

**MINUTES FOR THE
BLACK CANYON CITY WATER IMPROVEMENT DISTRICT
September 15, 2011 REGULAR BOARD MEETING**

Chair Robert Marley called the meeting to order at 6:35 PM and welcomed the public.

Roll call showed a quorum with four Board members present:

Chair: Robert Marley

Treasurer: Barrie Dickerson

Vice-Chair: Ron Lee

Member-at-large: Doris Gosney

Also in attendance: Management – Randy and Sarah Hrabina

Owners/Users: Susan Marley, Bob Gosney

Public: Cindy Brannan

Canyon State Filtration Representative: Nick Gudovic

Board Member unable to attend: Harry Putman

The customary reflection period was observed by the Board and Public

Agenda Item #3: Board Member Reports

Chair Marley noted he had been contacted by In-Hance regarding new updates for their software program. It was suggested by the Chair that caution should be exercised in accepting updates since the current system has been working so well.

Agenda Item #4: Approval of Board Minutes for July 21, 2011 and July 29, 2011

The Chair noted the minutes from the July 21, 2011 Regular Board Meeting and July 29, 2011 Special Board Meeting were given for review and approval, with all Board members indicating they had read them. R Lee moved to accept the minutes as written. The motion was seconded by B Dickerson and upon vote approved unanimously.

Agenda Item #5: Treasurer's Financial Report as of 07/31/2011 and 08/31/2011

B. Dickerson first presented the financial report for the period ending 07/31/2011, with beginning and ending balances for each account:

Account	Beginning	Ending
General Fund	\$32,917.80	\$29,844.15
Security Deposits	\$42,265.00	\$42,425.00
Capital Reserve	\$196,485.77	\$176,981.98
Arsenic Sinking Fund	\$80,246.57	\$80,259.75
Bank of the West	\$7,529.72	\$6,033.14

July billing with 837 active accounts totaled \$32,313.61. The gallonage for the month was reported at 5,887,000 (4.872M Res., 981K Com., 34K Fire); compared to 6,007,000 the previous month. The July '10 comparison was 6,470,000 gallons. Total gallons billed for the fiscal year-to-date was reported at 5,887,000 gallons (1 mo.). The cash management reports show total receipts for the month of \$31,069.11 and total disbursements of \$51,695.73.

The financials include QuickBooks invoices #1367 to #1377 and In-Hance audits #10,331 through #10,387 with the accounts receivable balancing in both at \$33,703.42. No impact fees were collected in July. 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.

B. Dickerson then presented the financial report for the period ending 08/31/2011, with beginning and ending balances for each account:

Account	Beginning	Ending
General Fund	\$29,844.15	\$79,302.15
Security Deposits	\$42,425.00	\$42,425.00
Capital Reserve	\$176,981.98	\$109,869.86
Arsenic Sinking Fund	\$80,259.75	\$80,273.52
Bank of the West	\$6,033.14	\$39,972.41

It was noted that Yavapai Co. accounts include transfers (8/31) from Bank of the West; however, Bank of the West has the total transfer amount of \$38,827.50 as uncleared, hence the large ending "cleared" balance.

August billing with 837 active accounts totaled \$39,629.87. The gallonage for the month was reported at 7,509,000 (6.14M Res, 1.333M Com., 36K Fire); compared to 5,887,000 the previous month. The August '10 comparison was 6,951,000 gallons. Total gallons billed for the fiscal year-to-date was reported at 13,396,000 gallons (2 mo.). The cash management reports show total receipts for the month of \$34,355.17 and total disbursements of \$55,748.04.

The financials include QuickBooks invoices #1378 to #1397 and In-Hance audits #10,388 through #10,448 with the accounts receivable balancing in both at \$40,340.48. No impact fees were collected in the month of August. 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. It was noted by Chair Marley that with the contract work currently being done for the district the balance in the Impact/Capital Fund will drop significantly and might be an item for consideration at the next budget planning meeting. D Gosney moved to accept the financial report. R Lee seconded the motion and upon vote the Financial Reports for the periods ending 07/31/2011 and 08/31/2011 were unanimously approved.

Agenda Item #6 Operations Report as of 9/15/2011

R Hrabina/Management presented a recap of the past two month's activities with 30 work orders, including repairs at the well and booster sites, turn ons, turn offs, meter re-reads, meter/valve repair/replacement, line break/leak repairs, and other service needs. An application was submitted to BLM for an extension of right-of-way (renewal application is needed every 30 years). There were fourteen (14) blue stakes marked for the period. There were 35 pink slips issued in August.

Monthly bac-t samples were negative for August and September. Third quarter arsenic samples were reported with previous quarter for comparison:

	3 rd Qtr/2011	2 nd Qtr/2011
Big John	0.0089	0.0081
GOA	0.0030	0.0026
Oasis	0.0016	0.0032

Results were submitted to ADEQ as required.

Media was previously changed out on 10/22/2008 at Big John and GOA. Cost for the two (2) sites at that time was \$89,786 through AdEdge Technologies.

Annual TTHM and HAA5 water samples were taken with results for both well below the allowable limits:

	Result	Allowed
TTHM's	0.017	0.080
HAA5's	0.0016	0.060

Results were submitted to ADEQ as required.

Well Stats as of 9/15/11

Change in water level at Big John only for second straight month; Drop coincides with Community Association continuing to fill the pond on adjacent property. Although not a drastic drop, Management will continue to monitor situation for the Board.

Water levels:	LAST REPORT	THIS MONTH
Big John #1	21' Draw to 23'	22' Draw to 24'
Big John #2	21' Draw to 38'	22' 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 months of July and August 2011.

The second draw for 50% completion of the Roadrunner Circle Project was paid to contractor on 9/6/2011

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 #7 Arsenic Media Replacement

Initially R Hrabina/Management was expected to present a bid from AdEdge Water Technologies for the arsenic media replacement at the Big John well site. This media was last replaced in 2008 and has exceeded its expected service life. However, Nick Gudovic, a representative from Canyon State Filtration came to the meeting and requested a chance to speak on behalf of his company. Although this presentation concerning titania-based media was not on the agenda, the Board agreed it was relevant to the discussion and should be heard. After the presentation the Board and Management felt that due to time constraints, it would not be feasible to wait for Mr. Gudovic to prepare a bid for the current job. It was suggested that he meet with Management at a later date to prepare a rough estimate of what it would cost to do the media replacement of one of the other well sites for future reference and consideration. After answering questions from the Board and Management, Mr. Gudovic was asked to excuse himself from the meeting as a competitor's bid was going to be discussed. R Hrabina then presented the AdEdge proposal, including exactly what was and was not included in their price. After considering all information it was decided that the District should again use AdEdge to replace the arsenic media. B Dickerson moved to accept AdEdge for the job, which was seconded by R Lee. Upon vote the measure passed unanimously.

Agenda Item #8 Foreclosure/Abandoned Property Meter Removals

Management has 7 vacant/abandoned properties at which the water has been shut-off, meters have been locked, and notices have been posted on the door. S Hrabina/Management reported that information has been obtained on two of the properties, both foreclosures, and they are now in "active" status. The remaining 5 properties exceed the four month delinquency period which triggers meter removal and total loss of service. The Board agreed that Management had done all that was required to try to locate responsible parties for each property, and that the time had come to remove the meters on the five properties. R Lee made a motion to allow Management to proceed with meter removal. The motion was seconded by B Dickerson and, upon vote, the measure passed without opposition.

Agenda Item #9 Review Possible Changes to "Call to Public" Wording

The wording on the Agenda item regarding the "Call to the Public" stating the allowed interaction of Board members and the public was reviewed. The current statement was found to have a minor deficiency with respect to what can legally occur at that time. An additional interaction in reference to criticisms of individual Board members (allowed by the relevant Arizona Statute) was suggested for use on future agendas:

"Members of the General Public can address the Board and make comments, suggestions or complaints on the above matters or any other issue or matter of concern during public call. Those wishing to address the Board need not request permission in advance. Board action during Public Call is limited to individual members responding to criticism by the public, directing staff or a Board Member to study the matter, or placing the matter on a future Board meeting agenda."

A motion was made by B Dickerson to accept the proposed change. This was seconded by R Lee and upon vote was passed by a margin of 3:1, with D Gosney voting against the measure.

Agenda Item #10 CPA Engagement Letter for 2010-2011 Annual Audit

S Hrabina/Management, requested permission of the Board to send a letter to CPA Darlene Wood to engage her services for the 2010-2011 Annual Audit. Since Darlene has done a good job for the District in the past, it was agreed to continue using her services. R Lee moved that Management be allowed to send the letter to Ms. Wood. The motion was seconded by B Dickerson and, upon vote, passed unanimously.

Agenda Item #11 Call to 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 September 15, 2011 Regular Board Meeting was publicly posted at the Black Canyon City Post Office Bulletin Board, on Monday, September 12, 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 9/27/2011

Full digital recording available: 1 hour, 10 minutes and 45 seconds long.