

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

Chair Jim Evans opened the meeting at 7:30 PM, the "new" time and called 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, Bob Cothorn, Marlene Evans, Ed Konieczny and Marilyn O'Daniel – all Owner/Users; Also in attendance Bruce Colbert from the Big Bug News; Representing the Fire Department – Chief Tom Birch, Stan Cothorn, Board Member and Elaine Caldwell.

Agenda Item #4: Board Member Reports

Vice Chair R Marley reported he viewed the GIS software owned by the Water District noting the 3.0 version is very outdated. When contacted, the company sent the new 9.1 version on trial (good for 2 months).

Agenda Item #5 Approval Board Minutes

M Brown indicated she read the minutes thoroughly and would motion to accept the minutes as written. J O'Daniel seconded the motion. Upon vote the motion to accept the minutes from the February 16, 2006 regular Board meeting and the 2/23/06 special Board meeting were approved unanimously.

Chair Evans indicated the FYI-Book was available for public inspection. The Chair indicated March included: Meeting summary from the February regular Board meeting and also the Special Meeting. It was noted the special meeting was to rescind the bid awarded to Cashion Tank because the tank was not ASME-certified and award the bid to Brown Tank and Steel. Also included, copies of the documents relating to the rates charged to the Fire Dept.; copy of the Public Notice for the change in time of the Board meetings; copy of the letter to the Board of Supervisors with the slate of officers for 2006 and copies of the bids received from Brown Tank and Cashion Tank.

Agenda Item #6 Treasurer's Report (as of 2/28/2006)

Treasurer John O'Daniel presented the Financial Report for the period ending 2/28/06. The beginning and ending balances for all accounts were given:

Account	Beginning	Ending
General Fund	\$262,786.19	\$243,354.15
Security Deposits	\$ 39,925.00	\$ 39,925.00
Capital Reserve	\$139,031.03	\$146,616.22
Arsenic Sinking Fund	\$ 20,144.04	\$ 23,529.07
Bank of the West	\$ 9,251.50	\$ 7,147.39

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.

February billing totaled \$26,674.47 with J O'Daniel giving a breakdown of the 813 active accounts. The gallonage for the month was 5,815,000 as compared to 4,414,000 in '05 – with J O'Daniel pointing out the difference rain makes. (Fiscal) year-to-date total was reported at 52,426,000 which is approximately 6-million gallons more than last year, noting it was a concern to him.

Cash Management Reports show total receipts of \$25,411.40 and disbursements of \$33,815.30. John O'Daniel indicated he reviewed the financials and they included Qbook invoices 664 through 670 and the Taabs audit numbers were 7165 through 7210 and the accounts receivable balanced in both at \$30,691.97. No impact fees were collected in February, and J O'Daniel indicated the monthly general journal entries were also attached for approval.

Agenda Item #6 Treasurer's Report (con't)

Chair Evans stated he would entertain a motion for approval with R Lee so moving. The motion was seconded by R Marley and upon vote the Financial Report for the period ending 2/28/2006 was passed unanimously.

Agenda Item #7 Operations Report (as of 03/14/06)

R Hrabina presented an overview to the Board and Public: 18 Completed Work Orders, 16 Blue Stakes marked and "Pink Slips" for past due accounts were not completed as of the writing of the report (Note: 27 on 3/17/06).

Water samples (for bacteria) were negative; Arsenic samples came back at <(less than) 0.0010; basically undetectable with R Hrabina indicating the arsenic (filtration) systems are working very well.

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

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

Oasis #1 Water level at 20'; Draw to 25'

Oasis #2 Water level at 20'; Draw to 36'

Running 2 to 3 ½ hrs a day

Gallons pumped – John (O'Daniel in Treasurer's Report) reported we billed for 5,815,000 gallons. We pumped 5,645,000 gallons with R Hrabina explaining the two numbers will never be the same with one reason being we read meters over a three day period. It was indicated right now a day's usage is between 160 and 180,000 gallons which in itself makes the difference. It would indicate there are no major losses within the (distribution) system with R Marley indicating it was encouraging news.

It was reported the chlorination systems are complete and the Capital Improvement – line replacement approved by the Board at Phyllis Street and Mud Springs Road is complete with the exception of the blacktopping. We have been waiting a week and a half and each day we can't get it. About 5 PM I received a call (Black Mountain Paving) saying they will have it tomorrow at 7 AM. Blacktop is like concrete – it's hard to get; we had the same problem with the concrete slurry and you just have to wait.

Ending his report, R Hrabina asked if there were any questions from the Board. Vice Chair R Marley inquired of the reported gallons pumped and if everything is working and being metered with R Hrabina indicating the meters are running at all three sites; anything going into the system is being metered. The "mag" meters are exceptionally accurate and it was noted the time period was used to coincide with when the (customer) meters were read. The number will never be exact. It was noted years ago the previous administration installed meters and reported they were losing several million gallons a month.

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

Agenda Item #8 Fire Department Request for Rate Reduction

Chief Tom Birch opened the discussion first noting the Fire Dept. has taken out the overhead fill (at the fire station) because a small leak that increased and is no longer is use. Chief Birch thanked the Board and indicated the agenda item was inaccurate stating he has never asked for a rate reduction. What he asked for was "how come we (Fire Dept) are paying \$78 a month for "Maintenance and Operation" when other commercial accounts are paying \$14.00. Let me go back to how that got started and why that question was asked. If you

Agenda Item #8 Fire Department Request for Rate Reduction (con't)

remember when we first talked about the hydrant being put in (business district/S Old Black Canyon Hwy – October Board Meeting) there was some discussion about how it was going to be paid for and I said we (Fire Dept) pay a hydrant fee. At that point, when asked, Sarah (Hrabina/Management) said she didn't believe we charge you any more. I went back to the bills and, sure enough, it's no longer listed on the bills as a fire hydrant fee where the old bills said standpipe charge; I didn't realize that was no longer on there. Hearing Sarah (Hrabina/Management) say we're no longer being charged – is why there is the question of why are we paying \$78.00 a month when everyone else is paying \$14.00. That's what the question was; I never asked for a rate reduction. The reason I wanted to be on the agenda was because I've gotten two different answers and I want a straight answer. When I asked for the documentation last month to support the fee, I obtained that and it all pertains to hydrant fees – so are we being charged for hydrants or aren't we? It appears to me, we are. Chair Evans stated it's just been "renamed". S Hrabina asked to clarify the statement previously made stating when it was stated, off the top her head (October Board Meeting), I believe what I indicated was you were not being charged an annual fee such as the Dog Track that is billed annually \$3,000. That is what I was referring to; I didn't relate to the monthly bill. It was also noted the correct amounts are \$70.00 (not \$78.00) and \$12.00 (not \$14.00) a month. Chief Birch stated the way it came out was we were not paying the (hydrant) fee anymore so someone tell me why are we paying more. That answer has not been resolved; but I did not request a rate reduction. I admit there have been issues in the past between the Water Board and the Fire Board, there are concerns, but I'm not going to fight you over it. We want to work with you and from some of the things I'm hearing from Randy (Hrabina/Management) there's some movement in that direction and I'm pleased with that. So, that resolves the issue.

Chair Evans indicated, in his mind, the question is why are you being charged more than other commercial customers, noting you (Fire Dept) get special consideration the others don't get and I'm sure that has some monetary value – adding he was not sure how to come up with that answer. It was indicated the issue has been around for a number of years and R Lee added there have been two rate reductions given to the Owner/Users with Chief Birch again stating he did not come to the Board for a rate reduction; I never said that. Additional discussion followed regarding the length of time (fee established) with the consensus being it has been in effect for at least ten (10) years. J O'Daniel stated he had a couple of questions, directing them to Sarah (Hrabina/Management), asking if we have any other businesses that are charged a different rate with S Hrabina indicating there is one business that is charged (higher rate) as an out-of-district rate and has been in effect since before Management. It was also pointed out the Fire Dept is not listed as a commercial customer, it is a separate category, and again, is how it was set up prior to Management taking over. J O'Daniel inquired if we charge the Fire Dept the same for impact fees as all of the other customers with S Hrabina explaining the impact fee is only charged to new customers getting service. J O'Daniel corrected his question stating he meant the monthly fee (capital improvement) with S Hrabina explaining on their bill they get charged for the water they use at the firehouse. There is a \$70.00 fee under the Maintenance and Operation, where a commercial account is \$12.00 and they pay \$9.00 for the Capital Improvement which is the same rate as the commercial customers. There is NO charge for any amount of water used from the hydrants. My interpretation of the (Maintenance/Operation) fee is our budget is set up in two phases: (1) Operation/Maintenance and (2) Capital Improvements. The Operation and Maintenance includes everything associated with the system, not just the maintenance of hydrants. It includes the electric for pumping, the generators; everything. The two categories on the bills – Water AND Operation/Maintenance those are the two numbers that make up our operating budget. Chair Evans noted the unique item for the Fire Dept is this \$70.00 we have under the maintenance fee. What you are asking is – why is yours different then everyone else. Chief Birch stated I was asking that because Sarah (Hrabina/Management) had made the statement that, no we weren't being charged for the hydrants any more. Chief Birch indicated he had a memo from Pam Massat (former Water District Chair), dated 11/99 specifying- at that time it was \$78.00 a month and it was for the repair and maintenance of standpipes and hydrants. It was stated some of the standpipes have been removed and if the Fire Dept is paying based on

Agenda Item #8 Fire Department Request for Rate Reduction (con't)

the number of standpipes and hydrants wanted to be sure the maintenance and repair is being done. Chair Evans indicated there is a cost associated with supplying water to the Fire District but stated he felt the \$70.00 was perhaps a little high and stated he felt that was what the Chief was saying also. Chief Birch stated, no; what I'm saying . . . and suggested calling upon the Vice Chair (R Marley) for additional Board comments before answering. R Marley indicated he would like to speak on the issue, noting he did not think the Chief (Birch) would like what he has to say. R Marley stated he felt the primary issue was being "danced around" – we are NOT Phoenix, Glendale or Tempe and indicated there is no connection between the BCCWID and the Fire District; none. If you look at the map, as I stated previously (10/20/05 Board Meeting) there is a big discontinuity here (size of Water District vs size of Fire District) and there's something wrong with that in terms of billing; it's not right – and when I chaired the October meeting I noted it was grossly unfair to burden the users in our relatively tiny component with the relatively huge Fire District costs. We've been given the data and this discussion has been going on and on for years, perhaps decades. It appears the Fire District always seems to want to lower this number and pointed out the track history shows it went from \$130 to \$78 and now we're having a discussion as to whether it should go down to \$12. The Chair is saying the current rate is too much and I don't think I believe that. The potential is we could take this rate down to the commercial rate; I think you are paying way too little. I think the Water District should be billing you for ten's of thousands to provide what you need. You need a lot of water. Vice Chair Marley indicated he was tired of having our effective water district being pilloried of being non-responsive when this is a fire department problem. This is not our problem. Connecting more fire hydrants to a "garden hose" supply – and the records show through the years that the fire department has indicated most of our hydrants do not supply enough water, in a timely fashion for a long enough time. I can't help to agree but that was not our (Water District's) primary goal. Our primary goal – we are the protectors of the town's water delivery system. We have a system that does not match up well with your (Fire District's) needs. We are very capable of meeting the goals we were established to achieve; that is, deliver water to people's door at a price they can afford. Vice Chair Marley indicated if there are hydrants/standpipes that cannot deliver what the Fire District needs perhaps they should be shut down. What is needed to meet your needs is a mass infusion of capital into the system, noting it could be millions of dollars. As far as I'm concerned, I'm just one person on the Board and from what I've seen you can count on me to vote against any rate reduction. I would also not support putting on any additional hydrants on the system as it currently is because they can't deliver what you (Fire District) want. The water system is an old system and has delivery capability for water users at lower flows but does not have the capability of supplying massive amounts of water for short periods of time. We need to continue doing what we do best – continue delivering reliable water to our customers at a reasonable price. We do that and we will continue to do that. If I haven't made any point, what I'd like to is – how can we supply a huge amount of water for lengthy periods of time with this system without putting lots and lots of money into it? Otherwise, if we install fire hydrants we're just creating a "garden hose" system. R Marley stated he felt the Fire District may have to say the Fire District needs the water and may have to put a lot of capital into a water system; maybe not even our system, maybe one of the other systems to supply the huge fire district (area).

Chief Birch responded asking, first, if at any time tonight had he asked for a rate reduction? Vice Chair Marley indicated, no; but felt it was implied. Chief Birch indicated he did not and indicated Jim Evans (Chair) brought it up. Chief Birch agreed to the "garden hose" analogy, and indicated he has offered to assist the (Water) Board in helping to find the funding to improve the system. It would be totally against my morals to NOT try to improve the water system to improve the fire fighting suppression abilities and help lower fire insurance rates. For me not to help would be totally wrong. It was miscommunications; Sarah (Hrabina/Management) said no we were not paying a hydrant fee; so why are we paying \$70 a month? That was the question I wanted answered and it has been answered.

Vice Chair expressed he felt the Board and Management was floundering because we don't know how to resolve the Chief's problem. You need a lot of water in a short period of time

Agenda Item #8 Fire Department Request for Rate Reduction (con't)

and our (current) system cannot supply the need. J O'Daniel indicated he was not floundering and would also like to address the issue. I am an Owner/User and I need water and I also need fire protection. I would like to work towards a water system that can also provide fire protection; that's why I asked those questions regarding the capital improvement and maintenance fees. J O'Daniel indicated he did not see why the Fire District should be paying more than the other commercial accounts, noting he was troubled by that. As far as paying "per" standpipe and hydrant stated he had to ask the question, "why"? I'd also like to know from Management, if we are billing for any water at that building (fire station) with S Hrabina/Management indicating there is a meter at the firehouse and they (Fire District) are billed for the water used there. J O'Daniel inquired if they are billed for any other water with S Hrabina indicating they are not billed for any other water. Additional discussion followed regarding planning for the future and if/when new (main) lines are installed if hydrants should also be installed. Chair Evans indicated we will never have a perfect system, but could make efforts to make it better with Chief Birch concurring. Chair Evans indicated the state requires 24-hr. minimum storage capacity, with R Hrabina/Management indicating the minimum would be about 350,000 gallons and noting the District exceeds the requirement, yet to meet the needs of the Fire District, Chair Evans stated, it would require 4 to 5 times that amount. My observation is we will never get to that point, but we can improve it and indicated, as example, the fire hydrant to be installed in the business district (S Old Black Canyon Hwy). J O'Daniel stated he would like to know why they are being charged per standpipe with Chair Evans indicating they are not, they were are one time – now they are charged a maintenance fee. Simultaneous discussion ensued with R Hrabina/Management asking to clarify stating somewhere down the line the name for the standpipe/hydrant fee was changed. It was changed from standpipe & hydrant to maintenance; that's all it is. It's still a standpipe/hydrant fee. J O'Daniel inquired of any of the commercial customers are charged that fee and it was indicated they are not. Chair Evans indicated the Water District is of value to the Fire District and is worth something. Is it worth \$70 (a month)? The Chair indicated he felt that may be a little high, noting J O'Daniel agrees and also noted Vice Chair Marley does not agree. The Chair stated he was unsure how to come up with the right number for all. Chief Birch indicated if the Board wanted to lower the rate that was fine, but again, indicated he did not ask for it. The question about the rate is if we are paying a rate for maintenance and repair of hydrants – is that maintenance and repair being done? What we have seen is standpipes being removed. Yes, the fire hydrants, the water system is a valuable tool to the Fire District, but they are also necessary to your (Water District) customers. If we can improve the system, and Mr. Marley- I'm trying to work with this Board and help you get a grant; this is the second time I've tried to help –to help you improve the system. We may not be able to get 3,500 gallons per minute, which is based on the ISO minimum for fire flow –would reduce your (customers) fire insurance rates, as stated by Jeri Coslett (Coslett's Insurance) by 35 to 40%. I'm not doing this to be difficult, I'm doing this to make you (Board) look good and help us out. I'm trying to be helpful. If we can't meet the optimal goal, anything is better then we have now; but we need to plan. What is it we want to do? If we can get a grant it's a way to get tax dollars back into this community instead of taking it out of your budget to help fix the system and improve it. That's all I'm asking. To clarify a statement, R Hrabina/Management indicated Chief Birch stated standpipes were taken out with R Hrabina confirming some were removed, perhaps two, that were hit and damaged. In all fairness, however, the fee was based on x-number of standpipes and hydrants (per documents dated 1/1999). In that same time, five additional hydrants were installed and the sixth one is about to be installed with no increase. It was indicated the fee paid is for maintenance, system maintenance (not just standpipe/hydrant maintenance) and as a flat rate is why it wasn't changed with the increase of hydrants or the decrease of standpipes. J O'Daniel indicated he was adamant about this and did not see why we have to charge for it. R Hrabina/Management indicated as far as Management is concerned, we don't care; we see why it happened with the size of the Water District vs the size of the Fire District and the usage with that being most likely the reason they established the fee. Now everyone is paying a small portion because the Fire District budget comes out of (property) taxes. The Water District budget comes out of customer

Agenda Item #8 Fire Department Request for Rate Reduction (con't)

fees which is only part of the Fire District. J O'Daniel inquired if a lot of time goes into maintaining the standpipes/hydrants with R Hrabina indicating, no – you honestly don't. You have to grease them and they have to be flushed usually once a year. We only had to replace one and today the cost is about \$1,800 for a hydrant. It was noted the standpipes that are in service are usable with J O'Daniel confirming he saw the Fire District use the one in Kings Ranch last year and was glad it was there. Chair Evans posed a question to Chief Birch asking inasmuch as the fire hydrants are within "the city" – the Water District, they are used in that area; what if you are out of the area – do you come in and take the water? Chief Birch responded by stating there really is no other place to get water. We typically come back to the fire station to fill up. Keep in mind, I understand where you are coming from about Water Users paying for this, when you say people who don't pay us are using the water for fire protection – that could be a little offensive. Fire protection is fire protection and is a need throughout the community. Last year was probably the heaviest fire hydrant usage we've ever had. We had agencies from around the country to protect the community. There is a place up at Sunset Point to get water that is even worse so we don't use it. Typically we will call in other tankers to reduce the use on the system because we know the system cannot support the amount of water we need. Chair Evans indicated he felt as a Water District there is a civic responsibility and feels there needs to be some number (fee) and disagrees somewhat with John (O'Daniel) on the amount. The Chair indicated the Fire District places a greater demand on the system than a regular commercial customer and, therefore, should pay more and indicated it would be an arbitrary number and has nothing to do with actual costs. Vice Chair Marley stated that was why he used the word "floundering" because we really cannot define what we should pass on in the way of cost. Maybe we should pass a lump sum per month as a fire department. I think everyone is struggling to come up with this number. As a final thought, Chief Birch stated he is trying to help you and you said we need to work together. Let's cut the crap and work together and we can deal with this. Numbers don't have to be big issues. I want to help you (grant) and I was looking on the internet today and there are hundreds of them. Chief Birch inquired of Sarah (Hrabina/Management) if she was planning on attending the seminar (information faxed by Sarah to Chief Birch) with S Hrabina indicating she was not – Chief Birch highly recommended someone from the Board attending. He indicated he would help with the grant but was not necessarily willing to go to a conference. Chief Birch stated he had talked with Tiffany regarding the conference and although they could not help with fire hydrants they could help with water infrastructure. Chair Evans stated definitely do want to work together and it is to both of our benefit. We cannot- NOT work together in my opinion, with Chief Birch agreeing. R Lee pointed out there is no (other) water 19 miles north or 14 miles south. (Someone ?) inquired if there was not another water district/company with Chief Birch indicating they have asked Roger to have hydrants put over there (Coldwater Canyon Water) and we have not been able to. You (Water District) can look like the heroes. The Chair thanked the Chief and inquired about the conference that was mentioned. S Hrabina indicated it is sponsored by WIFA and she had faxed the information to the Chief. R Lee inquired where it will be, with S Hrabina indicating it will be in Tempe (on April 21, 2006).

R Marley inquired if there was no Board action required on the agenda item and in recapping, the Chair indicated it was informational only and would be good for the minutes to reflect and clarify that indicates the (current) \$70 fee is based on being a fire department (not commercial customer). Our options are we can do nothing or we can reduce it down to \$7.00 like everyone else the Chair stated. R Lee indicated when we had the rate reduction(s) they (Fire District) got the same reduction just like everyone else. S Hrabina/Management explained the rate was \$78.00, reduced by \$5.00 in 2000 (January) and reduced again by \$3.00 (Jan 2005) to the current rate of \$70.00 with an additional \$3.00 reduction to the Capital Improvement that was given to all customers. J O'Daniel indicated he would like to make a motion and moved to remove the current fee of \$70.00 per month based on standpipe and hydrants for operation and maintenance and charge the "regular" (commercial) rate of \$12.00 for the meter at the fire station. Chair Evans called for a second. No second was made and the motion died for a lack of a second. Chair Evans inquired if there was any other motion. R Marley motioned to take no

Agenda Item #8 Fire Department Request for Rate Reduction (con't)

action. A better motion might be to evaluate whether we are handling the whole system of fire service and water district appropriately. Chair Evans inquired of Management if it was known what other water districts do? R Hrabina in places like Phoenix, you have Phoenix Fire Dept and Phoenix Water; they are all one. They may have separate budgets and I don't know what they do within their budgets, but as a city they are one; we're not. Fire District, Water District we're separate. R Marley added separate and not even the same. R Marley stated he heard Tom (Chief Birch) say we need to "work together" and was disappointed because it seems "working together" means take this problem, which is a Fire Department problem, and give it to us. Like the grants – he's going to help us, but he now says he's not going to do it. We got two grossly different districts with two grossly different ideas and asked if there was anyone from the Public that could help. Tony Chavez was given the floor by the Chair and Mr. Chavez stated he thought the point was being missed. We are a WATER District, not a Fire District. Your responsibility is to supply water to us (Owner/Users). That's your job; stay a water company. I want to be fire protected just like everyone else but that's not the primary concern. It appears you are trying to be something you are not. You're a water company; stay that way. R Marley stated, in jest, he did not pay Mr. Chavez to say any of that. R Lee indicated we have done just that and for the past seven years have improved ten-fold with Mr. Chavez agreeing. Mr. Chavez indicated the discussion has created a lot of chaos. With new building, it's fine to add a fire hydrant but it's not our obligation to put in fire hydrants with R Marley indicating it was a valid point and agreed whole-heartedly. J O'Daniel stated he would also like to respond stating over the past five years we've been a really a good Board and we're keeping the bills as they should be. That's what I'm trying to do; I'm saying I don't feel it's part of what we need and we shouldn't be fighting with the Fire Department. Chair Evans stated he did not feel the Water District was trying to the Fire Department's work. We're increasing the lines as they need to be replaced. That may help the Fire Department, but also improves are Water District; improves our pressure and better water flow. Chair Evans yielded the floor to Stan Cothorn who introduced himself as a member of the Fire Board and stated in Tom's (Chief Birch) defense he is trying to work with you and this one particular grant is a water district grant not a fire district grant. He won't be able to get away (referring to conference in Tempe previously mentioned) and reminded the Board that the Chief also answers to a Board that is demanding of his time. He will help where he can help, but he is not going to be able to do a full blown grant that's going to take a weekend in Maui at a conference. We can take a number of approaches to this and I don't want to see a meter installed to see how much water it takes to put out your fire; that would be ridiculous. Let's keep it friendly and improve it slowly. Chair Evans indicated he felt Tom (Chief Birch) was doing a great job and he's trying to help us and indicated the Board appreciates that. Chair Evans also stated he felt the Water District is treating the Fire Department fairly. Chair Evans called upon Bob Cothorn who stated he would like to suggest a Board member check out and investigate similar water districts and see what they do where there is a separate fire district and see what they do, noting that would be a good starting point. Chair Evans indicated that would make sense. Additional discussion followed with Mayer being pointed out as a good choice.

Agenda Item #9 2006/07 Budget Committee Selection

Chair Evans opened the discussion and indicated the committee is usually made up of a couple of Board members, one or two from the Public and Management and called upon the Public for volunteers. Tony Chavez indicated he has volunteered three years and would be willing to do so again. The Chair also pointed out the committee meets several times for an hour or so. Chair Evans asked for Board member volunteers and noted Treasurer John O'Daniel has also served for a number of years. J O'Daniel indicated he is facing some surgery this year and declined. R Marley included he would serve on the committee again, noting he was on the committee last year. R Lee indicated he could possibly be available depending on when the meetings were held. S Hrabina/Management stated the meetings would be arranged to meet the committee members' schedules.

Agenda Item #10 Capital Improvements

Chair Evans called upon R Hrabina/Management to open the discussion with R Hrabina stating the list provided a couple of months ago could be put aside because there are new ones now. The details of the three projects (information provided to the Board Members/see Attachment A) were discussed. It was noted Project #2 – the Albins Street replacement at \$12,400 is without engineering costs. If the cost is below \$12,500 the Water District/Management can submit the drawings for ADEQ approval. If needed or if the Board chooses to have it engineered it would add considerably to the estimated cost. Additional discussion on the Phyllis Street line replacement completed by Management with the exception of the black topping scheduled for Friday (3/17/06) detailed some of the difficulties encountered. R Hrabina indicated the work was estimated two days and it took a full week. The 35-feet of pipe replaced had a total of eight (8) stainless-steel (repair) clamps on it; that's how many times it leaked over the years. J O'Daniel indicated he went over to observe the job. It was also noted there were two 2-inch lines, not one with one of them somewhere makes a reverse and goes up to feed the church (Community First Church). Not knowing this, R Hrabina indicated the church had not been notified that the water would be shut off. R Hrabina advised the Board that in addition to Albins and Phyllis Street the County has also informed Management that David and Church Street are also going to be replaced in 2007. These will be huge costs with R Hrabina indicating the engineering was done for this a number of years ago and estimated the cost at \$85,000. R Hrabina stated the Albins and Phyllis Street projects were not necessarily a high priority at the present but indicated the abandonment of the (exposed) line was. Chair Evans indicated the first project (abandonment of main line to April Tank) was already on the docket as a high priority when previously discussed and called for a motion from the Board. M Brown motioned to approve project #1, the abandonment of the main line to the April Tank Site as presented. R Lee seconded the motion and R Marley inquired if that would be with Management providing the labor. The Chair indicated on these type of small projects it is difficult to get bids and indicated it would be with Management doing the work. A unanimous vote approved the motion for the capital improvement project.

Projects #2 and #3 were TABLED at this time.

Agenda Item #11 Call to Public

Chair Evans called upon Bob Cothorn with Mr. Cothorn stating about a year and a half ago he made a request for some documents and again about six months ago. I still have not received them; I got a letter stating you were going to contact the Attorney General. I think I've waited long enough so I will ask one more time for the documents before I go to the next step. Chair Evans indicated Vice Chair R Marley wrote the letter to the Attorney General and R Marley indicated the Attorney General responded they would not be in a position to speak up on the matter; we're, basically, on our own. It's disappointing because the Attorney General is suppose to take a stand for an elected body, at least that's what I thought; however, any interpretation of the law is up to us and they referred us to our legal counsel. R Hrabina inquired if Mr. Cothorn would refresh everyone's memory by stating the documents he was referring (end of tape #1). (Beginning of tape #2) Mr. Cothorn stated he was disappointed he didn't get an answer back after receiving the response from the Attorney General; I think you had an obligation to let me know. Vice Chair Marley indicated that was a slip on his part. R Marley indicated, as he recalled, the request was for pumping rates for each well with Chair Evans adding it was also for well locations with Mr. Cothorn indicating the pumping rates were for the rates when the pumps were originally installed. I did ask for a map of the locations. R Hrabina stated there was just a recent article in the paper regarding information that, for security reasons, is not considered public information, noting such as locations- or anything to do with the infrastructure of the system is something even Phoenix will not give out. It appears it is up to the city, the entity, whether they want to divulge it and it appears most do not. Management will do whatever this Board tells them. R Marley indicated he did not have the original request in front of him and was somewhat at a loss, but

Agenda Item #11 Call to Public (con't)

stated as he recalled we satisfied something like three (3) of the (5) documents requested with Mr. Cothorn indicating it was something like that. We instantaneously gave you those and the others were items that were deemed a security issue. It is a concern and as Randy (Hrabina/Management) indicated it's a concern to others as well. R Lee indicated the matter is not on the agenda and suggested putting it on the agenda for the next meeting with all agreeing.

Chair Evans called for any other public comments with Bruce Colbert (Big Bug News) asking how he could obtain a copy of the tape from the meeting. It was indicated he could come to the office and make a copy.

With no other business to come before the Board, Chair Evans thanked everyone and declared the meeting adjourned at 9:10 pm.

NOTE: Attached and included as part of these minutes is Attachment A, part of Agenda Item #9 Capital Improvements

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 03/22/2006

Amended: YES NO

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

Attachment A From Agenda Item #9 Capital Improvements

Capital Improvement Project (#1)

Main water line feed to April Water Storage Tank over wash (exposed)
Abandon existing line
Dig and install 4-inch valve near Wanda Street to isolate line;
Relocate altitude valves at April Tank
Dig and install 4-inch valve at Kings Way to isolate line feeding April Tank

Approximate material costs:	\$1,250.00
Labor and backhoe cost	<u>1,975.00</u>
Total Material and Labor	\$3,225.00

Capital Improvement Project (#2)

Albins Street - Yavapai County is replacing the road in 2006
with Engineering work currently in progress
Water lines need to be replaced prior to the County work.
Albins Street services 11 homes plus (1) apartment complex
The following is the anticipated work that will need to be done:
(1) Replace service lines with PVC Schedule 80 pipe; the apt building service line will need to be 1-inch;
(2) Replace water meters, Service valves, Double check valves and customer service valves;
(3) Remove old line where possible and/or practical

Estimated total for material, backhoe and labor	\$12,400.00
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Capital Improvement Project (#3)

South Phyllis Street - Yavapai County is planning to replace the road in 2007
Water lines need to be replaced prior to the County work.
Phyllis Street services 4 homes
The following is the anticipated work that will need to be done:
(4) Replace 2-inch steel main line with 2-inch PVC;
(5) Replace service lines with PVC Schedule 80 pipe;
(6) Replace water meters, Service valves, Double check valves and customer service valves;
(7) Install 2-inch valve for future tie-in to Church St;
(8) Replace service line to Community Church, tying in to 6-inch main line across the street;
(9) Remove old line where possible and/or practical

This new line would tie in the new PVC line installed 2/2006	
Estimated total for material, backhoe and labor	\$9,300.00