommendation and firm cost. (#2) R Hrabina indicated the other item is the fire hydrant in the business section. (#3) Creating new maps – R Hrabina stated he talked to Jim (Evans/Chair) several times about the need and need someone with a CAD-system. In the six years Management has been doing this we've learned a lot about the system and many lines are not where they are shown on the existing maps. Additional discussion followed regarding the (GIS) software with J Evans indicating he would like Bob (Marley/Vice Chair) to look at it. Chair Evans indicated the County maps may be useful and R Hrabina stated he would contact the County to obtain a CD of the Black Canyon City streets, noting this would be a good starting point. (#4) The other important project is the valve program.

R Hrabina indicated none of these projects are high cost and as much as Management would like to see some of the old lines replaced the available funds are still "unknown" due to the cost of the arsenic media, with the replacement life estimated at 20-months (+/-). Chair Evans concurred with Management, noting not knowing what the future holds and the need to replace lines as they fail. Chair Evans also inquired about adding the cathodic protection to the tank with R Hrabina indicating he did not have the information but would have it, including cost, for the next meeting. R Hrabina indicated the need to approve the fire hydrant with Chair Evans inquiring of Chief Birch if the location discussed (near "bus stop"/between Bylers Amish Kitchen and Harmil Plaza on east side of Old Black Canyon Highway) was acceptable to him (Fire Department) with Chief Birch indicating he preferred the location previously suggested (east side of Old Black Canyon Highway a hundred feet or so south of this location/in front of real estate office). R Hrabina indicated either location would be okay; neither location would require taking up any blacktop.

After reviewing and recapping the projects discussed, J O'Daniel motioned to approve the installation of the new fire hydrant in the business area of Old Black Canyon Highway. The motion was seconded by R Lee and upon vote was approved without opposition.

Discussion regarding a possible grant for the Water District for capital improvements included Chief Tom Birch confirming his offer to write the grant. It was noted the community Block Grants are no longer available because the average household income in Black Canyon City is now too high. It was noted there may be grant money available through the Homeland Security. Chief Birch indicated he will need information from the Water District with R Hrabina stating he should call him on his cell phone.

Agenda Item # 12 BLM – Water Line Right-of-Way Lease transfer from Trails End

Chair Evans requested Sarah (Hrabina/Management) to open the discussion with S Hrabina indicating she had given the Board members in their packets a copy of what was received from the Bureau of Land Management. It includes an application to transfer the lease with a \$100 fee. It was noted at the time Trails End Water Company sold the utility to become the District the lease was apparently never transferred. Additional discussion followed regarding the fee of \$4.00 with a check paid to Jeane Albins for the \$4.00 plus an additional check to BLM for the \$25.00 late fee. The location was indicated to be near the park (High Desert Park) with R Hrabina indicating he was unsure of the exact location. S Hrabina indicated the lease included a legal description and R Hrabina asked the Board to table the matter to give him time to research the exact location, noting if it is for the line that is going to be abandoned the lease could be cancelled. No Board action taken; Matter Tabled.

Agenda Item # 13 Special Request – Water Service for 32350 Lisa Drive

Chair Evans opened the discussion asking the property owner to come forward to make the request. Danielle Daugherty introduced herself and stated she purchased the property at 32350 Lisa Drive in 1987. Mrs. Daugherty stated she was told she would have to pay the \$2,200 fees to connect for service. It was indicated service was previously provided to the property with Mrs. Daugherty's son showing a water bill from January 21, 1988. R Lee inquired why the service was cancelled with Mrs. Daugherty indicating they also had a well and she decided to use the well. Mrs. Daugherty also stated the meters were crisscrossed with neighboring property and she felt she was being billed for water that was being used by her neighbor. R Marley inquired if there was still a meter at the property with Mrs. Daugherty indicating the box is there, but not the meter. Mrs. Daugherty indicated it was disconnected back in 1996. R Hrabina indicated he inspected the site and the service line is still there and confirmed the meter had been pulled, noting the reason it is before the Board is because Mrs. Daugherty does not want to pay the fees. Mrs. Daugherty stated the fees were \$2,200 with R Hrabina correcting the amount to be \$2,150 less the service line of \$250 (Total to reconnect: \$1,900). Additional discussion followed regarding the establishment of the Ordinance in 1998 which was after the date of the disconnection with Chair Evans indicating the Public was notified of the change. R Marley inquired if the Water District was in existence at the time Mrs. Daugherty purchased her property with Chair Evans confirming the Water District was in existence in 1987. R Marley inquired of the actual cost to reconnect with R Hrabina/Management indicating the actual cost would be the cost of the meter, about \$125 plus possibly a new valve. R Hrabina also indicated this matter has come before the Board previously and, as a matter of record, has required the full fee (\$1,900). Chair Evans explained the reason for establishing the fees when it was enacted in 1998. It was noted the (active) customers pay a fee monthly towards capital improvements and new customers coming onto the system pay the impact fee to support those costs. R Hrabina added anyone wanting to stay on standby (service) was permitted to by paying the \$10 a month, with the meter off and locked. J O'Daniel indicated there are currently 22 customers on standby service. R Marley inquired why the service was removed with Mrs. Daugherty indicating it was at her request to use just her well. R Marley stated and you selected not to go or stay on standby. Mrs. Daugherty indicated she did not know she had an option. R Hrabina clarified stating Mrs. Daugherty is saying she was not aware she could. Chair Evans noted the (impact) fee was not in existence at the time her service was disconnected (1996). After additional discussion, R Lee suggested giving Mrs. Daugherty the option of connecting and paying the fee in installments with J O'Daniel concurring. It was indicated a minimal amount could be established with a reasonable time frame. Chair Evans pointed out the District would not want to establish a precedent of waiving the fee, but felt there was something they could do to help her out. J O'Daniel motioned to permit the connection and allow Mrs. Daugherty to pay the fees on installment, with no interest. The motion was seconded by R Lee and upon vote passed unanimously. The Board indicated to safeguard the Water District, if accepted by Mrs. Daugherty, a lien should be put on her property until the fees are paid in full. The Board directed Sarah (Hrabina/Management) to establish with Mrs. Daugherty a payment plan with a length of term not to exceed 4-years.

Agenda Item #14 Call to the Public –

Chief Birch apologized for not having a fire department representative at the last meeting, noting _____ (name stated, but could not hear on tape when transcribing) marked his calendar incorrectly. Chief Birch also asked to be put on the agenda for the March meeting to discuss the fees charged to the fire department for operation and maintenance verses all the other commercial customers. Chair Evans indicated he has already put it on the March agenda. Chief Birch requested copies of minutes and rates establishing the fees so he can understand why. Chair Evans expressed appreciation to the Chief for attending, noting the Water District and the Fire District need to work together, adding the Board and Management are committed to doing that. Chair Evans also indicated some of the records are missing and the District may or may not have the minutes.

With no other business to come before the Board, the meeting adjourned at 8:30 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 03/14/2006

Amended: YES NO

Minutes of the Regular February 16, 2006 Board Meeting approved
by Board action on: _____ as herein transcribed

