

**MINUTES FOR THE  
BLACK CANYON CITY WATER IMPROVEMENT DISTRICT  
April 28, 2011 REGULAR BOARD MEETING**

Chair Robert Marley called the meeting to order at 6:30 PM and welcomed the public.

Roll call showed a quorum with all Board members present:

Chair: Robert Marley

Treasurer: Barrie Dickerson

Vice-Chair: Ron Lee

Secretary: Harry Putman

Member-at-large: Doris Gosney

Also in attendance: Management – Randy and Sarah Hrabina

Owners/Users: Susan Marley, Tony Chavez

Public: Cindy Brannan

The customary reflection period was observed by the Board and Public

**Agenda Item #3: Board Member Reports**

None

**Agenda Item #4: Approval of Board Minutes for March 17, 2011 & April 7, 2011**

The Chair noted the minutes from both the regular Board meeting and a special Board meeting were given for review and approval, with all Board members indicating they had read them. The minutes from each meeting were addressed separately. Concerning the minutes from the March 17, 2011 regular Board meeting; R Lee moved to accept the minutes as written, the motion was seconded by B Dickerson, and upon vote the minutes were approved unanimously. Concerning the minutes from the April 7, 2011 special Board meeting; B Dickerson moved to accept the minutes as written, D Gosney seconded the motion, and upon vote, the minutes were approved without opposition.

**Agenda Item #5: Treasurer's Financial Report as of 03/31/2011**

B. Dickerson presented the financial report for the period ending 03/31/2011, with beginning and ending balances for each account:

Account	Beginning	Ending
General Fund	\$28,674.92	\$23,701.94
Security Deposits	\$42,265.00	\$42,265.00
Capital Reserve	\$217,450.40	\$229,036.73
Arsenic Sinking Fund	\$90,064.97	\$80,151.93
Bank of the West	\$5,486.96	\$11,619.99

March billing with 835 active accounts totaled \$21,340.05. The gallonage for the month was reported at 4,077,000; compared to 4,542,000 the previous month. The March '10 comparison was 2,993,000 gallons. Total gallons billed for the fiscal year-to-date was reported at 46,474,000 gallons (9 mo.). The cash management reports show total receipts for the month of \$30,449.98 and total disbursements of \$25,748.56.

The financials include QuickBooks invoices #1320 to #1334 and In-Hance audits #10,110 through #10,156 with the accounts receivable balancing in both at \$21,855.65. There were no impact fees collected in March. 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. H Putman moved to accept the financial report. R Lee seconded the motion and upon vote the Financial Report for the period ending 03/31/2011 was unanimously approved.

**Agenda Item #6 Operations Report as of 4/25/2011**

R Hrabina/Management presented a recap of the month's activities with 33 work orders, including several repairs at the well and booster sites. There were nine (9) blue stakes marked for the period. There were 28 pink slips issued in March. Per a customer request, management had researched the possibility of accepting auto debit payments through Bank of the West. They were informed the cost would be \$300-\$400 per month, making this option financially unfeasible.

Monthly bac-t samples were negative. First quarter arsenic samples reported last month were shown this month with previous quarter for comparison (per Board request):

	1 <sup>st</sup> Qtr/2011	4 <sup>th</sup> Qtr/2010
GOA	0.0019	0.0016
Big John	0.0074	0.0065
Oasis	0.0011	0.0011

Well Stats as of 4/25/11

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 March 2011.

Management reported having removed two (2) old meters and having them tested for accuracy by Metering Servicing. Both were found to be accurate. There was some discussion concerning possible water leaks as evidenced by a continuing discrepancy between the number of gallons pumped vs. the amount billed. It was suggested that there were probably small leaks in the system which would be difficult to find, and at this point the gallonage differences were not significant enough to warrant a check of the entire water system.

R Lee moved to accept the operations report as presented; H Putman seconded the motion and upon vote the operations report was unanimously approved.

**Agenda Item #7      Review of Proposed 2011/2012 Operating Budget**

The 2011 Budget Committee was comprised of two Board members, Sarah Hrabina representing management, and three owner/users: Tony Chavez, Ginger Gray, and Alnah Sawyer. The annual operating budget proposal they developed for the next fiscal year was presented by S Hrabina. The recommendation of the Budget Committee was for no rate changes and essentially the same operating budget used in this fiscal year. B Dickerson moved to accept the proposal, R Lee seconded, and the Board voted unanimously to accept the recommendations of the Budget Committee. These recommendations will be presented at the next Board meeting for the required public comment and final Board decision.

**Agenda Item #8      Review of 2011 Budget Committee Capital Improvement Recommendations**

B Dickerson, Board Treasurer, presented the Budget Committee's proposals for the coming fiscal year regarding the Capital Improvement Fund. The District's goal continues to be revenue financing of ALL costs with no deferring of costs into the future through bonding or taxation. Some members of the Committee were concerned that the annual Capital Improvement collections have declined by approximately \$30,000 because of declining water sales. This is especially of concern when the District faces a series of necessary line replacements, with costs ranging from \$30,000 to \$130,000 depending on the complexity of the problem. The discussion then became whether a rate increase should be made and if so how it would be allocated to the users. The Budget Committee created four possible scenarios, including a no change option. The Chair asked each Board Member to speak to the issue and the sense of the Board seemed to be for no increased collections or billing changes. D Gosney moved to accept the Budget Committee's Option 1 (no rate change), seconded by H Putman. Upon vote the measure passed by a margin of 3 to 2. As with the Operating

Budget, these recommendations will be presented at the next Board meeting for the required public comment and final Board decision.

**Agenda Item #9            Review of Cholla Project Progress**

R Hrabina/Operations, reviewed progress on the Cholla Road project. Work has not yet begun on the project due to a problem in obtaining the necessary pipe that the District is responsible for purchasing and delivering to the contractor. Acquiring the pipe locally would have meant a four week delay, so it had to be ordered out of California. The six inch pipe coming from California will be a higher grade, and thus more expensive, than what the District normally uses, but the extra expense was necessary in order to complete the project in a timely manner. Since there is approximately 6 weeks left to the completion date, management doesn't expect any project completion delay. However, if it appears the project will not be completed by the June 30 deadline, a request will be made to the Board to grant an extension.

**Agenda Item #10            Call to the Public**

None

With no other business to come before the Board, the Chair thanked the public for attending and the Board meeting adjourned at 7:29 PM.

**CERTIFICATION:**

I, Sarah J. Hrabina, certify that the Agenda for the April 28, 2011 Regular Board Meeting was publicly posted at the Black Canyon City Post Office Bulletin Board, on Monday, April 25, 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 Lavon Van Dusen on 5/09/2011

Full digital recording available: 59 minutes and 20 seconds long.