

**MINUTES FOR THE
BLACK CANYON CITY WATER IMPROVEMENT DISTRICT
February 17, 2011 REGULAR BOARD MEETING**

Chair Robert Marley called the meeting to order at 6:30 PM and welcomed the public. Newly elected Harry Putman was unable to attend the January meeting and was sworn into office by the Chair.

Roll call showed a quorum with all Board members present:

Chair: Robert Marley

Treasurer: Barrie Dickerson

Vice-Chair: Ron Lee

Secretary: Doris Gosney

Member-at-large: Harry Putman

Also in attendance: Management – Randy and Sarah Hrabina

Owners/Users: Tony Chavez, Bob Gosney, Ed Konieczny, Susan Marley and Hristo (Chris)

Taralov

Public: Cindy Brannan and CPA Darlene Wood

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

There were no board reports.

Agenda Item #5: Approval of Board Minutes for January 20, 2011

The Chair noted the minutes were transcribed for the Board by the previous Secretary Susan Marley and asked if everyone had time to review. R Lee indicated he had reviewed and moved to accept as written. The motion was seconded by B Dickerson and upon vote approved unanimously.

Agenda Item #6: Treasurer's Financial Report as of 01/31/2011

B. Dickerson presented the financial report for the period ending 01/31/2011 with beginning and ending balances for each account:

Account	Beginning	Ending
General Fund	\$21,733.29	\$32,839.72
Security Deposits	\$42,265.00	\$42,265.00
Capital Reserve	\$203,594.12	\$209,824.51
Arsenic Sinking Fund	\$97,847.75	\$90,050.11
Bank of the West	\$11,010.31	\$6,605.69

Note: Jan. Report Bank of West ending balance printed (error/typo) as \$11,749.14; Documentation (copy of bank statement provided & correction made)

January billing with 8365 active accounts totaled \$18,297.31. The gallonage for the month was reported at 3,242,000; compared to 4,784,000 the previous month. The January '10 comparison was 4,827,000 gallons. Total gallons billed for the fiscal year-to-date was reported at 37,854,000 gallons (7 mo). The cash management reports show total receipts for the month of \$26,603.90 and total disbursements of \$24,021.34.

The financials include QuickBooks invoices #1300 to #12307 and In-Hance audits #10,006 through #10,059 with the accounts receivable balancing in both at \$27,544.62. No impact fees were collected in January. 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 reviewed by Treasurer, Barrie Dickerson, for final Board approval. Chair Marley inquired of the reduction in the Arsenic Sinking Fund with S Hrabina (Management) stating the amount in the account exceeded what was budgeted and a transfer was made back to the General Fund. R Hrabina also indicated the last arsenic sampling showed only Big John at a level that may require replacement in the near future with both GOA and Oasis still well below the allowable limit. R Marley also observed the decrease in gallons, noting it will definitely have to be a budget issue because of the decrease in revenue as well. With no further comments H Putman moved to accept the financial report; R Lee seconded the motion and upon vote the Financial Report for the period ending 01/31/2011 was unanimously approved.

Agenda Item #7 Operations Report as of 2/15/2011

R Hrabina/Management presented a recap of the activities for the period with 34 work orders completed, including 6 repairs at the well and booster sites and a significant number of repairs to valves and service lines largely in part to the extreme weather conditions. It was also noted a new service was installed as well as another meter removal due to foreclosure. There were 19 blue stakes marked for the period and pink slips won't go out until 2/18. Monthly bac-t samples were negative and first quarter arsenic samples were taken with the results not yet returned by the lab.

Well Stats as of 2/15/11

Again, 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'

System operator Bob Hanus inspected the system and daily log book as required by ADEQ. He found everything to be in order for the month of January 2011.

Discussion: R Lee indicated he felt the District was "ahead" of the time line for the arsenic replacement with R Hrabina/Management confirming it is lasting well beyond the original expectations. B. Dickerson inquired as to the cost and it was estimated to be approximately \$84,000 (9/2008: \$86,171.00). R Lee moved to accept the operations report as presented; B. Dickerson seconded the motion and upon vote the operations report was unanimously approved.

Agenda Item 8 Draft Auditor's Report and Financials (for FY-ending 6/30/2010)

The Chair called upon CPA Darlene Wood to present the report to the Board. Ms Wood expressed her appreciation and opportunity to address the Board, noting she has been auditing for the District since 2002. She indicated it is her job to look at the numbers and procedures; she expressed the Board's importance in taking an active roll in reviewing the financials, noting in other Districts/organizations that is not always the case. She also referenced the skill and long-standing Management the Board has in place for the District. Details of the report were reviewed and discussed. R Lee moved to accept the draft of the audit for the fiscal year ending 6/30/2010; B Dickerson seconded the motion and upon vote was approved with no opposition. The CPA was authorized to proceed with the final report which will be presented to the Public at an upcoming public hearing prior to final approval as required by state law.

Agenda Item #9 Cholla Drive Project for Review and Approval for Bidding

R. Hrabina presented detailed plans of the proposed project to the Board. The project will be for approximately 2,300 feet of new water mains plus 300 feet of service lines. If approved, the plan would be for the Board to authorize Management to proceed to advertise for bids to be received/opened at either the April Board meeting or at a special Board meeting.

Discussion: Before moving forward, however, R Hrabina stated he had made several attempts to contact the County concerned about activity noticed on Roadrunner Circle. He finally received a call back just shortly before 5 PM and it was confirmed the County is planning on possibly paving Roadrunner Circle about this time next year (February/2011). They will know better after their budget is set for the year and it was suggested we contact them again in August. If it is approved, they would start work in the fall. This would be another road that if the County is going to pave the District would be forced to replace all water lines. Roadrunner would be a much larger project than Cholla and would certainly be more than double the cost. In looking at the financials, the District should be able to do both projects, but it would deplete the reserves. The County may look at other paving projects as

well that could affect the District. After due consideration and discussion, Management suggested the Board could approve to advertise the bids and depending on the bids decide to continue with the project or reject all bids (and table until later). D Gosney indicated she felt the Board should at least look at bids. The Chair asked Management which of the projects was most critical with R Hrabina stating when the County grades (both roads are dirt/gravel roads) the lines are shallow on both roads and it is on Cholla they seem to hit the line (and break) more often.

On motion by D Gosney, seconded by R Lee and voted upon the Cholla Project as presented was approved for advertising with the bids to be opened at a Special Board Meeting to be held Thursday, April 7, 2011 at 6:30 PM at the BCCWID office. Sealed bids should be received no later than 3/31/2011. H Putman noted a few things he felt needed to be addressed in the bid packets and the Chair asked him to get together with Management on it noting his appreciation for his expertise in this area.

Agenda Item #10 Formation of Budget Committee

The Chair opened the discussion recapping the procedure in previous years. It is customary for the committee to be made up of Management, several members of the public plus no more than two (2) Board members due to requirements under the Sunshine Law. The Chair asked Barrie Dickerson as Treasurer to head the committee. Tony Chavez, in attendance, volunteered from the Public and he indicated he had recently spoken to Ginger Gray who also served previously was willing to participate again. The Chair asked Bob Gosney, in attendance, if he would care to volunteer with Mr. Gosney declining. The Treasurer was asked to contact John O'Daniel, prior Board member and committee member to see if he could serve. The Chair asked if any other Board members would like to volunteer and with no volunteers the R Marley volunteered. Dates for the Budget Committee to meet will be March 22nd, 29th and April 5th. The Committee will meet at the water office at 10 AM.

Agenda Item #11 Review of Board Member Secretary Position

The Chair opened the discussion indicating Doris Gosney had communicated with him she did not want to continue as Secretary for the Board and called upon her to address the request. D Gosney stated she would like to continue on the Board in any position other than Secretary; had her reasons but did not give any details. R Marley stated the Board, by law, is required to have a Secretary and to keep accurate records. Perplexed, the Chair asked for any recommendations on how to proceed. Harry Putman offered to serve as Secretary provided he did not have to transcribe minutes. Additional discussion followed and Management was asked to contact Lavon Van Dusen a prior Board member who also, at another time, transcribed for a fee to see if she would be willing to do transcriptions. On motion by R Lee and seconded by B Dickerson Harry Putman was appointed to the position of Board Secretary. On motion by R Lee and seconded by H Putman, Doris Gosney was appointed as Member-at-Large. Both motions carried with no opposition.

Agenda Item #12 Call to the Public

There were no questions or comments from the public.

With no other business to come before the Board, the Chair thanked the public for attending and the Board meeting adjourned at 7:45 PM.

CERTIFICATION:

I, Sarah J. Hrabina, certify that the Agenda for the February 17, 2011 Regular Board Meeting was publicly posted at the Black Canyon City Post Office Bulletin Board, on Friday, February 11, 2011 on or before 4:30 PM.

Sarah J. Hrabina

Sarah J. Hrabina

ATTESTED:

I, Harry Putman, Secretary 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,

Harry Putman
Harry Putman, Secretary

Transcription of minutes completed by Sarah J. Hrabina/Management on 2/18/2011.

Full digital recording available: 1 hour 15 minutes and 49 seconds long.