

**MINUTES FOR THE
BLACK CANYON CITY WATER IMPROVEMENT DISTRICT
July 17, 2008 REGULAR BOARD MEETING**

Chair Marley opened the meeting at 7:30 PM and called for the customary reflection period to be observed by the Board and Public.

Roll Call showed a quorum of the Board members present:

Robert Marley, Chair, Mary Brown, Member-at-large

Ron Lee, Secretary and Jim Evans, Vice Chair

Also in attendance

Management: Randall Hrabina and Sarah Hrabina

Owner/Users: Cindy Brannan, Susan Marley, Marlene Evans, Joyce and Don Kobold

Media: Diana Baker, Big Bug News

Agenda Item #3: Board Member Reports –

Chair Marley confirmed the sale of the old computers for approximately \$200.00 resulting in a net cost of upgrading the District computers of approximately \$750.00. All software has been tested during installation. New systems have been running a couple of weeks now with no problems.

Agenda Item #4 Approval of Board Minutes – May 15, 2008

Chair Marley asked if everyone had a chance to look over the June Board Meeting minutes with M Brown indicating she had read them and moved to accept as written Ron Lee also indicated he had read them and seconded the motion to accept. Upon vote the minutes from the June 19, 2008 Regular Board meeting were approved unanimously.

Agenda Item #5 Treasurer's Report (as of 06/30/2008)

Since the Treasurer was absent, Sarah Hrabina presented the Financial Report for the period ending 06/30/2008 with the beginning and ending balance for each account provided:

Account	Beginning	Ending
General Fund	\$96,766.80	\$107,279.47
Security Deposits	\$40,320.00	\$40,320.00
Capital Reserve	\$213,206.10	\$225,747.36
Arsenic Sinking Fund	\$87,148.84	\$88,536.11
Bank of the West	\$14,610.79	\$16,637.28

No change reported in the Yavapai County frozen Set-aside Funds from the last report.

June billing totaled \$35,602.37 with 829 active accounts. The gallonage for the month was reported at 6,642,000 as compared to 6,663,000 the previous month. The June '07 comparison was 8,252,000 gallons.

The cash management reports show total receipts for the month of \$46,206.26, and total disbursements of \$24,263.83. The financials include In-Hance audits #8482 through #8519 and QuickBooks invoices #930 to #945 with the accounts receivable balancing in both at \$31,611.67. One commercial impact fees was collected during June (\$2,800.00) and it was noted the monthly general journal entries were attached to the report. Since the treasurer had not seen the financials, the Board deferred action until the next Board meeting at which time he would have had an opportunity to read them

Agenda Item #6 Operations Report as of 07/15/08

R. Hrabina/Management provided a recap of the month's activity. There were no turn-ons, 4 turn-offs, 1 new meter installed/removed, 2 meter/valve repair/replacements, 3 main line or service line breaks requiring repair, 4 well/booster pump repairs, 3 meter re-reads, and 2 customer service trips. There were 12 blue stakes marked and "pink slips" for past due accounts totaled 28.

Well Stats – A slight change was reported in the well depths from last month and an increase in hours due to the higher usage.

Water levels:	LAST MONTH	THIS MONTH
Big John #1	21' Draw to 24' 6"	21' Draw to 24'6"
Big John #2	21' Draw to 41'	21' Draw to 41'
		Running time 4-9 hrs
GOA #1	24' Draw to 32'	24' Draw to 32'
GOA #2	24' Draw to 39'	24' Draw to 39'
		Running time 4-12 hrs
Oasis #1	23' Draw to 30'	23' Draw to 30'
Oasis #2	23' Draw to 30'	23' Draw to 30'
		Running time 3-5 hrs

Gallons pumped 6/19 thru 7/15 7,384,000 gallons

Management responded to a series of questions about the possibility of leaks in the system and the reconciliation of billed gallons and pumped gallons. Management believes there is little evidence for distribution leaks at this time. Meters do tend to run a bit slower with time but the cost of replacing them all would be prohibitive and the improvement in accuracy marginal. The pump running times respond very quickly to rainfall levels which they wouldn't if there was a major leakage problem. Some of the discrepancy between the two values reported might be free water removed by the Fire Department but when one compares the two values we see only a 3-5% discrepancy between the two measurements.

Chair Marley asked for any questions from the Board or motion to accept the operations report with J Evans so moving. M Brown seconded the motion and upon vote the operations report was approved unanimously.

Since it was not yet 8:15 PM the Chair skipped to Agenda Item #9. Before doing so he asked if the newcomers in the audience would like to introduce themselves. John Pulver introduced both he and his wife, Tina, noting they live on Wagon Wheel Circle. Not knowing whether there was a specific issue or reason for their attendance, the Chair explained when the announced time was reached we would deal with any questions on the rate hearing and ordinance revision. Any other concerns could be expressed during public call.

Agenda Item #7 Public Rate and Ordinance Hearing – 2008/09 Fiscal Year

At 8:15 PM the Public Rate and Ordinance Hearing began and there was no public comment. After assigning this as the 5th revision of the ordinance, Mary Brown moved we accept the revised ordinance with Jim Evans seconding. The Board unanimously approved the 98-5 BCCWID Ordinance which contains the new rate structures. Since July billing is happening this week the Board instructed Management to defer implementation of the new rates until the August billing cycle. The 98-5 BCCWID Ordinance has been posted in its entirety to the District's website under FYI items.

Agenda Item # 8 Discussion of Delinquent Accounts Requiring Lien Notices

Management, Sarah Hrabina detailed several accounts that needed lien hearings and a couple who do not want to be on standby and would like their meters removed. She has told the latter that they would be subject to the impact fee when future owners of that property want service. Management requests the lien hearing date by at the August meeting. Mary Brown moved to schedule as requested and Ron Lee seconded. The Board unanimously approved Management beginning lien preparation on 5 outstanding accounts. Details are to be presented at the August Board meeting.

Agenda Item #9 Water Supply for Lane 2 (Crown King) Fire - any Policy implications

An extensive discussion was held regarding possible implications of the decisions Management had to make as a result of the Lane 2 fire. The Board felt management had responded appropriately. The District does not involve itself in bulk water sales at this time; however emergency fire or hazard bulk water would be supplied as needed. During the Lane 2 fire the District was only able to measure use at the Dog Track site as the District only has one meter.

The Board believes management should use District funds to acquire a second meter for approximately \$3,000.00 and install it permanently at the school hydrant. This is where the Fire District is allowed to draw water and the Board would like to gain knowledge of how much water is used there so it can reconcile billed and pumped water more accurately. The Board and management both believe that any emergency bulk water supplied will be billed when possible. The Lane 2 Fire managers have agreed to pay for approximately 250,000 gallons of water (approximately \$750.00 billing). Management will continue to insure that our delivery system is not damaged by bulk water draws, adjusting the rate as necessary at delivery points. This is especially a problem drawing water at the Dog Track and Randy had to throttle delivery to 100 gallons a minute at that location. He also limited water draws at the school tank when it became half empty and wasn't getting sufficient time to recover.

Agenda Item #10 Capital Improvements - School Tank Road

Randy Hrabina described the deteriorating condition of the School Tank Road. Portions of a cliff are being undercut and boulders are in danger of blocking the road and possibly damaging property below. Two Board members accompanied him on a four-wheel drive up the road to assess the situation. Digital photos were presented to the Board and BBN reporter using a portable computer. A local contractor, BC General Contracting LLC, Jim Welch, has presented a bid of \$21,566.00 to install a culvert with a concrete head wall to control road erosion. A 15' retaining wall will be built using Gabion Modular Baskets to stabilize the bank. Upon completion the road will be regraded. An engineering study would not be done as that would add to cost. After Board's considering the urgency of road repair and stabilization, Jim Evans moved to have Mr. Welch start the project with a 50% down payment with Ron Lee seconding the motion. The Board then unanimously approved it.

Agenda Item #11 Arsenic Media Replacement

Two of the high flow District well sites have arsenic systems that have gone substantially past their expected life and the arsenic levels are approaching the federal limit. This replacement was expected and a replacement fund was established at the time of installation, so money is available to cover replacement costs. Total expected replacement cost is \$85,624.60 with some minor additional labor costs for roof removal and replacement (necessary for installation as top filled). Life of the media was originally expected to be 1.9 years but it will be closer to 3 years when this replacement is finished. The third site pumps less water and is not in need of replacement at this time. Jim Evans moved that management should contract with AdEdge Technology to ship 280 cubic feet of Bayoxide E33S media to our sites in early September with installation expected in the late fall when tests reveal the arsenic level has reached the federal limit (currently testing a bit over 8 mg/l with a limit of 10 mg/l). Mary Brown seconded the motion and the Board unanimously approved.

Agenda Item #12 2008 Call of Election (Candidates Packets Available)

Sarah Hrabina noted the Call of Election had been posted in the newspaper and post office. Three candidate spots are open. Packets are available at either the Water Office or through Yavapai County elections. No Board action required.

With no other business to come before the Board the Chair thanked the Public for attending and the meeting adjourned at 8:45 PM.

CERTIFICATION:

I, Sarah J. Hrabina, certify that the Agenda for the July 17, 2008 Regular Board Meeting & Rates and Ordinance Hearing was publicly posted at the Black Canyon City Post Office Bulletin Board, on Friday, July 11, 2008 on or before 4:30 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., Secretary

Transcription of minutes completed by Bob Marley on 8/20/2008

Amended: YES NO

Minutes of the Regular July 17, 2008 Board Meeting & Budget Hearing approved as herein transcribed by Board

action on: _____