

**MINUTES FOR THE
BLACK CANYON CITY WATER IMPROVEMENT DISTRICT
December 15, 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 five Board members present:

Chair: Robert Marley

Treasurer: Barrie Dickerson

Vice-Chair: Ron Lee

Member-at-large: Doris Gosney

Secretary: Harry Putman

Also in attendance: Management – Randy and Sarah Hrabina

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

Public: Cindy Brannan, Alyx Cohen, CPA

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 November 17, 2011

The Chair asked if all Board members had reviewed the minutes from the November 17, 2011 regular Board Meeting with one Board member indicating they had not. B Dickerson moved to accept the minutes as written and the motion was seconded by Harry Putman. Upon vote the motion to approve the minutes were approved by majority vote with one Board member abstaining.

Approval of Special Board Meeting Minutes for Dec 1, 2011

Chair Bob Marley asked if all had read the Special Board Meeting Minutes, held on December 1, 2011. B Dickerson moved to accept the Special Board Meeting Minutes of Dec 1, 2011 and the motion was seconded by Doris Gosney. Upon vote the minutes of the Special 12/1/2011 Board meeting were approved unanimously.

Agenda Item #5: Treasurer's Financial Report as of 11/30/2011

B. Dickerson presented the financial report for the period ending 11/30/2011, with beginning and ending balances for each account:

Account	Beginning	Ending
General Fund	\$56,401.78	\$38,019.05
Security Deposits	\$42,425.00	\$42,425.00
Capital Reserve	\$134,445.58	\$127,588.10
Arsenic Sinking Fund	\$36,626.92	\$34,176.17
Bank of the West	\$11,835.42	\$7,499.98

November billing with 834 active accounts totaled \$29,930.28. The gallonage for the month was reported at 5,355,000 compared to 4,739,000 the previous month. The November '10 comparison was 5,257,000 gallons. Total gallons billed for the fiscal year-to-date (5 mos) was reported at 29,019,000M gallons. The cash management reports show total receipts for the month of \$32,192.95 and total disbursements of \$62,186.31.

The financials include QuickBooks invoices #1439 to #1449 and In-Hance audits #10,569 through #10,618 with the accounts receivable balancing in both at \$31,495.45. Two (2) impact fees were collected in the month of November for a total of \$ 5,000.00 plus one (1) re-instatement w/board approved payment plan. It was noted budget vs. year to date analysis and monthly general journal entries were also attached to the report. S. Hrabina spoke of the property on Bertha St. that had had a large balance (Nov. agenda item) and stated the customer had paid \$900.00 leaving only a small balance of \$35.00 so the water was NOT shut off. The data was respectfully submitted by Management, Sarah Hrabina, and reviewed by Treasurer, B Dickerson, for final Board approval. R Lee moved to accept the financial report. D Gosney seconded the motion and upon vote the Financial Report for the period ending 11/30/2011 was unanimously approved.

Agenda Item #6 Operations Report as of 12/12/2011

R Hrabina/Management presented a recap of the past month's activities with 38 work orders, including turn ons, turn offs, meter re-reads, meter/valve repair/replacement, line break/leak repairs, and other service needs. There were fifteen (15) blue stakes marked for the period. There have been no pink slips issued as of this report for Dec.

Monthly bac-t samples were negative for December.

Results for the Arsenic samples taken last month were returned by the lab, Test America as follows:

	4 th qtr	Prev/3 rd qtr (comparison)
Big John	<0.0010	0.0089
GOA	0.003	0.003
Oasis	0.0052	0.0016

R Hrabina mentioned the increase at Oasis noting it might be because the backwash had not yet been done at the time of sampling, but is scheduled for next month.

Well Stats as of 12/14/11

There was no change from last report

Water levels:	LAST REPORT	THIS MONTH
Big John #1	20' Draw to 23'	20' Draw to 23'
Big John #2	20' Draw to 36'	20' Draw to 36'
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 December, 2011.

R. Hrabina said the Roadrunner Project was completed and letters to all customers sent out.

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

Agenda Item #7 Draft Auditor's Report and Financials

The District's CPA, Alyx Cohen, attended the meeting and reviewed the draft of the 2010-2011 audit with the Board highlighting her concerns and changes. Alyx stated that the District had done a very good job and found the entire audit to have no material issues. The primary problem she pointed out was the continuing reduction in water use caused by foreclosures, conservation and hard times. There is simply not as much water being used. This is decreasing revenues. Alyx stated the decrease in water sales had dropped \$9,400.00. The most significant change she saw was the checking account had dropped significantly. Since billing rates are not reviewed again until March-April of 2012 and any rate hearing would not occur until next May, her concern was a much lower net income amount for this current fiscal year. Capital Improvement money is also decreasing due to capital improvement projects forced upon the District in the current fiscal year (by the County's plans to pave several roads). Board discussion followed including R Marley noting the capital improvement revenues were also affected by the billing restructuring that is based on consumption. It was agreed the next budget committee would be challenged by the decreased revenues. B Dickerson moved to accept the audit as presented. R Lee seconded the motion and upon vote the Auditor's Report and Financials for the fiscal year ending 6/30/2011 was approved unanimously.

Agenda Item #8 Potential System Improvements

The discussion of potential system improvements resulted in management pointing out the future need for a second line, even one as small as 2" diameter, to add an additional source for our hundred plus customers on the east side of the freeway. Management is concerned that a failure on the existing line could result in an outage of several days to make repairs. There is the possibility of using an abandoned 4" line to route a new 2" line under the freeway. Boring a 4" or 6" line under the freeway would be extremely expensive. It might also be difficult to obtain a permit. H Putman suggested some of the smaller Capital Improvement expenditures might be at management's discretion and not require Board approval. Management indicated capital improvements have always been a Board decision and felt comfortable in keeping the decision making up to the Board.
Discussion only; NO Board action taken.

Agenda Item #9 Replacing the District's Meeting Transcriber

Lavon VanDusen informed the Chair she accepted a job and would be unavailable to transcribe future minutes. She suggested Gabbie Cross as a possible replacement. Management stated Cindy Brannan also expressed an interest in the position. It was noted Cindy already attends Board meetings regularly and is familiar with the District's operations. The Board voted to hire Cindy Brannan for transcribing minutes plus the short unofficial summary posted ASAP after each meeting in the Post Office.

Agenda Item #10 Resignation of Chair, Bob Marley

The Chair submitted his resignation letter from the Board effective as of 12/31/2011. Bob thanked everyone for their support in past elections and for the opportunity to serve as Chair and Vice-Chair for over six years. The Board reluctantly accepted his resignation.

Agenda Item #11 Open Board Position Announcement

In light of the resignation, the Board discussed the need to immediately post notice of the open position in hopes that a list of possible candidates would be available for selection at the January meeting, prior to the annual reorganization of the board (positions).

Agenda Item #12 Call to the Public

There was no input from the floor for Public Call.

With no other business to come before the Board, the Chair thanked the public for attending and the Board meeting adjourned at 7:28PM.

CERTIFICATION:

I, Sarah J. Hrabina, certify that the Agenda for the December 15, 2011 Regular Board Meeting was publicly posted at the Black Canyon City Post Office Bulletin Board, on Friday, December 9, 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 Cindy Brannan on 12/22/2011

Full digital recording available: 58 minutes long.