

**OFFICIAL MINUTES FOR THE
BLACK CANYON CITY WATER IMPROVEMENT DISTRICT
JULY 19, 2012 REGULAR BOARD MEETING**

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, Curtis Carter

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

Agenda Item #4 Approval of Minutes: 05/17/12 Regular Board Meeting

The minutes from the May 17, 2012 regular board meeting were provided to the Board and B. Dickerson moved to accept the minutes as written. The motion was seconded by W Stice and upon vote approved unanimously.

Agenda Item #5 Treasurer's Financial Report and Approval for 5/31/12 & 6/30/2012

Treasurer B. Dickerson presented the financial report for the period ending 5/31/2012 with beginning and ending balances for each account reported:

Account	Beginning	Ending
General Fund	\$19,085.29	\$ 19,084.39
Security Deposits	\$42,425.00	\$ 42,425.00
Capital Reserve	\$91,812.21	\$109,569.48
Arsenic Sinking Fund	\$31,215.68	\$ 25,013.40
Bank of the West	\$14,161.74	\$ 15,252.95

May billing with 833 active accounts totaled \$29,538.34. Water consumption for the month of May was reported at 5,559,000 gals. compared to 5,822,000 gals the previous month. The May 2011 consumption comparison was 6,406,000 gallons. Total gallons billed for the fiscal year-to-date was reported at 56,366,000 gallons (11 mos.).

The cash management reports for May showed total receipts for the month of \$36,272.68 and total disbursements of \$21,207.56. The financials include QuickBooks invoices #1510 to #1538 and In-Hance audits #10,880 through #10,977 with the accounts receivable balancing in both at \$30,416.97. Two (2) NEW ACTIVE services were added to the system, both previous foreclosures; Impact fees for both are being paid through installment payments-a/c #2052 & a/c # 271. 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, and reviewed by Treasurer Barrie Dickerson for final Board approval.

B. Dickerson continued, presenting the financial report for the period ending 6/30/2012 with beginning and ending balances for each account:

Account	Beginning	Ending
General Fund	\$ 19,084.39	\$ 34,989.40
Security Deposits	\$ 42,425.00	\$ 42,425.00
Capital Reserve	\$109,569.48	\$113,064.59
Arsenic Sinking Fund	\$ 25,013.40	\$ 25,014.14
Bank of the West	\$ 15,252.95	\$ 4,613.44

June billing with 833 active accounts totaled \$36,136.99. Water consumption for the month of June was reported at 6,785,000 gals. compared to 5,559,000 gals the previous month. The June 2011 consumption comparison was 6,007,000 gals. Total gallons billed for the for the full fiscal year was reported at 63,151,000. The cash management reports for June showed total receipts of \$30,546.47 and total disbursements of \$30,841.21. The financials include Quick Books Invoices #1539 to #1550 and In-Hance audits #10,978 through #11,045 with the accounts receivable in both In-Hance and Quick Books balancing at \$38,519.84.

One (1) NEW ACTIVE service was added to the system; previously a foreclosure. Fees, including Impact Fee are being paid through installment plan, a/c #393. 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 respectively submitted by Management, Sarah Hrabina, and reviewed by Treasurer, Barrie Dickerson for final board approval. D. Gosney moved to accept both the May and June financial reports as read. R. Lee seconded the motion and upon vote the financial reports for the periods ending 5/31/2012 and 06/30/2012 were approved unanimously.

Agenda Item #6 Operations Report and Approval as of 7/16/2012

R Hrabina/Management presented a recap of the past two month's activities with 52 work orders completed, including turn-ons, turn-offs, new meter services installed, meter re-reads, meter/valve repair/replacement, line break/leak repairs, and other service needs. R Hrabina reported two (2) new meters installed and three (3) removed. There were nine (9) blue stakes marked for the period; 32 pink slips issued in June and 45 for July. The 2 new meters were installed at 18795 Kings Way and 32960 Maggie Mine; both previously foreclosures. There were 3 meters removed, previously approved by the Board for non-payment/forlosures: 34750 Mesquite, 19446 Spencer St. and 19910 Palo Verde.

Management discovered and corrected a meter at 19330 Abbott St. previously hooked up with a by-passed (years, years ago) resulting in non-metered water. Management also advised the Board a pressure relief valve was installed on a standpipe on Bertha St. after two (2) more blow-outs occurred. The area gets surges; the valve will open and close as needed to relieve the pressure.

Monthly test results for E-Coli & Coliform for June and July were NEGATIVE.

Well Stats as of 07/18/2012

Wells have dropped again from last report which is why we have a DROUGHT ALERT on the agenda for Board Action:

WATER LEVELS:	LAST REPORT	THIS MONTH
Big John #1	25' Draw to 29'	30' Draw to 34"
Big John #2	25 Draw to 39'	30' Draw to 39'
GOA #1	25' Draw to 28'	28' Draw to 31'
GOA #2	25' Draw to 40'	28' Draw to 28'
Oasis #1	26' Draw to 30'	Shut down; waiting for
Oasis #2	26' Draw to 30'	well driller to re-hab

Management expressed concerns with Big John currently 10 ft. below normal and GOA #1 at 8 ft. below normal. GOA # 2 was never producing that good as far back as 10 years ago; however, with the re-hab and re-perforation the 80 ft. well is now pumping 150 GPM and not dropping at all. Oasis #1 and #2 are currently shut down waiting for the well driller to re-hab them like GOA. Bottom line, our (water) tables are dropping.

An ADEQ state inspection of our system was conducted on June 20th. This was our 3 year inspection and the inspector was extremely pleased with the system. There were no deficiencies noted and a complete written report will be available.

Management spoke of the drainage and flooding problems at the Big John site. Our more recent rains have resulted in extensive flooding caused by poor drainage at the intersection of Old Black Canyon Highway and Palm Lane. The culvert crossing Old Black Canyon Highway is too small. The County has added additional culvers on Davenport Lane & Saguaro Dr. which has added to the problem. The recent heavy rains caused water and two (2) inches of mud in the building. Management expressed concerns for the potential of contamination at the well site. Management contacted the County again, but feel they will continue to ignore the problem and urged EVERY BOARD MEMBER to contact the County Supervisor, Tom Thurman, insisting the County resolve the poor drainage problem before our wells are compromised by the flood waters.

System operator Bob Hanus inspected the system and daily log book, as required by ADEQ, and found everything to be in order for the months of May and June.

B. Dickerson asked about meters being replaced. Management explained that if one of our valves leak or is broken and it is an old meter, the policy is to replace it.

B. Dickerson asked about the fire hydrant issue at the Dog Track. R. Hrabina said he would be meeting with Tom Birch, fire chief, and discussing the best location for the fire hydrant.

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

Agenda Item #7 Drought Emergency Plan

A Drought Emergency Plan was enacted by the Board on June 20, 2002 for the Black Canyon City Water Improvement District. There are 5 levels to this plan. Management explained in detail the 5 levels and asked the board to consider putting into effect levels 1, 2 & 3. D. Gosney made a motion to put into effect levels 1, 2 & 3, including a notice on all bills, notices (flyers) placed on bulletin boards, using colored (orange) paper and to be completed as soon as possible. The motion was seconded by R. Lee and upon vote was approved unanimously. Following is a description of the 3 levels implemented:
Level One: A noticeable drop in water levels and public awareness with voluntary conservation measures in effect, including a notice on monthly bills to conserve water.

Level Two: Bulletin board notices, check for leaky faucets, toilets, swamp coolers, drip systems and etc., not to leave garden hoses unattended, never water in the middle of the day, water in the evening, use food coloring in toilet tank water to determine if leaking-- if color shows in bowl without flushing, it leaks. Anyone who has very high water pressure can reduce consumption by having a pressure reducing valve installed. Low-water consumption toilets are available and automatic drip systems are encouraged.

Level Three: There is NO washing of vehicles, NO washing of sidewalks, decks, patios, parking lots or homes and NO un-attended watering of trees or plants with garden hoses.

Agenda Item #8 Request C Carter - rates for reinstatement of service at 34420 Bertha St.

The Chair called upon Mr. Curtis Carter, giving him an opportunity to address the Board about the Water District fees charged to re-instate service at the property, 34420 Bertha St. he purchased from a bank, "as is". Mr. Carter expressed he felt the fees of \$3,250.00 were excessive. It was noted the property had been vacant for approx. two (2) years and the prior owners did not keep the account in good standing by paying the monthly minimum. The former owner signed a form requesting service be discontinued. Board discussion included the Board policies, guidelines and water service requirements with the Board upholding the fee structure. The Board was informed to give some assistance, Mr. Carter was given an installment plan to pay the fees. Discussion only; no Board action taken.

Agenda Item #9 Approval to engage CPA for annual audit for fiscal yr. ending 6/30/12

Board approval to engage Alyx Cohen for the annual audit for the fiscal year ending 6/30/2012 was made in the form of a motion by B. Dickerson. The motion was seconded by W. Stice and upon vote was approved unanimously.

Agenda Item #10 Official Notice of Election for (3) Board Positions on the ballot for the Nov. 6, 2012 Yavapai Co. General Election-petitions for candidates available

The (3) board members, whose terms expire at the end of 2012 and are, therefore, up for re-election are R. Gosney, R. Lee and B. Dickerson. Management explained that anyone who is a registered voter is eligible to run. Election packets need to be completed and filed with the Yavapai Co. Elections Department by August 8, 2012. Anyone with questions can come by the water office or contact the Yavapai Co. Elections office directly. No Board action required

Agenda Item #11 Maren Avenue-Yavapai Co. plans for road improvements

With FEMA money, Yavapai County has presented road improvement plans for Maren Avenue that flooded out 3 yrs ago. At the time of the flood, the District's main line was also destroyed. With no funds available from any outside sources, the District restored water to customers temporarily within days of the incident and later replaced the main line at a cost of approx. \$50,000. Efforts were made by Management to get information from the County as to their plans for the road, but the County could not provide the District with any plans at that time. The County plans now include the County wanting the District to move a portion of the water main at an estimated cost by Management of \$20,000. D Gosney indicated the District should not have to incur additional costs to move the line for the County's project and motioned the County should be notified they should revise their plan or incur the cost with the FEMA funds to move the line if they so choose. The motion was seconded by B. Dickerson and upon vote approved unanimously.

Agenda Item # 12 Management Contract

The current management contract does not expire until July 2014; however, Management is requesting a three (3) year extension to 2017 with no cost increase from the current rate. Management explained the need to update some equipment and the decision making would be based on the additional contract time. D Gosney expressed concern about what happens, for instance if someone dies and it was noted the contract is with American Country Homes, Inc., not an individual which is better for the District as the corporation continues regardless of a death. B. Dickerson made a motion to extend the Management contract for the additional three (3) years with no price increase. The motion was seconded by W. Stice and upon vote was approved unanimously.

Agenda Item #13 Call to the Public

There was no public call

With no other business to come before the Board, the Chair adjourned the meeting at 7:52P.M.

CERTIFICATION:

I, Sarah J. Hrabina, certify that the Agenda for the JULY 19, 2012 Regular Board Meeting was publicly posted at the Black Canyon City Post Office Bulletin Board, on Friday, July 13, 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 08/02/2012

C. Brannan, Transcriber