

**MINUTES FOR THE
BLACK CANYON CITY WATER IMPROVEMENT DISTRICT
July 16, 2009 REGULAR BOARD MEETING**

Chair Bob Marley called the meeting to order at 6:30 PM and a roll call showed a quorum of Board members present:

Chair Bob Marley Vice Chair Joyce Kobold
Treasurer Floyd Ballinger Member-at-Large Mary Brown
Secretary Ron Lee

Also in attendance: Management – Randy and Sarah Hrabina

Owners/Users: Polly Ballinger, Cindy Brannan, Susan Marley

Media: Diana Baker/Big Bug News

The customary reflection period was observed by the Board and Public.

Agenda Item #3: Board Member Reports

The Chair mentioned during Board Member Reports that a sticker battle was going on at the Post Office Board. Someone in town felt Matt Hrabina's picture should be removed from the Water District Board and made nasty written allegations about him. The stickers have been repeatedly attached and are very difficult to remove from the plexiglass. In hopes of getting this person or persons to stop, the Chair posted a response. More recently the Post Office management made it clear in a posting that they knew who the person was and action would be taken if this continued.

The Chair also reported that the qualification of laser printing continued and the printer had cost approximately \$240.00.

Agenda Item #4: Approval of Board Minutes – May 21, 2009

The Chair noted the minutes from the May 21 board meeting were given for review and approval, with all Board members indicating they had read them. The Chair called for a motion to approve the May 21, 2009 Board meeting minutes with M Brown so moving. F Ballinger seconded the motion and upon vote the minutes from the May 21, 2009 Regular Board Meeting were approved unanimously.

Agenda Item #5: Treasurer's Financial Report as of 5/31/2009

Treasurer Floyd Ballinger presented the financial report for the period ending 05/31/2009 with beginning and ending balances for each account:

Account	Beginning	Ending
General Fund	\$86,961.04	\$86,691.08
Security Deposits	\$40,500.00	\$40,500.00
Capital Reserve	\$60,239.43	\$70,146.69
Arsenic Sinking Fund	\$37,181.70	\$40,555.55
Bank of the West	\$10,822.39	\$9,007.81

May billing totaled \$30,927.86 with 840 active accounts. The gallonage for the month was reported at 5,665,000; compared to 5,165,000 the previous month. The May '08 comparison was 6,663,000 gallons. Total gallons billed for the fiscal year-to-date was reported at 65,324,000 gallons. The cash management reports show total receipts for the month of \$27,272.34, and total disbursements of \$18,279.33. The financials include In-Hance audits #8992 through #9035 and QuickBooks invoices #1064 to #1073 with the accounts receivable balancing in both at \$32,071.78. No impact fees were collected during May. It was noted budget and monthly general journal entries were also attached to the report. The data was respectfully submitted by Management, Sarah Hrabina, and approved by Treasurer Floyd Ballinger for final Board approval.

Chair Marley called for a motion and J Kobold moved to accept the financial report as presented. M Brown seconded the motion and upon vote the Financial Report for the period ending 5/31/2009 was approved unanimously.

Treasurer's Financial Report as of 6/30/2009

Treasurer Floyd Ballinger presented the financial report for the period ending 06/30/2009 with beginning and ending balances for each account:

Account	Beginning	Ending
General Fund	\$86,691.08	\$63,513.25

Agenda Item #5 (cont'd):

**July 16, 2009 Black Canyon City Water Improvement District
Minutes of the Regular Board Meeting**

Security Deposits	\$40,500.00	\$40,500.00
Capital Reserve	\$70,146.69	\$70,146.69
Arsenic Sinking Fund	\$40,555.55	\$40,555.55
Bank of the West	\$9,007.81	\$40,412.73

June billing totaled \$38,566.06 with 840 active accounts. The gallonage for the month was reported at 7,523,000; compared to 5,665,000 the previous month. The June '08 comparison was 6,643,000 gallons. Total gallons billed for the fiscal year-to-date was reported at 72,847,000 gallons. The cash management reports show total receipts for the month of \$31,404.92, and total disbursements of \$22,114.96. The financials include In-Hance audits #9036 through #9077 and QuickBooks invoices #1074 to #1080 with the accounts receivable balancing in both at \$39,895.79. No impact fees were collected during June. It was noted budget and monthly general journal entries were also attached to the report. The data was respectfully submitted by Management, Sarah Hrabina, and approved by Treasurer Floyd Ballinger for final Board approval.

Chair Marley called for a motion and J Kobold moved to accept the financial report as presented. M Brown seconded the motion and upon vote the Financial Report for the period ending 6/30/2009 was approved unanimously.

Two trends were noted by Chair Marley. Commercial accounts were now paying a fairer share of Capital Improvements, almost double what they would have paid under the old billing system. The residential ramped pricing also appears to be impacting total water usage. He noted that from 2002-2006 water usage increased by almost 10%. The annual use was flat the next year and has since dropped about 10%. June was the last month of the District's 2008/2009 fiscal year. July will see the introduction of ramped billing for commercial accounts and hopefully further water conservation.

Agenda Item #6 Operations Report as of 7/16/2009

R Hrabina/Management presented a recap of the past 2 month's activities (no Board meeting in June) with 37 work orders, including several repairs at the well and booster sites. There were 21 blue stakes marked for the period and 25 pink slips were issued in June. June and July bac-t samples were negative.

It was noted that ADEQ has sent notification that we can resume nitrate sampling annually, rather than quarterly. ADEQ has decided to not let the District sell discharge water for dust control, so Randy has decided to reprocess the water and keep it within the system.

Well Stats as of 07/16/09

No change in water levels from last month; slight change in running time

Water levels:	LAST REPORT	THIS MONTH	
Big John #1	20' Draw to 23'	20' Draw to 23'	
Big John #2	20' Draw to 38'	20' Draw to 38'	
			Running time 5 ½ -7 ½ hrs
GOA #1	20' Draw to 24'	20' Draw to 24'	
GOA #2	20' Draw to 36'	20' Draw to 36'	
			Running time 6 ½ -12 ½ hrs
Oasis #1	21' Draw to 30'	21' Draw to 30'	
Oasis #2	22' Draw to 29'	22' Draw to 29'	
			Running time 2 ½ -4 hrs

Gallons Pumped:	
April 25 to May 24	6,913,000 gallons
May 25 to June 24	7,337,000 gallons

R Hrabina stated the system operator, Bob Hanus inspected the system and daily log book as required by ADEQ and found everything to be in order for the months of May and June 2009.

Chair Marley called for any questions from the Board or motion and M Brown moved to accept the operations report as presented. J Kobold seconded the motion and upon vote the operations report was approved unanimously.

Agenda Item #7 Capital Improvement Projects

Management presented a Capital Improvement project involving replacement of some very old lines. The proposed new lines would be as follows:

- 1) Across the eastern part of the 4Bees property and connecting to the existing line on K-Mine Rd
- 2) From K-Mine Rd in front of the Post Office south to Blue Mountain, along the existing line.
- 3) Running from K-Field Rd to K-Mine Rd halfway between Old Black Canyon Highway and Ann Black

Management gave a rough estimated cost for the first two proposed lines at \$16,000, and the third line at roughly \$20,000. While the first two proposed lines would not present any major difficulties, the third proposal comes with an easement problem. The current easement has been obstructed by obstacles such as fences, vegetation, sheds, and large trees. In order to replace this line along the existing easement, these obstructions would have to be removed. Management proposed discussions with property owners be initiated to negotiate a possible new easement for placement of a new line.

The Board recommended breaking this proposal into two segments, the first segment being to direct management to get bids for the first two lines, and the second one being to start negotiations with the residential and business properties that are connected to the obscured easement. Chair Marley moved that this recommendation be accepted by the Board. It was seconded by R Lee and upon vote was passed unanimously.

Agenda Item #8 Board Approval to Conduct 2008/2009 Audit

The District auditor Darlene Wood submitted two proposals for this year's audit. She stated that many well-run small businesses and Districts like ours only do a full audit every few years and a review (partial audit) the other years. The difference in cost between a full audit and a review would be roughly \$1400. After a short discussion the Board Members determined a review would probably not work in our District. In recent years at election time there have been some in opposition to the current Board who expressed concern over Water District financial matters, and have demanded a full audit. J Kobold moved that the Board approve Darlene Wood continuing to conduct a full audit for the past fiscal year. R Lee seconded the motion, which passed unanimously.

Agenda Item #9 Call to the Public

There were no comments during Public Call.

With no other business to come before the Board, the Chair thanked the public for attending and the Board meeting adjourned at 7:15 PM.

CERTIFICATION:

I, Sarah J. Hrabina, certify that the Agenda for the July 16, 2009 Regular Board Meeting was publicly posted at the Black Canyon City Post Office Bulletin Board, on Friday, July 10, 2009 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 Lavon Van Dusen on 9/7/2009