

**MINUTES FOR THE
BLACK CANYON CITY WATER IMPROVEMENT DISTRICT
January 21, 2010 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: Ron Lee

Treasurer: Barrie Dickerson attended telephonically

Member-at-Large & Secretary: Positions Open

Also in attendance: Management – Randy and Sarah Hrabina

Owners/Users: Susan Marley, Tony Chavez, Ed Konieczny

Public: Cindy Brannan

The customary reflection period was observed by the Board and Public and was dedicated to Mary Brown.

Agenda Item #3: Board Member Reports

None

Agenda Item #4: Approval of Board Minutes – December 17, 2009

The Chair noted the minutes from the December 17 Board meeting were available for review and approval, with all Board members indicating they had read them. Since no corrections were needed R Lee moved to accept the minutes. B Dickerson seconded the motion and upon vote the minutes from the December 17, 2009 Regular Board Meeting were unanimously approved.

Agenda Item #5: Treasurer's Financial Report as of 12/31/2009

Sarah Hrabina presented for B Dickerson the financial report for the period ending 12/31/2009 with beginning and ending balances for each account:

| Account | Beginning | Ending |
|----------------------|--------------|--------------|
| General Fund | \$78,007.64 | \$66,616.55 |
| Security Deposits | \$41,130.00 | \$41,130.00 |
| Capital Reserve | \$143,995.35 | \$154,824.49 |
| Arsenic Sinking Fund | \$60,737.94 | \$64,065.78 |
| Bank of the West | \$5,614.09 | \$16,371.17 |

December billing totaled \$24,047.44 with 842 active accounts. The gallonage for the month was reported at 3,860,000; compared to 6,030,000 the previous month. The Dec. '08 comparison was 4,119,000 gallons. Total gallons billed for the fiscal year-to-date was reported at 37,542,000 gallons. The cash management reports show total receipts for the month of \$37,149.86, and total disbursements of \$49,669.40 (including \$20,600.00 to 1st. American Title for purchase of Oasis well site property).

The financials include In-Hance audits #9315 through #9353 and QuickBooks invoices #1140 to #1151 with the accounts receivable balancing in both at \$25,922.70. No Impact fees were collected in Dec. It was noted budget vs. year to date analysis and monthly general journal entries were also attached to the report. The data was respectfully submitted by Management, Sarah Hrabina and approved by Treasurer B. Dickerson. Chair Marley called for a motion and R Lee moved to accept the financial report as presented. B. Dickerson seconded the motion and upon vote the Financial Report for the period ending 12/31/2009 was approved unanimously.

Agenda Item #6 Operations Report as of 1/21/2010

R Hrabina/Management presented a recap of the past month's activities with 25 work orders, including several repairs at the well and booster sites. There were 9 blue stakes marked and 32 pink slips issued for the period. Monthly bac-t samples were negative.

4th quarter Arsenic samples as reported to ADEQ:

| | |
|----------|---------|
| GOA | <0.0010 |
| Big John | 0.0018 |
| Oasis | 0.0015 |

All well below the required 0.010 level.

Well Stats as of 1/18/10

No change in water levels:

| 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' |
| GOA #1 | 20' Draw to 24' | 20' Draw to 24' |
| GOA #2 | 20' Draw to 36' | 20' Draw to 36' |
| Oasis #1 | 21' Draw to 30' | 21' Draw to 30' |
| Oasis #2 | 22' Draw to 29' | 22' Draw to 29' |

Well levels are expected to rise to their maximums as a result of the ongoing intense storm. Barry Dickerson and Bob Marley did a site review with Randy Hrabina. 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 month of December 2009.

After citing the relevant District statistics for December, Randy Hrabina, representing Management, informed the Board that he had turned off water at both sides of the Old Black Canyon Bridge. The concern was damage to the line could potentially drain the entire system. Randy is monitoring the flood water level at Big John just in case it gets high enough at the well head that it needs to be shut down. Nothing will be damaged by flooding of the foundation.

Chair Marley called for any questions from the Board. R Lee moved to accept the operations report as presented. B Dickerson seconded the motion and upon vote the operations report was approved unanimously.

Agenda Item #7 Vacancy/replacement Board position

The annual Board realignment resulted in no change. Barry Dickerson wished to continue as treasurer, Ron Lee wanted to continue as vice-Chair, and Bob Marley offered to continue as the Chair. R Lee made a motion to have Board members continue as stated. B. Dickerson Seconded the motion and it was unanimously approved.

Regarding the open position of Board Secretary: resumes previously submitted by two applicants (RT Smith and Kurt Weiderhold) had been reviewed by Board members. However for the second month in a row, neither of the candidates was in attendance or had contact with either the Board or Management. This left one viable new applicant, Susan Marley, a registered voter and resident of the District. R Lee made a motion to accept Susan Marley as Board Secretary. This motion was seconded by B Dickerson. The Board unanimously approved her appointment and she was duly sworn by the Chair.

Agenda Item #8 Board and Public Opportunity to Honor Mary Brown

All Board Members, Management, and the public expounded on their fond recollections of Mary's many contributions to the Water District and the Community. Several commented about what a wonderful Board addition she had been and how she would be difficult to replace. A recurrent theme was her sense of humor. She will truly be missed. Memorial may be scheduled for 1st Saturday in February and there is an account set up at Bank of the West for donations in lieu of flowers. No Board action was expected or necessary.

Agenda Item #9 Board Vacancy for Board Position (Mary Brown)

There was a brief discussion regarding posting a notice soliciting applicants to fill the Board Member at Large position left open by Mary Brown's passing. R Lee made a motion that we should proceed with posting in order to fill the position. It was seconded by S Marley. The Board unanimously agreed that this be done.

Agenda Item #10 Discussion of Management Contract

The District's 5-year management contract will end in July and the management team's current office lease renews in early April. If the contract was to be put out for bid, they requested it be done early. After a lengthy discussion, it was decided the Board had two options. Put the contract out for bid or exercise the renewal option included in item 7 on the current contract. Management offered to renew the contract for 4 years with a 15% upward adjustment in their billings (equivalent to the federal cost of living increase in the past five years). The Chair pointed out a couple of minor points that should be part of such a proposal: increasing the served customers to 850 before additional charges and changing the grade III requirement to the ADEQ approved grade II. Both were acceptable to Management. Comments from the public were entertained by the Chair. During the past decade no bids have been received when the contract was put out for bid. Two members of the public stated that this management team has done an excellent job so we should not rock the boat and extend their contract. S Marley made a motion to extend the contract for 4 years with the minor changes discussed. B Dickerson seconded the motion. The Board unanimously agreed to extend.

Agenda Item #11 Audit Presentation for Fiscal Year ending 6/30/2009

Due to the weather and flooding, the District accountant could not attend the meeting. The audit presentation was tabled until the February meeting.

Agenda Item #12 Call to the Public

There were no additional 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 7:20 PM.

CERTIFICATION:

I, Sarah J. Hrabina, certify that the Agenda for the Jan. 21, 2010 Regular Board Meeting was publicly posted at the Black Canyon City Post Office Bulletin Board, on Friday, January 15, 2010 on or before 4:30 PM.

Sarah J. Hrabina

Sarah J. Hrabina

Transcription of minutes completed by Susan Marley, BCCWID Board Secretary on 2/14/2010

Full digital recording available, 53.43 minutes long