

**MINUTES FOR THE
BLACK CANYON CITY WATER IMPROVEMENT DISTRICT
September 18, 2008 REGULAR BOARD MEETING**

Chair Marley opened the meeting at 7:35 PM and called for the customary reflection period to be observed by the Board and Public.

Roll Call showed a quorum, with a majority of Board members present:

Robert Marley, Chair, Floyd Ballinger, Treasurer
Ron Lee, Secretary Mary Brown, Member-at-large
Absent: Jim Evans, Vice Chair,
Also in attendance: Management- Randy and Sarah Hrabina
Owner/Users: Jim Gesell, Diana Kenson and Sue Marley
Media: None

Agenda Item #3: Board Member Reports –

Chair Bob Marley reported he has receipts for the computer components donated to Metro Tech that did not sell. He also reported the new computers are in need of an additional card to run the dot matrix printer (used for billing) and he will install them for the District.

Agenda Item #4 Approval of Board Minutes – August 21, 2008

M Brown moved to approve the minutes as written with R Lee seconding the motion. Upon vote the minutes of the August 21, 2008 Regular Board meeting were approved unanimously.

Agenda Item #5 Treasurer's Report (as of 08/31/2008)

F Ballinger presented the financial report with beginning and ending balances for each account:

Account	Beginning	Ending
General Fund	\$81,404.89	\$116,087.26
Security Deposits	\$40,320.00	\$40,500.00
Capital Reserve	\$240,650.75	\$204,613.88
Arsenic Sinking Fund	\$91,915.26	\$95,541.96
Bank of the West	\$12,201.56	\$14,878.63

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

August billing totaled \$43,496.60 with 830 active accounts. The gallonage for the month was reported at 8,398,000 as compared to 7,685,000 the previous month. The August '07 comparison was 6,794,000 gallons.

The cash management reports show total receipts for the month of \$38,254.99, and total disbursements of \$28,216.71. The financials include In-Hance audits #8553 through #8587 and QuickBooks invoices #953 to #961 with the accounts receivable balancing in both at \$43,208.43. No impact fees were collected during August and it was noted the monthly general journal entries were attached to the report. The data was respectfully submitted by Management, Sarah Hrabina, and approved by Treasurer Floyd Ballinger for final Board approval.

The Chair inquired about the set-aside funds with S Hrabina indicating the CPA had written off the funds previously (2003). Some funds have been recovered and reported but it is unlikely that any additional funds will be recovered. (This will no longer be included in the financial reports from this point forward). With no other questions or comments, the Chair called for a motion with R Lee moving to accept the financial report as presented by Treasurer, F Ballinger. M Brown seconded the motion and upon vote the Financial Report for the period ending 8/31/2008 was approved unanimously.

Agenda Item #6 Operations Report as of 9/18/2008

R Hrabina/Management presented a recap of the month's activities with 35 work orders, including one (1) meter re-install (a/c#2010 as approved by Board action at the August Board meeting) and one (1) meter removal (a/c#218 per August Board lien hearing). It was noted there were two (2) work orders for water pressure issues – on Roadrunner, it was a customer leak and on Happy Jack the booster kicked off and needed to be re-set. Of the seven (7) reported (possible) leaks, four (4) were main line or service line leaks and were repaired. There were eighteen (18) blue stakes marked for the period; monthly bac-t samples were negative and nitrate samples were taken for the quarter with the results slightly higher at GOA from the previous test sample and

lightly lower at Big John. Samples will continue to be done on a quarterly basis per ADEQ requirements. Well stats remained the same with only a slight change in running times. Management reported the school tank/retaining wall project was completed noting, however, the road won't last forever, but is much better than before. Chair Marley stated he took pictures and agreed it looked good. It was reported the annual backflow notices were sent out to customers with backflows by Management with a deadline of Nov. 30th for receipt of the inspection reports to be filed with the District. Ending the report R Hrabina asked for any questions from the Board with Chair Marley inquiring about AdEdge. R Hrabina indicated a control at the Big John site went bad with a new control on order. R Lee inquired if there was any warranty on it with R Hrabina noting it is three years and the warranty period was just one year. The media (replacement) due to be shipped should be delivered in the next couple of weeks. Anticipated installation to be towards the end of November. With no other questions the Chair called for a motion with F Ballinger moving to accept the operations report presented. The motion was seconded by M Brown and upon vote was approved unanimously.

Agenda Item #7 Special Request – 34550 Roadrunner for meter re-installation

Chair Marley deferred opening remarks to Sarah(Hrabina/Management). S Hrabina stated the previous property owner requested the meter be removed when she vacated the property. She paid her account in full and did not want to be responsible for any additional costs because the property was in foreclosure (Account closed 2/8/2008). The District was contacted by the property management company for the bank (new owner) wanting to get service re-instated. No representatives from the Bank or property management company were in attendance with Chair Marley inquiring if this was, therefore, for discussion only. S Hrabina indicated they were seeking to have the meter re-installed without paying the new service impact fees. It was noted several years ago a customer came before the Board for a request to have a meter re-installed. The circumstances were she requested the meter be removed because she had a well and when the well went dry asked to be re-instated. At that time the Board required the impact fees be paid but gave the customer an installment plan to pay over time, which she did. Additional discussion followed and after due consideration R Lee moved to require the fees, including the impact fees be paid to re-instate the service. It was noted the decision to remove the meter was at the owner's request with no involvement by the Board. It was also noted with foreclosures properties are often damaged in many ways and it is not the District's place to rectify those damages. M Brown seconded the motion on the floor to require all the fees be paid to re-instate the service and upon vote passed without opposition.

Agenda Item #8 Water Service – 4 residential lots Old Black Canyon Hwy

Chair Marley called upon Jim Gesell, property owner to present his request. Mr. Gesell stated he initially came before the Board several months ago looking to subdivide his 16 ½ acres into 11 parcels but has now decided the better plan is to just do a minor division (lot split) needing at this time just 4 residential meter services. Chair Marley inquired about the odd lot configuration with addition discussion regarding the terrain and access. R Hrabina/Management asked where Mr. Gesell would want the meters to be located and it was suggested by Mr. Gesell the best location would be for all four meters to be located at the road easement. R Hrabina indicated in addition to the normal fees, there could be costs if the County required slurry to be used within their right-of-way with Mr. Gesell indicating he understood there could be an additional cost to get the services. R Hrabina stated he had no problem recommending approval for the 4 single-family residential meters, provided any additional costs to meet Yavapai County requirements be paid by the developer. Chair Marley called for a motion and M Brown moved to approve the 4 single-family residential meters with the conditions that any additional costs to meet Yavapai County requirements be paid by Mr. Gesell. The motion was seconded by R Lee and upon vote passed unanimously.

Agenda Item #9 Preliminary Request by Transwestern Pipeline for a 50-ft Easement

Chair Marley deferred opening remarks to Management with R Hrabina stating the pipeline is completed through Black Canyon City both north and south of the Agua Fria River but not across the river with the property owned by the State (ADOT). There appears to be a problem and to remedy it the pipeline is considering relocating the pipeline in a horseshoe manner in order to by-

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pass the state land. The "new" access would include a permanent 50-ft easement , 100-ft temporary during construction, along the western boundary of the District's GOA site. R Hrabina stated compensation would be something the Board, not Management, should negotiate if appropriate. R Hrabina stated he did, however, have several recommendations to be included with any possible agreement. 1) the existing fencing be re-installed at the 50-ft easement, not the current 25-ft; 2) temporary fencing would need to be installed during construction to adequately secure the well site during construction; 3) any water lines needing to be relocated by done by the District's contractors, not the pipeline at the pipeline's expense; 4) western boundary is currently a drainage easement that will need to be retained as a drainage easement; 5) require compaction of the excavated area, noting compaction has not been done elsewhere and in several years will be a real issue with settlement. Additional discussion followed regarding the construction work. Chair Marley stated he felt the District may not be subject to the right of eminent domain. Like the State, the District is a government entity and also a public utility so they may not be able to force us to give the easement through eminent domain giving the District perhaps an advantage for negotiating any compensation in the matter. **No action required or taken**

Agenda Item #10 Public Call

Chair Marley called upon Diana Kenson, inquiring if she had received a response to your question posed at the last meeting with Ms Kenson indicating she had not. Sarah Hrabina/Management stated an email was sent to Ms Kenson the morning after the meeting with a copy also sent to the chair. Chair Marley asked if the response could be given verbally as well with S Hrabina stating the question asked was if our bills could include the payment amount shown during the previous period. S Hrabina stated the current bills are on a postcard format and after checking with IMSoftech the current bill format does not have the ability to include this information. The bill currently shows a previous balance line plus the new charges. Laser printing is an option and with that new format the amount paid could be added for a fee. Currently there is about a one year supply of the postcards so the laser printing is not something that will be considered until that supply is used up.

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 September 18, 2008 Regular Board Meeting was publicly posted at the Black Canyon City Post Office Bulletin Board, on Friday, September 12, 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 Sarah J. Hrabina on 10/15/2008

Amended: YES NO

Minutes of the Regular September 18, 2008 Board Meeting approved as herein transcribed by Board

action on: _____