

(Out of sequence)**Agenda Item #8 Letters of Intent/Board Vacancy (con't)**

part of my job (CAP). F Ballinger also indicated he felt he could be of assistance with maintenance issues.

R Lee indicated the Board's main objective is protecting the Owner/Users with F Ballinger indicating that would be his main concern as well. It was also noted he understood the need to have a secured water source with minimal surprises to the water customers.

Chair Evans noted Floyd (Ballinger) had applied once before (1/2005) and indicated not having seen him (at meetings) since and asked if appointed if he would attend regularly. F Ballinger stated he has over 500-hours sick time on the books (at CAP) and stressed he is very reliable.

It was noted there are two (2) vacancies and (2) letters of intent with the second resignation (R Marley) not yet accepted by the Board to be put on the agenda for the June meeting. M Brown indicated from the resume she felt Floyd (Ballinger) was well qualified and R Lee motioned to appoint Floyd Ballinger to the Board as Treasurer. Chair Evans inquired of the applicant of his ability to serve as Treasurer with F Ballinger indicating it would all be new, but he was willing to try. Calling for a second, M Brown so moved and upon a unanimous vote Floyd Ballinger was appointed to fill the vacancy to replace John O'Daniel as Treasurer on the Board. The Chair invited Floyd Ballinger to come forward to be seated at the Board and asked Mary Brown to administer the Oath of Office. Upon recital of the oath, applause was given to Floyd Ballinger to welcome him to the Board.

It was noted Agenda Items #6 and #7 had been skipped over by the Chair.

Agenda Item #6 Treasurer's Report (as of 4/30/2006)

Chair Evans asked Sarah (Hrabina/Management) to give the Treasurer's Report. The beginning and ending balances for all accounts were given:

Account	Beginning	Ending
General Fund	\$267,636.43	\$258,305.21
Security Deposits	\$ 39,925.00	\$ 39,250.00
Capital Reserve	\$124,089.98	\$133,114.59
Arsenic Sinking Fund	\$ 26,956.52	\$ 30,348.34
Bank of the West	\$ 12,730.76	\$ 10,089.58

S Hrabina also noted there was no change in the set-aside funds frozen by Yavapai County back in '02 with the ending balance reported at \$11,571.09.

April billing totaled \$26,111.93 with 814 active accounts. The gallonage for the month was reported at 5,548,000 as compared to 4,703,000 the previous month. Total year to date total was reported at 62,677,000 gallons.

Cash Management Reports show total receipts of \$30,347.77 and disbursements of \$37,525.46. The financials for the month included Qbook invoices 678 through 684 and the Taabs audit numbers were 7265 through 7308 and the accounts receivable balanced in both at \$26,842.78. Two (2) impact fees were collected in April, and S Hrabina indicated the monthly budget analysis and general journal entries were also attached for approval.

Chair Evans stated he would entertain a motion for accept the report with M Brown so moving. The motion was seconded by R Lee and upon vote the Financial Report for the period ending 4/30/2006 was passed unanimously.

Agenda Item #7 Operations Report (as of 05/15/06)

R Hrabina presented an overview to the Board and Public: 22 Completed Work Orders, 14 Blue Stakes marked and 25 "Pink Slips" for past due accounts were processed.

Water samples (for bacteria) for the month were negative; It was reported two (2) new water services were installed. Water conditions – several calls were received that was the result of a breaker going out on the (Cholla) booster and it was replaced. Another low pressure on Roadrunner you have in your report, last page – it's "download data" from a recorder installed by ADEQ for a customer who has complained in the past of low pressure. We had recommended he

Agenda Item #7 Operations Report (con't)

install a (private) booster and the customer called ADEQ. We had been monitoring it and found he always had above 20-pounds pressure and the monitoring ADEQ did over a 48-hour period show his pressure, at the meter, ranged from 23-pounds to 69-pounds. ADEQ (Jim Jones) was out today and they've informed me they are done with it and they have informed him (Jack Marszalek) they are done and ADEQ has told him he needs to put in a booster. We all agree 23-pounds is not great; we've been trying everything we can – adjusting the pressure on the boosters to try to help the situation. I won't say we're done with it; we're still trying to tweak the pressure to see what we can do to improve it, but it's not going to give him what he wants. Chair Evans inquired if the range of 23 to 69-pounds was at the meter with R Hrabina indicating it was at the meter. R Hrabina indicated the dots on the report are individual pressure tests noting at least one-third are between 23-pounds and 32-pounds. The other two-thirds are all above 42-pounds. R Hrabina indicated when the booster kicks in at Cholla it lowers the pressure on the east side. About three-quarters of the water on the east side is going through these booster pumps. A third (or quarter) is just off the pumps and since he lives up so high (on hill) when those boosters kick in it lowers his pressure at his house. He still has 23-pounds at the meter and state law says we have to give him 20 (pounds/minimum) so there is nothing ADEQ can do. It was noted a couple of doors down (on Roadrunner) a customer did install a private booster at a cost of \$650. She's never complained, but she's never been happy with the pressure and installed the booster and said it works fabulous. It's what we've been telling Jack (Marszalek) for about a year and a half. R Lee stated he helped install a small booster pump down in New River and it was able to provide 45-pounds pressure. R Hrabina noted the customer that spent the \$650 realized they over did it and the cost could have been a great deal less with R Lee concurring.

Well Stats were reported-

Big John #1 Water level at 20'; Draw to 23';

Big John #2 Water level at 20'; Draw to 35'

Running time is 6 to 9 hours a day; about the only difference there (from the last report) is it is running a little longer

GOA #1 Water level at 20'; Draw to 23';

GOA #2 Water level at 20'; Draw to 45'

Running time is 7 to 9 hours a day; levels about the same just running about an hour longer

Oasis #1 Water level at 25'; Draw to 55'

Oasis #2 Water level at 25'; Draw to 50'

Running 4 to 5 hrs a day; levels are the same with the running time longer.

Gallons pumped – We pumped from 3/22/06 to 4/22/05 - 6,912,000 gallons.

Updating the capital improvement project, R Hrabina indicated the new storage tank for the Big John site is expected to be delivered the first week of June. He added what he had hoped to avoid (replacing it in the middle of the summer) wasn't going to happen.

Ending his report R Hrabina noted the CCR (Consumer Confidence Reports) have been mailed out. It was also noted extra copies for the Public were available. Chair Evans indicated he would accept a motion and R Lee moved to accept the Operations Report. M Brown seconded the motion and upon vote the Operations Report was accepted unanimously.

Agenda Item #9 Resignation of Vice Chair Robert Marley from the Board

Chair Evans opened the discussion indicating a letter of resignation was received, dated 4/21 (2006) and read the letter addressed to the Chair: *I'm submitting my resignation from the BCCWID, effective today. The stress associated with dealing with an intractable minority of owners and users who regularly attend these meetings, with a blatant agenda of undermining a well-run operation, is not healthy for me. After serving for a little over a year, it is my opinion that most of the BCCWID users are happy with the job the current board is doing and accepting of the decisions that are being made. I suspect that is probably why we see so*

Agenda Item #9 Resignation of Vice Chair Robert Marley from the Board (con't)

few of them at these public meetings. A few people, including the Pastor and the two Cothorn brothers, seem firmly and endlessly committed to finding no good in whatever the board does. It is my firm belief that their meeting disruptions are badly in need of control. I believe I've contributed a lot to Board activities during the short time I've been involved. I've helped resolve major issues like computer failures, data protection, financial planning and review, management issues, contract writing and review, establishing communication with the public, and others that will probably come to mind later. However, I refuse to continue to work in the toxic environment that currently exists. The Board is under relentless attack and our water district could be in real trouble. It appears that anyone who seeks to develop solutions consistent with our users' needs, or seems capable of leadership, instantly becomes a target for removal or silencing. I believe driving out the prior chair was never in the BCCWID's best interest and would condemn the actions of anyone who supported her recall. Additionally, I now fully understand her reasons for leaving in the face of unwarranted personal attacks from a vocal few and the lack of support from happy users. It has been a pleasure to serve with the members of the BCCWID Board and our excellent management team. Please continue to do all you can to keep high quality water flowing to my door at a reasonable cost. Good luck and my best wishes for the future to all of you.
Sincerely, Robert R Marley

Chair Evans stated he didn't necessary agree with what was said and indicated it would be necessary to put out another public notice seeking letters of intent to fill the Board vacancy. The Chair indicated he would accept a motion accepting the letter of resignation. M Brown indicated she would motion to accept the resignation with regrets, adding he (R Marley) was an important member of the Board. R Lee agreed and seconded the motion. Upon vote the resignation of Robert Marley from the Board was approved without opposition.

Budget Hearing – Chair Evans indicated the date for the Budget Hearing was posted incorrectly. After due consideration and the need to have at least 30-days notice, the Chair set a Special Meeting for June 22 for the Public Budget Hearing; the week after the June 15th regular Board meeting.

Agenda Item #10 Committee Rate Review for Board Discussion

Chair Evans opened the discussion indicating a copy of the committee's rate structure is in the FYI-Book. Chair Evans indicated he joined the committee along with Tony (Chavez) and Sarah (Hrabina/Management) after Bob (Marley's) resignation and modified it to some extent. Chair Evans presented the statistics generated by the committee and indicated the fees for late payment are very low at 1 ½% and is one of the areas being looked at to increase. What's being looked at is increasing that to 10% and adding an additional late fee of \$15.00 if payment is not made by the end of the month. Another issue is the cost per customer to install the arsenic system and any new customers should pay their fair share with the recommendation to increase the impact fee by \$1,000 to offset that cost. These changes will only affect new customers or customers who are abusing the system by paying their bills late. The other issue that has come up is the State is saying we have to put some "teeth" into conservation efforts. We've had a policy on that (Conservation Plan/adopted 6/2002). It is suggested (both State and Committee) that the rates be set with the more water you use, the more (higher rate) you pay. Chair Evans indicated wanting to mail the information out to all the Owner/Users and reviewed the levels, gallons of water used, and the statistics of the number of customers. Chair Evans noted the commercial customers already have a tiered structure with S Hrabina/Management when called upon indicating they pay \$2.00 for the first 2,000 gallons (each) and \$3.50 for each 1,000 gallons thereafter. The recommendation for the residential rate structure is based on the statistical report which indicates the majority of (residential) customers fall below the 10,000 range, with a small number falling in the range 10,000 to 24,000 range and only a handful in the upper range. If you look at this information you might have some ideas and suggestions but we need to develop some kind of conservation plan. We have structured a tiered plan that will not affect the majority of our customers, but will affect people who are using excessive water. Chair Evans inquired if the information was in the FYI-Book for the Public with S Hrabina indicating the (committee)

Agenda Item #10 Committee Rate Review for Board Discussion (con't)

report was in the book but not the spread sheet. It was also indicated additional copies were passed out to all members in the audience for the discussion. Chair Evans indicated the first break would be over 10,000 and, therefore, would not affect the majority of our customers. Anything above that would go to \$2.50 (11,000 to 15,000 gallons) and \$2.75 (from 16,000 to 25,000 gallons and \$3.00 over 25,000 gallons). The Chair indicated these are our thoughts and is not a public hearing tonight suggesting the Public think about it and come back to the Public Hearing in June (15th) to give input.

Agenda Item #11 Special Request – 34580 S Albins Street Request to have service installed with payment of Impact/New application fees paid through close of escrow

Chair Evans inquired if applicant, Terry Hill was present. S Hrabina indicated she was not and noted she had received a phone call from Busbee's (Mobile Home Dealer) inquiring how to make out the check. Chair Evans indicated he would **TABLE** the matter in case it needed to be address again. (NOTE: Check for \$2,150.00 received and deposited for fees on 5/23/06)

Agenda Item #12 Call to the Public

Chair Evans asked for anyone wishing to speak to come forward and use the microphone. Bruce Colbert, Big Bug News inquired if the rate review was the final draft noting wanting to have the correct information for publishing. It was indicated it is the proposed rates and the committee is finished. **The Chair reverted back to Agenda Item #10** and indicated mailing out the rate review was discussed with the cost for printing and mailing to all Owner/Users to be about \$450.00. The Chair asked how the Board felt about it and M Brown indicated she felt it was a good idea to mail it out to every customer. The Chair inquired if that was a motion and M Brown indicated she would so move. F Ballinger moved to second and upon vote the Proposed Rate Review was approved to be printed and mailed to all customers.

Returning to Call to the Public -

Chair Evans yielded the floor to Bob Cothorn who inquired about the item on last month's agenda regarding public disclosure. It was indicated it was assumed with not having a full Board a little bit more time was needed with Chair Evans indicating that was the case. B Cothorn also inquired about the Mission Statement . . . with Chair Evans indicating he had tabled that as well for the time being and has it on his list to follow up on. B Cothorn noted the Consumer Confidence Report that was approved and mailed out included a Mission Statement and inquired if it was the "new" one with Chair Evans indicating it was not; it's the old one, adding the "new" one has not yet been changed.

Chair Evans yielded the floor to Mike Ezell who indicated he was away on vacation when suddenly he started receiving phone calls about the resignation of Bob Marley. As a Pastor, I find quite often churches are much like any other political organizations and leadership is often (slandered -? audible) and I'm use to that. As a property owner, owner of several properties, I have been very satisfied; I may not always be in agreement but I feel, by in large, you (Board) have done an excellent job. Mike Ezell suggested some type of accommodation to Bob Marley for his public service to the community. Mike Ezell thanked all the members on the Board for serving. R Lee expressed appreciation for the suggestion/comment.

Chair Evans yielded the floor to Stan Cothorn who indicated John O'Daniel should also be acknowledged.

Chair Evans called for any other comments from the Public; with no other business to come before the Board, the Chair declared the meeting adjourned at 8:30 PM.

ATTESTED:

I, _____ 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,

Transcription of minutes completed by Sarah J. Hrabina on 5/24/2006
Amended: YES NO

Minutes of the Regular May 18, 2006 Board Meeting approved
by Board action on: _____ as herein transcribed

