

**OFFICIAL MINUTES FOR THE
BLACK CANYON CITY WATER IMPROVEMENT DISTRICT
May 17, 2012 REGULAR BOARD MEETING
and PUBLIC RATE and BUDGET HEARING**

Chair Robert Gosney 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 Gosney

Treasurer: Barrie Dickerson

Vice-Chair: Ron Lee

Secretary: Doris Gosney

Member-at-Large: Will Stice

Also in attendance: Management – Randy and Sarah Hrabina

Public: Cindy Brannan, Bob Cothorn

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

Agenda Item #4 Approval of Minutes: 04/19/12 Regular Board Meeting

B. Dickerson moved to accept the minutes from the April 19, 2012 regular Board Meeting as written. The motion was seconded by R Lee and upon vote the minutes were approved unanimously.

Agenda Item #5 PUBLIC RATE AND BUDGET HEARING TO BEGIN AT 6:45 P.M.

Due to advertising requirements for the Hearing to begin at 6:45 PM, this item is below Agenda Item #7

Agenda Item #6 Treasurers Financial Report and Approval as of 4/30/12

B. Dickerson presented the financial report for the period ending 4/30/12 with beginning and ending balances for each account reported:

Account	Beginning	Ending
General Fund	\$29,907.60	\$19,085.29
Security Deposits	\$42,425.00	\$42,425.00
Capital Reserve	\$85,941.16	\$91,812.21
Arsenic Sinking Fund	\$31,206.99	\$31,215.68
Bank of the West	\$ 9,928.93	\$14,161.74

April billing with 834 active accounts totaled \$31,473.16. The gallonage for the month was reported at 5,822,000 gals compared to 4,655,000 gals the previous month and the April 2011 comparison of 4,543,000 gallons. Total gallons billed for the fiscal year-to-date was reported at 50,807,000 gallons (10 mos.).

The (2) two monthly cash management reports showed total receipts deposited (all sources) of \$30,380.49 and total disbursements for the month of \$28,190.44.

The financials include QuickBooks invoices #1494 to #1509 and In-Hance audits #10,829 through #10,879 with the accounts receivable balancing in both at \$34,804.43. Three impact fees were collected in April totaling \$7,500.00; a/c # 724 & a/c #61 with both meters previously removed/foreclosures and a/c #788 was a new service. It was noted budget vs. year to date analysis and monthly general journal entries were also attached to the report for approval. The data was respectfully submitted by Management, Sarah Hrabina, reviewed by Treasurer, Barrie Dickerson, for final Board approval with R. Lee moving to accept the financial report as presented. W. Stice seconded the motion and upon vote the Financial Reports for the period ending 4/30/2012 were unanimously approved.

Agenda Item #7 Operations Report and Approval as of 5/15/2012

R Hrabina/Management presented a recap of the past month's activities with 27 work orders, including turn-ons, turn-offs, meter re-reads, meter/valve repair/replacement, line break/leak repairs, and other service needs. R Hrabina reported four (4) new meter installed. There were nine (9) blue stakes marked for the period; Pink slips- 29 in April and not yet out for May as of this report.

Monthly test results for E-Coli & Coliform for May were negative.

Well Stats as of 05/16/2012 saw a 1' drop from last report.

Water levels:	LAST REPORT	THIS MONTH
Big John #1	24' Draw to 28'	25' Draw to 29'
Big John #2	24 Draw to 37'	25' Draw to 39'
GOA #1	24' Draw to 27'	25' Draw to 28'
GOA #2	24' Draw to 38'	25' Draw to 40'

Oasis #1	25' Draw to 30'	26' Draw to 30'
Oasis #2	26' Draw to 30'	26' Draw to 30'

It was noted the wells having dropped a total of five feet (5') since January, 2012. If it continues and the pumps start sucking air, pumps may burn up. Additional discussion included drought concerns both in the past and future. If the District would need to consider drilling a new well the best location would be close to the current GOA well sites.

Management received of a LOSS ACKNOWLEDGEMENT LETTER from the District insurance carrier, Philadelphia Insurance Companies. Mark D. Smith has been assigned as the examiner for the Mechling Street claim #PHMI 12040629104. There has been no determination, other information or final decision regarding this matter to date.

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 April, 2012.

B. Dickerson moved to accept the operations report as presented. D. Gosney seconded the motion and upon vote the operations report was unanimously approved.

6:45 P.M.

Agenda Item #5 PUBLIC RATE AND BUDGET HEARING

The Chair opened the Public Rate and Budget Hearing to the Public for comments and called upon Sarah Hrabina an Owner/User. S Hrabina indicated agreeing the Proposed Budget include the transfer of \$5.00 per mo./per residential customer from Capital Improvements (CI) to Operations & Maintenance (O&M) but asked the Board to consider an additional increase for O&M noting the previous month the Budget Committee showed other budgets for consideration each with a \$1.00 per mo./per customer increase generating approximately \$10,0000.00 (annual) for each \$1.00 increase. S Hrabina pointed out the CPA had voiced her concerns with the decrease in sales volumes decreasing the revenues the past several years when she presented her year-end audit report. A \$1.00 (per mo./per customer) increase should not be a hardship and would be a needed "baby step". It was also noted the CPA had pointed out to the Budget Committee that if there are excess funds in the General Fund (O&M Budget) the Board can approve to move it for use in Capital Improvements. On the other hand, excess funds in Capital Improvements CANNOT be moved to O&M as they are restricted funds. With no other comments from the Public, the Board discussed the matter further with R Lee indicating he had concerns with the Proposed Budget last month and if the budget was sufficient. B Dickerson concurred. D Gosney noted the economy as her biggest concern and the problems the public faces trying to make ends meet. R Lee moved to approve the 2012-13 Proposed Budget with the rate change decreasing the CI \$5.00 per month/per residential customer and increasing the O&M by \$5.00 (net, \$-0- impact to customers); plus in addition, a \$2.00 increase per month/per all customers be added to increase the budget for the 2012-13 fiscal year. B Dickerson seconded the motion and upon vote, the amended 2012-13 Budget was approved with the above changes by a majority 3-1-1 vote.

B Dickerson, R Lee and W Stice voted in favor; D Gosney voted against and Chair R Gosney abstained. The new rate will be reflected in customers July, 2012 billing.

Agenda Item #8 2011 Consumer Confidence Report

The format and letter for the 2011 Consumer Confidence Report was presented to the Board by Management. All testing for the calendar year was below ADEQ requirements and it was noted the specific data needed to be added to the report prior to mailing before June 30, 2012. It was also noted the rate increase for the 2012-13 Budget could also be added to the letter for the Public. Chair R Gosney indicated he did not feel comfortable approving the report without the data and asked for the information. D Gosney moved to approve the format and letter for the 2011 Consumer Confidence Report with the Board members given an advance copy of the data prior to the mailing. R Lee seconded the motion and upon vote was approved unanimously.

Agenda Item #9 Fire Hydrant & Dog Track

With the fire blazing in Crown King and the Bradshaw Mountains, Management checked the fire hydrant at the Dog Track property and found it to be faulty. It was noted this site has been used by helicopters in the past in fighting the large fires. R Hrabina suggested installing a new hydrant and relocating it ahead of the customer's backflow device to permit unobstructed use. Part of the problem is the customer has the backflow shut off with no water being used at the property. D Gosney asked if Management could contact the owners of the Dog Track regarding the matter. Additional discussion followed and R Lee moved for Management to contact the owners of the Dog Track to obtain permission to turn the water on at the backflow, if needed by the fire fighters. If permission is not given and no other solution is viable to

repair the existing hydrant, to approve the Capital Improvement cost for replacing the hydrant. D Gosney seconded the motion on the floor and upon vote was approved unanimously.

With no other business to come before the Board, the Chair adjourned the meeting at 7:30 P.M.

CERTIFICATION:

I, Sarah J. Hrabina, certify that the Agenda for the May 17, 2012 Regular Board Meeting was publicly posted at the Black Canyon City Post Office Bulletin Board, on Monday, May 14, 2012 on or before 4:30 PM.

Sarah J. Hrabina

Sarah J. Hrabina

ATTESTED:

I, Doris Gosney, 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,

Doris Gosney

Doris Gosney, Secretary

Transcription of minutes completed on 05/24/2012

C. Brannan, Transcriber