

**MINUTES FOR THE
BLACK CANYON CITY WATER IMPROVEMENT DISTRICT
FEBRUARY 15, 2007 REGULAR BOARD MEETING**

Chair Robert Marley opened the meeting at 7:30 PM and welcomed the Public for attending the meeting. The Chair explained the meeting is specifically a Board meeting with most of the discussion being between Board members and Management. Under the AZ Open Meeting Law the Public is welcome at the meetings but participation is limited; usually held until Public Call unless called upon by the Chair for input that may be relevant to a matter under discussion. Roll Call showed a quorum present with all Board members present:

Bob Marley, Chair Jim Evans, Vice Chair Floyd Ballinger, Treasurer
Ron Lee, Secretary Mary Brown, Member-at-large

Also in attendance: Water Management - Randall Hrabina and Sarah Hrabina

Public: Polly Ballinger, Tony Chavez, Bob Cothorn, Marlene Evans, Joyce & Donald Kobold, Ed Konieczny, Ed Leak, Sharon Lee and Susan Marley, all Owner/Users. Also in attendance Cindy Brannan and Diana Baker/ Big Bug News.

Chair Marley called for the customary reflection period to be observed by the Board and Public.

Agenda Item #4: Board Member Reports - None

Agenda Item #5 Approval Board Minutes

Chair Marley noted the minutes had been provided to the Board members and asked for any comments. M Brown noted she found no inaccuracies and moved to accept the minutes as written with F Ballinger seconding the motion. Upon vote the minutes from the January 18, 2007 Regular Board Meeting were approved as written without opposition as an accurate representation of the meeting.

Agenda Item #6 Treasurer's Report (as of 11/31/2007)

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

Account	Beginning	Ending
General Fund	\$276,392.77	\$263,788.24
Security Deposits	\$ 39,710.00	\$ 39,710.00
Capital Reserve	\$137,708.31	\$146,348.04
Arsenic Sinking Fund	\$ 58,080.59	\$ 61,585.60
Bank of the West	\$ 7,771.99	\$ 22,057.31

F Ballinger also noted no change in the Set-aside Funds from the last report.

December billing totaled \$30,032.79 with 832 active accounts. The gallonage for the month was reported at 5,782,800 as compared to 5,286,900 the previous month. The Jan '06 comparison was 4,834,000 gallons. Total year-to-date (7 months) was reported at 47,589,800 gallons.

The cash management reports showed total receipts for the month of \$39,551.641 and total disbursements of \$24,343.68. The Treasurer indicated the financials included audit #7707 through #7762 and QuickBook invoices #770 to #779 with the accounts receivable balancing in both at \$28,169.50. Two (2) impact fees were collected during January- audit#7776 a/c#3082 and audit#7777 a/c#775 at \$2,500.00 each. The Treasurer indicated both the budget report and monthly general journal entries were attached for approval.

Chair Marley asked for any Board discussion or motion to accept the Treasurer's Report with J Evans so moving. The motion was seconded by R Lee and upon vote the Treasurer's Financial Report for the period ending 1/31/2007 was approved unanimously. The Chair thanked the Treasurer for his report.

Agenda Item #7 Operations Report (as of 2/15/07)

R Hrabina presented an overview to the Board and Public: 18 Completed Work Orders, 14 Blue Stakes marked and 25 "Pink Slips" for past due accounts were processed. Details of the work done were given including the two new services installed were on Azlynn Way and Old Mud Springs Road. It was also reported the water main leak was on Saguaro Drive. A low water pressure was tested at 27 pounds on Wyatt Way. The engineer was a "no show" for the line replacement project site inspection.

Agenda Item #7 Operations Report (con't)

Water samples (for bacteria) for the month were negative.

Well Stats – R Hrabina noted no change in levels from the last report; just a slight difference in running time.

Water levels:	LAST MONTH	THIS MONTH
Big John #1	22'; Draw to 26';	22'; Draw to 26'
Big John #2	22'; Draw to 44';	22'; Draw to 44'
Running time 4 ½ -6 hrs a day		
GOA #1	21'; Draw to 24';	21' Draw to 24'
GOA #2	23'; Draw to 24'	23' Draw to 40'
Running time 5 ½ - 7 hrs a day		
Oasis #1	30'; Draw to 52'	30'; Draw to 52'
Oasis #2	27'; Draw to 44'	27'' Draw to 44'

Running time 3 ½ -4 ½ hrs a day

Total gallons pumped from the period 1/13/07 thru 2/12/07 was 5,735,000 gallons.

Chair Marley indicated he noticed the number of gallons pumped verses gallons billed were quite close with R Hrabina stating one report had a great difference, adding it reflected several main line leaks during that particular period. The Chair asked for any questions on the Operations Report or a motion to accept with M Brown so moving. The motion to accept the Operations Report was seconded by M Brown and upon vote passed with no opposition.

Agenda Item #8 Special Request to remove past due charges – 20320- Wagon Wheel

Chair Marley opened the discussion asking if the gentlemen (Terry Miller) making the request was present. It was indicated Mr. Miller was not present. S Hrabina/Management presented an overview of the request, noting the Board members had a copy of the letter sent by Mr. Miller to the District. Mr. Miller purchased the property through a Trustee Sale as a foreclosure and it, therefore, did not go through a normal escrow account. S Hrabina explained during an escrow the title companies contact the Water District for certification of any assessments or charges due and under the District Ordinance it states, in part, under Article V, Section 510 Discontinuance of Service for Non-payment: *If service has been discontinued for non-payment of bills, or for violation of the rules of the District, service to such consumer or connection location will not be resumed by the District until the unpaid bill, including penalties, has been paid in full and/or the violation of any of the District's rules and regulations has ceased or been eliminated.* It was noted, as an example, a Preliminary Title Report (through Capital Title) shows: Obligations imposed upon said land by its inclusion within any district formed pursuant to Title 48, Arizona Revised Statutes, which is what the Water District is governed by. The customer (Mr. Miller) disagrees with the District citing the documentation he has from the Trustee Sale that the property is "free and clear". He paid the amount due under protest to get the water turned on and is asking for the Board's consideration to refund the amount paid as past due charges. The amount was \$244.29, of which \$95.00 is penalty fees. Chair Marley indicated the Board has had an opportunity to read the material, adding Management has done an excellent job of presenting the facts. The Chair opened the floor for Board discussion with M Brown asking if the matter should be discussed with the District attorney, Snell and Wilmer. It was noted Management does not have the authority to contact the attorney and Board policy requires Board approval for the Chair or other Board member to make contact. Additional discussion followed regarding options with Chair Marley moving to decline the special request to refund the amount paid as past due charges at the property 20320 Wagon Wheel Circle (in the amount of \$244.29) to Mr. Terry Miller; subject to future consideration by the Board if Mr. Miller attends a Board meeting to present his case. The motion to deny the special request was seconded by M Brown and upon vote passed unanimously.

Agenda Item #9 Capital Improvement Project – Line Replacements

Chair Marley deferred the opening discussion to Randy (Hrabina/Management) with R Hrabina indicating the engineer we thought we hired last month was a "no show" twice for an on-site inspection of the project. He has indicated he is too busy to do this project for the District. Time is, of course, still ticking with the County. Management contacted ADEQ and Mike Howeth stated we did not have to have an engineer for line replacements, it was not a requirement of ADEQ if the flow of the water is not changed, which it is not being changed. It was noted the County would be inspecting the project. This is a big project and a Board decision, but Management is

Agenda Item #9 Capital Improvement Project – Line Replacements (con't)

willing do make up the drawings and bid packets so the project can be competed. Details of the water lines, valves, and other requirements were discussed. A full material list, with the District purchasing all the materials, would be approximately \$37,000 for the project. What would have to go out for bid would be for the labor, backhoe, shading, cold patch and any other County requirements such as slurry for the service lines crossing the roads. Chair Marley asked Management to explain "slurry" with R Hrabina stating the County requires a line crossing a street to be shaded around the pipe with sand or A-B with the balance of the trench filled with slurry which is concrete; a one sack slurry. It's hard to dig, but you can dig it and is done so the ditch doesn't settle. I'd like to see if the County will allow us to state in the specs the ditches need to be compacted instead of slurry-filled. With Board approval, Management would prepare the bid packets, advertise for bids and suggests the Board consider a Special Meeting to open the bids so work can begin as soon as possible in order to complete before the May 1st deadline imposed upon by the County. It was noted two local contractors have already expressed an interest in bidding the project. R Lee asked if we could get a written letter from ADEQ to confirm they do not require having the project engineered because it is line replacements. R Hrabina indicated he wasn't sure and J Evans suggested the District send a letter to ADEQ to be "on record". Inspection of the work would be done by the County with R Hrabina indicating nothing would be permitted to be backfilled unless inspected and approved. Chair Marley inquired as to the length of time for the actual work with R Hrabina indicating he estimates it would be three to four weeks. Additional details of the work was discussed. To move forward, Management indicated it is looking for the Board to approve the project, prepare the bid packets and advertise. It was noted the bid packets normally are not free, suggesting a fee of \$50.00. Insurance and a copy of their license would be required to be included with the contractor's bids.

On motion by J Evans, seconded by R Lee Management authorized to prepare bid packets and advertise for bids was approved unanimously. J Evans and F Ballinger to receive and review the bid packet. A Special Meeting to open bids to be scheduled.

Agenda Item #10 Draft – 2006 Consumer Confidence Report

Chair B Marley opened the discussion asking if all Board members had an opportunity to read the report with each member indicating they had. The Chair noted to change the date of January 26, 2006 and January 23, 2006 (arsenic date of compliance) to read just January 2006. After reviewing some of the changes from last year in both the Consumer Confidence Report and the letter to the Public the Chair called for a motion to approve. It was also noted the new website information was also included. M Brown moved to approve the contents of the 2006 Consumer Confidence Report and the motion was seconded by F Ballinger. Upon vote the motion approving the 2006 Consumer Confidence Report was passed without opposition.

Agenda Item #11 Conservation Rebate Program - 2006

Chair Marley deferred opening discussion to Sarah (Hrabina/Management) with S Hrabina reporting the preliminary numbers were provided last month and the final report has now been completed with a total of 151 customers qualifying for a rebate for a total amount of \$3,234.00 ranging from \$1.00 to the maximum amount of \$36.00. If approved, the rebates can be enter and shown on the water bills due out next week. It was also noted Management would like to put up a notice regarding the success of the rebate program. Chair Marley indicated he felt it was a commendable project and expressed appreciation to Management for the summary. Calling for a motion, M Brown moved to approve the conservation customer rebates totaling \$3,234.00. R Lee seconded the motion and upon vote the rebates were approved unanimously.

Agenda Item #12 Approval and Announcement of BCCWID Website

Chair Marley opened the discussion announcing the completion of the BCCWID website, noting the only thing missing at this point are photos (Board members and Management) which he hopes to take after the meeting. The Chair called for Board discussion and M Brown indicated she was very pleased with the site, noting it is very easy to navigate. F Ballinger also indicated he felt it was very straight forward and easy to use. On motion by M Brown and seconded by J Evans final approval of the BCCWID website was made. Upon vote approval of the website was made without opposition. The website address is: www.bccwid.org

Agenda Item #13 Call to the Public

Chair Marley noted the conclusion of regular business before the Board and before opening the floor for Public comment wanted to set the ground rules while he is Chair for specific requirements during Public Call. Chair Marley indicated he would first open the floor to those who live and use the water within the District followed by anyone else in the Public. The Chair indicated not wanting lengthy dialog and questions or comments should be stated briefly. It was also noted no action could be taken by the Board because of not being on the agenda. It could, however, be put on the agenda of a future Board meeting if warranted. The Chair yielded the floor to (Owner/User) Sarah Hrabina who announced the reflection time observed in the beginning of Board meetings was first introduced by Bob Burlingame about seven (7) years ago. Bob moved to Sun City a year or so ago and just recently died. He was a long-time supporter of the Water District. Both R Lee and R Hrabina indicated Bob (Burlingame) was a good man, supportive of the District. The Chair inquired if the reflection time had any religious connotation with S Hrabina indicating it did not; was merely a general moment of silence

With no other business to come before the Board, the meeting adjourned at 8:20 PM with the Chair thanking all in attendance for coming.

CERTIFICATION:

I, Sarah J. Hrabina, certify the Agenda for the February 15, 2007 Regular Board Meeting was posted for the public at the Post Office Bulletin Board, on Friday, February 9, 2007 at 4 PM.

Sarah J. Hrabina
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,

Ronald E. Lee, Sr.
Ronald E. Lee, Sr.

Transcription of minutes completed by Sarah J. Hrabina on 2/22/2007
Amended: [] YES [x] NO

Minutes of the Regular February 15, 2007 Board Meeting approved
by Board action on: 3/15/2007 as herein transcribed