

**OFFICIAL MINUTES FOR THE  
BLACK CANYON CITY WATER IMPROVEMENT DISTRICT  
April 25, 2023 REGULAR BOARD MEETING**

Chair, Dave Moore called the meeting to order at 5 PM.

Roll Call showed a quorum with the following Board Members present:

Dave Moore, Chair; Dorothy Moore, Treasurer, Jeremy Brueckner, Member-at-large

Absent: Jed Carter, Vice Chair/Acting-Secretary

Also in attendance from Management– Bob Hanus, Operations; Sarah Hrabina, Office Management

The Chair welcomed the Public: Eva Berst, Elaine Clayton, Tom Strizak & Greg Watts

The Chair asked for the customary **moment of silence**.

**Agenda Item #3 Board Member Reports**

Jeremy Brueckner reported water truck traffic (for freeway construction) on Schoolhouse Road continues

Dorothy Moore reported posting the agenda at post office & bulletin board at Ron's Market.

Dave Moore reported the postings made to BCCWID website and the BCC Bulletin Board on Facebook.

**Agenda Item #4 Approval of 3/28/23 Regular Board Meeting Minutes**

After review of the March 28, 2023 Regular Board Meeting minutes provided in the Board packets, the Chair moved to approve as written. The motion was seconded by Jeremy Brueckner & upon vote passed unanimously.

**Agenda Item #5 Treasurer's Financial Report for Approval as of 3/31/23**

Dorothy Moore provided a recap of the March 31, 2023 Financial Report for approval

<b>Account</b>	<b>Beginning</b>	<b>Ending</b>	<b>Change</b>
General Fund	\$ 28,663.90	\$ 91,166.83	\$ 62,502.93+
Security Deposits	\$ 48,760.00	\$ 48,760.00	\$ -0-
Impact/Capital Fund	\$ 253,574.98	\$ 263,728.70	\$ 10,153.72+
Arsenic Sinking Fund	\$ 130,658.10	\$ 78,569.67	\$ 52,088.43-
Recap/Bank of the West	\$ 19,861.20	\$ 24,584.88	\$ 4,723.68-
<b>Account Totals =</b>	<b>\$ 481,518.18</b>	<b>\$ 506,810.08</b>	<b>\$ 25,291.90+</b>

Cash Management	Deposits/Cash Receipts Report	\$ 54,182.74
GJ Adjustments:		
Less: BofW	Merchant Service Fees	\$ (174.81)
BofW	Monthly Scanner Fee	\$ (45.00)
BofW	Returned cks +fees	\$ (49.66)
Cash Management	Check Disbursement Report	\$ (28,621.37)
	<b>Net Gain/(Loss)</b>	<b>\$ 25,291.90</b>

March billing totaled \$36,423.47. Water consumption for the month was reported at 3,397,000 gals. compared to 3,946,000 gals. the previous month. The Mar 2022 comparison was 3,693,000 gals. Total gallons billed for the fiscal yr. 2022/23 to date is 39,772,000 gallons (9 mos.) with comparison to previous fiscal year 2021/22 of 41,529,000 gallons. The financials include Quick Books invoices #3241 to #3269 and In-Hance Audits #20,660 through #20,740 with the accounts receivable in both In-Hance and Quick Books balancing at \$28,072.38. Credit & Debit Card Payments: Eighty (80) transactions were processed; 45 debits & 35 credit card payments for a total \$9,638.99. Batches 210 thru 228 Review of all audit adjustments was done – delinquent & penalty fees posted; final reads/refund security deposits; re-read/corrections; turn-ons/turn-off No impact fee were posted in March

**Agenda Item #5 Treasurer’s Financial Report for Approval as of 3/31/23 (con’t)**

Monthly General Journal Entries were attached for approval  
Respectfully submitted by Sarah J. Hrabina, Management and approved by Dorothy Moore, Treasurer  
After the review, Jeremy Brueckner moved to accept the Financial Report as of March 31, 2023 as submitted. A second was made by Dave Moore and upon vote the March 31, 2023 Financial Report was approved unanimously.

**Agenda Item #6 Operations Report for Approval as of 04/21/2023**

Operator Bob Hanus provided a recap of his Operations Report submitted to the Board with 24 work orders completed. Work orders completed included turn-ons, turn-offs, replacement of meters or auto-reads, main line breaks, well/booster site repair/maintenance, final reads/re-reads & customer service provided. 49 Blue Stakes were received. In addition to freeway project, APS is requesting almost daily; 55 Pink Slips sent out  
Water Quality reports were good; Monthly bac-t samples negative;  
Most Current Water Stats:

Date	B John 1		Oasis 1		Oasis 2		GOA 2		GOA 3	
	WL	DRW	WL	DRW	WL	DRW	WL	DRW	WL	DWR
4/3/2023	17’4”	19’8”	19’4”	21’4”	19’3”	20’9”	17’1”	18’7”	17’3”	18’9’
3/20/23	20’	22’3’	20’	22’	20’	21’9”	19’	22’9”	18’2”	23”2”

Bob indicated he was looking into filing a claim through Blue Stake; reimbursement for the damaged utility on Palo Verde caused by APS. As a sidebar notation, he indicated every repair from now on may be the cost range of this one due to new Yavapai County requirements.

The meter pedestal replacement at GOA: a licensed electrician should be installing next week.  
Aging arsenic filtration systems- looking and gathering information to spec out replacement systems; through AdEdge (current system vendor) estimated cost approx. \$200,000 each. Providing information to Canyon State Filtration for design work and quote.

Permit has been submitted to Yavapai County for Big John Well #3 and trying to get additional quotes for the drilling.

Upon final discussion, Jeremy Brueckner moved to accept the Operations Report as of 4/21/23 and Dorothy Moore seconded the motion. Upon vote the motion was approved unanimously.

**Agenda Item #7 Budget Committee Report & Recommendation for 2023-2024**

The Chair called upon Sarah Hrabina/Management to recap the budget committee. Sarah stated the committee was comprised of herself/Management, Board members Dave Moore/Chair and Dorothy Moore/Treasurer along with Thad Napora and Elaine Clayton/volunteers from the public. It was noted only 2 Board members are ever on the committee; therefore there is NOT a quorum and not a public meeting. Meetings were hosted at the management office for the District. Two meetings were held; the first attended by all. The seconded attended by all except Elaine Clayton. Bob Hanus submitted a few suggestions for Field Operation costs that have been impacted by inflation, noting in particular, chlorine has double in the past year. The recommendation of the Budget Committee’s Proposed Budget (see attached) was not unanimous, but by majority and included the options for 1) No rate increase; 2) increase the Capital Improvement base fee \$1 per mo/per customer; 3) Increase Operations/Maint base fee \$1 per mo/per customer; and, 4) Increase BOTH base fees \$1 per mo/per customer.  
After review and discussion, including the rate options, Dave Moore moved to approve the budget committee recommendation for the 2023-2024 Proposed Budget with a \$1 per mo/per customer base rate increase for Capital Improvements (adding approx. an additional \$10,000 to the total revenue). Jeremy Brueckner seconded the motion and upon vote the 2023-2024 Proposed Budget was approved unanimously.

**Agenda Item #8          Schedule Public Budget/Rate Hearing**

The Chair indicated the next step in the budget process is to advertise and hold a public budget and rate hearing. The next Board meeting is May 23, 2023 and the agenda will include the public hearing.

**No Board Action Required**

**Agenda Item #9          BJ#3 Well Update, Property Boundaries Update, ADEQ Permitting & Expiration**

Bob Hanus stated he has submitted a permit to drill to Yavapai County & is in review. He noted the last well the permit was acquired by the well driller. He is working on getting additional quotes from other vendors for drilling; Talking with County to obtain a temporary permit for the backwash tank located within the easement. Additional discussion followed regarding who/how the TPS 502-07-001 was split into A, B & C with Bob suggesting waiting until after the permit to drill is reviewed and completed.

**Discussion Only; No Board Action Taken or Required**

**Agenda Item #10          2022 Consumer Confidence Report (CCR)**

Bob Hanus/Operations provided a copy of the data for the annual report. In addition to the ADEQ report, the District has always included a consumer letter with a variety of information of interest for the Owner/Users. Sarah/Management added she provided the Board members with a copy of last year's letter noting it includes Board (member) information, budget & other water concerns. Going back, she said since we're being questioned (accused) about not disclosing a lawsuit to the public, the consumer letter addressed both the lawsuit and finances in both 2017 & 2018. The CCR (& letter) is mailed to each and every customer annually. Board members were asked to provide feedback for this year's letter and the matter was **TABLED until May meeting.**

**Agenda Item #11          Review and Possible Revision to 2022-12.27 WIFA Resolution**

The Chair opened the dialog reading an email he received from an Owner/User asking the Board to table the matter to give Owner/Users a chance to get informed and be heard on this very important matter. The Chair noted some, but not all the information was included in some FaceBook posts and the District was being put into extreme debt. (not generated by the District). The original resolution was from July; revised in December and what the posts missed was of the \$416,300 loan amount also included an almost 75% forgiveness clause making the District's responsibility approx. \$120,000 which we currently have on hand in our Capital Improvement Reserves. The Chair indicated the 2022-12.27 Resolution needed a modification to add a line item for technical assessment by NCIS Engineering for both above and below ground, increasing the amount by \$50,000 to \$466,300. Bob Hanus indicated he would want the engineer to give the District a Line Item Scope of Work, noting the difference from putting all the data on a spreadsheet versus what he would like of assessing the system with information like size of pipe in place and replacement recommendations. Although originally told would be covered 100% by WIFA, it may only be the 75% forgiveness and the Chair noted we could always bring it back to the Board and approve or reject if not satisfied with the Line Item Scope of Work the engineer provides. After discussion and due consideration, Jeremy Brueckner moved to create WIFA Resolution 2023-04.25 amending the 2022-12.27 WIFA Resolution to include the line item for technical assessment both above and below ground of \$50,000 for a new total of \$466,300. Dave Moore seconded the motion and the resolution was approved unanimously.

**Agenda Item #11          Call to the Public**

The Chair stated the public can address the Board and make comments, suggestions or complaints on any of the agenda items or any other issues or matter of concern during Public Call. Board action, however, is limited to individual members responding to criticism, directing staff or a Board member to study the matter, or placing the matter on a future Board meeting agenda.

Elaine Clayton: 1) indicated she was glad Sarah/Management had looked into RCAC and provided a copy of information she had obtained through her contact with them 2) indicated she had spoken with Alyx Cohan and she has not performed an audit since 2020 for the District, noting the District Policy states audits should be done annually; Elaine had a name of someone she would be happy to share

3) Budget Committee- questioned the number of participants & how it met with the District Policy  
4) Stated the Chair previously indicated well depths are not required to be posted; asked to be on agenda, and asked well depths be posted  
5) Wondered if the cost of office management expense would be reduced in the budget since Sarah is leaving in July; The Chair indicated both managements were still working out the details, adding this is a good example of half-truths because the office management includes a list of expenses paid by management. Elaine indicated she felt it should be itemized with the Chair suggesting she read the contract, which she has a copy of, because it is itemized.

Greg Watts: 1) Inquired about the new lead rule; Bob Hanus responded explaining it will be a 2025 Infrastructure Rule. It will only be triggered if we exceed allowable limits. If that happens we will have to replace all the galvanized lines in the system. Greg inquired if there was a plan with Bob Hanus indicating there is a 10-year plan and replacing galvanized and transite lines are at the top of the list of capital improvements. Additional discussion focused on funds on hand. 2) Greg inquired about repair work provided by Chandler Construction & if the procedure was to obtain bids for the work. Bob Hanus addressed the question indicating he is called being a local (licensed commercial) contractor. Not knowing what will be encountered, the job is not specked out in advance and is billed upon completion. Bob continued, indicating obtaining Yavapai Co permits, in advance, is causing delays and compounding the repair work doubling the cost of repairs. He added he is hoping to get this time-delay issue resolved.

Elaine Clayton stated she would like to see the office management contract not only go out to bid but be itemized.

Tom Strizak indicated most of his questions were already answered but indicated initially the WIFA Loan sounded scary. The WIFA Loan and the forgiveness details were discussed again with Tom stating he now thinks it sounds like a good deal for the Owner/Users.

Eva Berst asked how many customers the District has with the answer of 865 furnished. She wanted to know how it works if 1 Owner/User out of 865 wants something done; Jeremy Brueckner stated it is the Board's responsibility to sift through what is good for the District. Sarah/Management added that is why the Board is elected to serve; it is their duty to implement what is in the best interest of the "whole".

Concluding the Public Call, the Chair thanked all in attendance and with no other business to come before the Board, the meeting was adjourned at 6:29 PM

It was announced the next Board Meeting (with Public Budget and Rate Hearing) will be May 23, 2023.

**Certification:**

I, Sarah J. Hrabina certify that the Agenda for the **April 25, 2023** Regular Board Meeting was publicly posted at the Water District Office and Post Office on **April 20, 2023**, on or before 4:30 PM.

**Sarah J. Hrabina**

Sarah J. Hrabina

**ATTESTED:**

I, Jed Carter, Vice Chair/Acting-Secretary for the Black Canyon City Water Improvement District certify that the minutes are true and correct to the best of my knowledge and belief.

Respectfully submitted,

**Jed Carter**

Jed Carter, Acting-Secretary

Transcription of the minutes was completed by Sarah Hrabina on 05/7/2023  
A full recording is available

ATTACHMENT: 2023-2024 Proposed Budget