

**MINUTES FOR THE  
BLACK CANYON CITY WATER IMPROVEMENT DISTRICT  
DECEMBER 21, 2006 REGULAR BOARD MEETING**

Chair James Evans opened the meeting at 7:30 PM expressing appreciation for the Public's attendance and calling for the customary reflection period to be observed by the Board and Public. Roll Call showed a quorum present -

Jim Evans, Chair      Floyd Ballinger, Treasurer      Mary Brown, Member-at-large  
Absent: Ralph Van Dusen, Vice Chair and Ron Lee, Secretary  
Also in attendance: Water Management - Randall Hrabina and Sarah Hrabina  
Public: Polly Ballinger, Tony Chavez, Marlene Evans, Susan Groth and Bob Marley, all Owner/Users. Also in attendance Cindy Brannan and Darlene Wood, CPA

**Agenda Item #4:      Board Member Reports - None**

**Agenda Item #5      Approval Board Minutes**

Chair Evans asked for a motion to accept the minutes with M Brown noting they appeared to be accurate and moved to accept the minutes as written with F Ballinger seconding the motion. Upon vote the minutes from the November 16, 2006 Regular Board Meeting and November 22, 2006 Special Board Meeting were approved as written without opposition.

Chair Evans inquired of the FYI-Book with S Hrabina/Management indicating the FYI-Book was not updated for December; however, a copy of the Treasurer's Financial Report was on display for the Public.

**Agenda Item #6      Treasurer's Report (as of 11/30/2006)**

Treasurer F Ballinger began the Financial Report reporting the beginning and ending balance in each account:

| Account              | Beginning    | Ending       |
|----------------------|--------------|--------------|
| General Fund         | \$259,980.00 | \$237,768.45 |
| Security Deposits    | \$ 39,710.00 | \$ 39,710.00 |
| Capital Reserve      | \$137,782.20 | \$137,115.80 |
| Arsenic Sinking Fund | \$ 51,145.46 | \$ 51,247.94 |
| Bank of the West     | \$ 11,640.33 | \$ 45,812.45 |

The Treasurer noted the monthly transfer was not done in November which is why the ending balance in the Bank of the West account is higher than normal. Two transfers will be made and reported in the December report. F Ballinger also noted no change in the Set-aside Fund from the last report.

November billing totaled \$33,575.94 with 832 active accounts. The gallonage for the month was reported at 6,940,900 as compared to 6,016,000 the previous month. The Nov '05 comparison was 5,901,000 gallons. Total year-to-date (5months) was reported at 36,521,000 gallons.

The cash management reports showed total receipts for the month of \$35,075.05 and total disbursements of \$26,616.76. The Treasurer indicated the financials included audit #7596 through #7645 and QuickBook invoices #742 to #753 with the accounts receivable balancing in both at \$31,297.90. No impact fees were collected during November; and both the budget report and monthly general journal entries were attached for approval.

Chair Evans noted he was surprised the delinquent fees of \$1,245.00 were much higher than he accepted. With no other questions or comments the Chair called for a motion to accept the Treasurer's Report and M Brown so moved. (Chair) J Evans seconded the motion on the floor and upon vote the Treasurer's Financial Report for the period ending 11/30/2006 was approved unanimously.

**Agenda Item #7      Operations Report (as of 12/20/06)**

R Hrabina presented an overview to the Board and Public: 31 Completed Work Orders, 14 Blue Stakes marked and 25 "Pink Slips" for past due accounts were processed. It was noted meter/valve repairs were on Wanda and Mud Springs; main line repairs were on Chaop at Wagon Wheel and Cholla; and well/booster pump repairs were the chlorination valve at Big John, Cholla booster control replaced and Kings Ranch, upper the check valve was replaced. Two pressure conditions were checked with the service on Sunrise Circle testing at 80 pounds psi and Cactus Way tested at 45 pounds psi.

**Agenda Item #7      Operations Report (con't)**

Water samples (for bacteria) for the month were negative and it was reported the 4<sup>th</sup> quarter MRDL's, maximum residual disinfection levels were reported, as required, to ADEQ.

Well Stats – R Hrabina noted to be very interesting; water levels were reported with the previous period also shown for comparison as follows:

| Water levels: | LAST MONTH          | THIS MONTH                                     |
|---------------|---------------------|------------------------------------------------|
| Big John #1   | 20' 3"; Draw to 23' | 22'; Draw to 26'                               |
| Big John #2   | 20' 3"; Draw to 40' | 22'; Draw to 44'<br>Running time 5-6 hrs a day |

|        |                       |                                               |
|--------|-----------------------|-----------------------------------------------|
| GOA #1 | 20'4"; Draw to 23'6"; | 20'6" Draw to 24'                             |
| GOA #2 | 20'4"; Draw to 42'    | 21' Draw to 38'<br>Running time 3-4 hrs a day |

|          |                  |                                               |
|----------|------------------|-----------------------------------------------|
| Oasis #1 | 24'; Draw to 49' | 36'; Draw to 42'                              |
| Oasis #2 | 23'; Draw to 45' | 35" Draw tp 45'<br>Running time 4-5 hrs a day |

R Hrabina stated he had talked to Roger (Wagner/Coldwater Water Company) a couple of weeks ago and he had indicated at that time he had lost about 8-feet. We tried to get an update for today, but couldn't get a hold of him. The wells are dropping and the Board should keep in mind if they keep dropping consideration needs to be given to develop new well(s) to meet the water demands of the system.

It was reported the gallons pumped from 11/12/06 to 12/13/06 was 6,910,000 gals. I don't think it's a "panic", but depending on the rains – we're suppose to be out of this drought, but . . . F Ballinger indicated he was not sure we ever got out of the drought with R Hrabina concurring. Additional discussion followed about potential well sites including R Hrabina indicating several possibilities. (1) the Cholla Well could possibly be improved; (2) the District owns a parcel- it's Reynolds Road and is a road easement but it could possibly be a potential site; (3) another parcel is on Luellen, however, that piece is probably less than 500-ft. from the river and may be deemed under the influence of ground water. J Evans inquired as to the size of the parcels with R Hrabina indicating Luellen is quite small but the Reynolds parcel is larger and is probably at least a half acre. F Ballinger indicated he felt it would be good to have a well on the east side (of freeway). There are private wells in the area and R Hrabina noted the property owners may not be too happy with F Ballinger noting that would be understandable. M Brown inquired if anyone was unhappy if they would be able to stop the District from drilling a well with R Hrabina indicating- fortunately, or unfortunately, the Water District only has to notify the County what it is going to do; there is no County permit or hearing. R Hrabina stated the river (Agua Fria) has stopped running and when it does, based on past years, that's when the wells start dropping.

Chair Evans indicated he would entertain a motion to accept the Operations Report with M Brown so moving. The motion to accept the Operations Report was seconded by F Ballinger and upon vote passed with no opposition.

**Agenda Item #8      Final Approval of the Fiscal Yr-end Audit 6/30/06**

Chair Evans opened the discussion asking CPA Darlene Wood to comment on the audit. Ms Wood noted the draft of the audit was approved by the Board in November and the only change was the addition of the management discussion and analysis. The District audit was "clean" with no major issues; the books were very clean and easy to follow. Net assets, or net worth showed a 5% increase and that's something you want to see. There was a decrease in revenue, but overall, there was still a net revenue income of about \$50,000. Completing her comments, Ms Wood asked if she could answer any specific questions with Chair Evans indicating there is "talk in the community" that we (District) do not really have an independent audit and asked for a comment on that. Ms Wood stated the District contracts with her to perform the audit and noted she is independent of the District and is required by her professional standards as a CPA (Certified Public Accountant) to complete the audit and if there was something she observed or saw in the decision-making process that she felt was not in the best interest of the District she would be bound to report that to you. It is truly an independent, external audit. Chair Evans noted at times over the years suggestions are made (improve or change reporting methods) and indicated the importance of such comments. Chair Evans stated

**Agenda Item #8      Final Approval of the Fiscal Yr-end Audit 6/30/06 (con't)**

the Taabs and Quick Books balance to the penny every month and expressed appreciation to Sarah (Hrabina/Management) for that. Chair Evans suggested Management post the letter, included with the audit from the CPA, on the bulletin board at the Post Office for the Public to see. Chair Evans noted this not having an independent audit seems to come up about every six months or so with S Hrabina noting at least every election. Chair Evans stated he appreciates the CPA's work and indicated he would accept a motion to approve the final audit for the fiscal year ending 6/30/2006 with M Brown so moving. The motion was seconded by F Ballinger and upon vote was approved unanimously.

**Agenda Item #9      Special Request to reverse \$15 penalty fee – 33050 Kamins Cove**

Chair opened the discussion noting the Board members had information in their packets on it and asked Sarah (Hrabina/Management) to comment on it. S Hrabina stated the letter was addressed to Board member Mary (Brown) from Kathy Slaton/ Kathy was upset over getting the \$15 delinquent fee and her version was she never received the bill. Additional discussion followed including S Hrabina providing the series of events leading to Kathy's request to be on the agenda as Management has no authority to waive the penalty. It was noted she has been a long time customer and normally always pays on time. M Brown indicated she also had spoken to Kathy and it was not a matter of hardship, but principal and she believes she never received her bill. Chair Evans cautioned about making special exceptions, noting we will hear all kinds of "stories" with S Hrabina stating neither she nor Mary (Brown) were necessarily suggesting the fee be waived but it was the customer's right to ask. After due consideration, F Ballinger indicated he would motion to waive the \$15.00 delinquent fee, noting he does not know this particular customer personally and does not have a history of being late. The motion was seconded by M Brown and upon vote the request to reverse the delinquent fee was approved without opposition.

**Agenda Item #10      ~~Water Line Extension/G Larsen fees for water samples unpaid~~**

Deleted; PAID prior to meeting – no discussion or action required

**Agenda Item #11      Water Line Easement/Allan Cutri – unrecorded easement; customer would like District to locate, survey & record the easement for the water line on his property 33705 S Old Black Canyon Hwy**

Chair Evans opened the discussion indicating the request regards a non-recorded water line easement through a customer's property and Randy (Hrabina/Management) with his new (mapping) program has provided us (Board) a nice drawing showing where the line goes right through his (Cutri) property and wants it documented with the Water District paying for it. R Hrabina (Management) stated Mr. Cutri contacted the office and as the Chair has explained, wants the Water District to survey it, pay for it and record it. If the Board chooses to do this, Management would recommend the easement be 25-feet in width and estimate the cost to survey and record to be between \$1,500.00 and \$2,000.00. R Hrabina indicated there are other unrecorded water lines within the District, noting the State rule is if a water line is in place for ten (10) years or more it is considered an "easement in place". R Hrabina expressed caution in approving noting there could then be others. It was also noted there had been a request several years ago – the Midway Mobile Home Park wanted a "defined" easement and the Board chose at that time not to spend the money because the line has been in place for more than ten years and the District has an "easement in place". Additional discussion followed and after due consideration Chair Evans asked what was the pleasure of the Board with M Brown indicating she saw no reason to pursue the matter due to the cost and motioned to disapprove the request for the District to survey and record the easement. F Ballinger concurred, noting the easement being "grandfathered" (easement in place) and seconded the motion. Upon vote, the motion to disapprove the special request passed without opposition.

**Agenda Item #12      Special Request/19381 Church St – reconfigure water main location**

Chair Evans opened the discussion inquiring if the request is for the Water District to pay for the relocation of the lines with R Hrabina (Management) indicating that was correct. R Hrabina noted the map provided of the property does not include the buildings and indicated one of the water lines runs between the two buildings; this was done years, years ago. The buildings are going to be torn down and the lots developed. Additional discussion followed with R Hrabina explaining how the water lines run and how the existing lines could be abandoned with new lines installed.

**Agenda Item #12      Special Request/19381 Church St (con't)**

What is not shown are the service lines that would also need to be replaced. The only way I could say there is any justification for the District to do this is when they are tearing down the buildings they will most likely tear out our line, noting it is only about 10-inches deep. The other thing is the County is planning on replacing Church Street; they said it was scheduled for this year (2006), but it never happened. Now they say next year; who knows when it will be. When they do, however, the District will have to replace all of the Church Street lines and these lines will be eliminated. The choices are- (1) spend the money and do it now; or (2) take the position the Developer wants to do it now, we don't have to do it now so if they want it done to their time schedule they have to pay for it, unless they can wait until the District (County) time table. Costs – it was estimated the cost would be about \$3,500.00 to do it the right way. R Hrabina indicated the District has an easement and if the Developer breaks the line during the demolition they will be responsible for the repair. It's a tough call. Chair Evans stated he felt as a church we should try to help if we can, but on the other hand they are acting as a Developer and our Ordinance says Developers have to pay for their costs. If we start deviating from that we're going to have issues. R Hrabina suggested a letter be written to inform them the District has plans to abandon the line sometime in the "future" but is not an immediate project. If they want to wait until that time the cost will be the District's; if they want it sooner, it will be at the Developer's cost. R Hrabina stated he knows they have drawn a permit (for demolition) but did not know the exact plans for demolition or developing/building. The Chair called for a motion on the matter and F Ballinger moved to disapprove the request for the line replacements and to advise the Developer of the County and District plans to re-do the road and water lines. M Brown seconded the motion and upon vote the motion to disapprove the special request passed without opposition.

**Agenda Item #13      Oaths of Office – effective 1/1/2007**

Chair Evans administered the oaths of office for Mary J. Brown and Robert R. Marley having won the Board positions at the General Election, November 7, 2006. Terms of office will be January 1, 2007 through December 31, 2010. Upon citing the oaths Chair Evans and the Public congratulated Bob and Mary.

**Agenda Item #14      Call to the Public - NONE**

With no other business to come before the Board, the meeting adjourned at 8:43 PM.

**CERTIFICATION:**

I, Sarah J. Hrabina, certify the Agenda for the December 21, 2006 Regular Board Meeting was posted for the public at the Post Office Bulletin Board, on Friday, December 15, 2006 at 3 PM.

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Sarah J. Hrabina

**ATTESTED:**

I, Ronald E. Lee, Sr. 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,

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Ronald E. Lee, Sr.

Transcription of minutes completed by Sarah J. Hrabina on 1/9/2007  
Amended:[ ] YES      [ ] NO

Minutes of the Regular December 21, 2006 Board Meeting approved  
by Board action on: \_\_\_\_\_ as herein transcribed