MINUTES FOR THE BLACK CANYON CITY WATER IMPROVEMENT DISTRICT July 21, 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 four Board members present:Chair: Robert MarleyTreasurer: Barrie DickersonMember-at-large: Doris GosneySecretary: Harry Putman

Also in attendance: Management – Randy and Sarah Hrabina Owners/Users: Susan Marley, Bob Gosney, Derek Welch Public: Cindy Brannan Board Member unable to attend due to illness: Ron Lee

The customary reflection period was observed by the Board and Public

Agenda Item #3: Board Member Reports

Chair Marley noted that Yavapai County is redistricting the Board of Supervisors, to whom the Water District reports. They are increasing the number of Supervisors from 3 to 5. There are four different plans as to how to reapportion the districts. Chair Marley has information on the county website where people can view and comment on the proposed options.

Agenda Item #4:Approval of Board Minutes for May 19, 2011 and June 13, 2011The Chair noted the minutes from the May 19, 2011 Regular Board Meeting and June 13, 2011Special Board Meeting were given for review and approval, with all Board members indicating
they had read them. H Putman 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 05/31/2011 and 6/30/2011

B. Dickerson first presented the financial report for the period ending 05/31/2011, with beginning and ending balances for each account:

Account	Beginning	Ending
General Fund	\$6,581.25	\$37,895.58
Security Deposits	\$42,265.00	\$42,265.00
Capital Reserve	\$229,041.37	\$212,561.59
Arsenic Sinking Fund	\$80,153.74	\$80,185.47
Bank of the West	\$35,603.85	\$9,723.29

May billing with 835 active accounts totaled \$34,447.38. The gallonage for the month was reported at 6,406,000 (5.26M Res., 1.117M Com., 29K Fire); compared to 4,655,000 the previous month. The May '10 comparison was 5,161,000 gallons. Total gallons billed for the fiscal year-to-date was reported at 57,535,000 gallons (11 mo.). The cash management reports show total receipts for the month of \$29,763.42 and total disbursements of \$58,575.98.

The financials include QuickBooks invoices #1339 to #1351 and In-Hance audits #10,200 through #10,262 with the accounts receivable balancing in both at \$34,742.42. One impact fee was collected in May in the amount of \$2,800.00 (a/c# 787; audit# 10,259). 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. H Putman moved to accept the financial report. R Lee seconded the motion and upon vote the Financial Report for the period ending 04/30/2011 was unanimously approved.

B. Dickerson then presented the financial report for the period ending 06/30/2011, with beginning and ending balances for each account: Account Beginning Ending General Fund \$37,895.58 \$32,917.80 Security Deposits \$42,265.00 \$42,265.00 Capital Reserve \$212,561.59 \$196,485.77 Arsenic Sinking Fund \$80,246.57 \$80,185.47

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Bank of the West \$9,723.29 \$7,529.72

June billing with 835 active accounts totaled \$32,871.97. The gallonage for the month was reported at 6,007,000 (4.989M Res, 997K Com., 21K Fire); compared to 6,406,000 the previous month. The June '10 comparison was 7,139,000 gallons. Total gallons billed for the fiscal year-to-date was reported at 63,542,000 gallons (12 mo.). The cash management reports show total receipts for the month of \$37,527.63 and total disbursements of \$44,183.83.

The financials include QuickBooks invoices #1352 to #1366 and In-Hance audits #10,263 through #10,330 with the accounts receivable balancing in both at \$31,243.66.No impact fees were collected in the month of June. 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. H Putman moved to accept the financial report. D Gosney seconded the motion and upon vote the Financial Reports for the periods ending 05/31/2011 and 06/30/2011 were unanimously approved.

Agenda Item #6 Operations Report as of 7/18/2011

R Hrabina/Management presented a recap of the past two month's activities with 52 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. There were eleven (11) blue stakes marked for the period. There were 32 pink slips issued in July. Monthly bac-t samples were negative for both June and July.

Well Stats as of 7/18/11

Change in water level at Big John only; Drop coincides with Community Association filling the pond on adjacent property.

Water levels:	LAST REPORT	THIS MONTH
Big John #1	20' Draw to 23'	21' Draw to 24'
Big John #2	20' Draw to 38'	21' 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'

Management contacted Yavapai County Roads Department and verified that Yavapai County will definitely be paving Roadrunner Circle in the fall. System operator Bob Hanus inspected the system and daily log book as required by ADEQ. He found everything in order for the months of May and June 2011.

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

Agenda Item #7 Roadrunner Circle Project-Opening of Bids

Chair Marley opened and read aloud the bids:

BC General Contracting \$84,900	Koyuk General Contracting (Pauldin) \$74,000
KA-Dual Engineering contractor's	KA-Dual Engineering contractor's license;
license; Insured	Insured
CJ Excavating \$73,185.89 (Payson)	Asphalt Paving and Supply (Prescott)
KA-Dual Engineering contractor's	\$156,220.77
license; Insured	"Equivalent" license; Insured

Agenda Item #8 Roadrunner Circle Project-Review and possible awarding of bid

R Hrabina questioned whether or not the lowest bidders included the cost of slurry. H Putman voiced a concern as to whether or not a profit would be made even at the \$84,900 bid. The Board requested that R Hrabina contact the lowest bidders to ascertain exactly what materials costs were included in their bids, and to ask for references from previous jobs. If the bidders have omitted costly materials in their calculations, they will be allowed to withdraw their bids. A motion was made by H Putman and seconded by B Dickerson, to table the final decision for awarding the contract until it could be verified that the bids included all necessary materials and labor. A special Board meeting will be scheduled once the needed information is obtained. Upon vote the measure passed without opposition.

Agenda Item #9 Levels of Asbestos leaching from transit pipe (Bob Gosney)

Acting on a prior request from owner/user Bob Gosney, the Board supplied information obtained from the internet, to address whether or not the possibility of asbestos leaching from transit pipe into the District water posed a health concern. Data from the World Health Organization as well as other health authorities shows that, although the health hazards of *inhalation* of asbestos is well known, there is no consistent evidence that *consumption* of water with asbestos fibers increases the risk of cancer. Studies done in areas having high levels of asbestos in the drinking water showed no evidence of an increased cancer risk. Even in feeding studies in animals, there was not an increase in the incidence of gastrointestinal cancers. It appeared to the Board that asbestos leaching into the water from transit pipe is well documented not to be a health hazard. No further Board action was required on this item.

Agenda Item #10 Abandoned Properties: meter removal

A discussion of meter removal from two abandoned properties in the District was tabled because management had not been able to collect all of the relevant information. It will be handled at the next Board general or special meeting.

Agenda Item #11 Call to Public

Bob Gosney inquired about the Capital Improvement fee shown on the monthly water bills. He noted that during the past budget meetings there had been a question concerning this fee and he just wanted to verify what decision the Board had made on this issue. It was explained that this fee had always been a part of the bill and that the question had been whether or not to increase this fee. The final decision for the current budget was to not increase this fee. There were no other questions or comments from the public.

With no other business to come before the Board, the Chair thanked the public for attending and the Board meeting adjourned at 7:16 PM.

CERTIFICATION:

I, <u>Sarah J. Hrabina</u>, certify that the Agenda for the July 21, 2011 Regular Board Meeting was publicly posted at the Black Canyon City Post Office Bulletin Board, on Monday, July 18, 2011 on or before 4:30 PM.

Sarah I.Hrabína Sarah J. Hrabina

ATTESTED:

I, <u>Harry Putman, Secretary</u> 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 7/29/2011

Full digital recording available: 47 minutes and 34 seconds long