

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

Chair, Dave Moore called the meeting to order at 5:02 PM.

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

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

Jed Carter, Vice Chair/Acting-Secretary attended telephonically

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

The Chair welcomed the Public: Eva Berst, Ken Bogg, Elaine Clayton, Tina Fehr, Mary Hoadley, Jennifer

Hutson, Kerry Kovaleski, Sharon Mandoske, Dave McMath, Andrea Ramus, Christina Roberts, Tom

Strizak, Glenn Thurman & Greg Watts

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

Agenda Item #3 Board Member Reports

Dave Moore mentioned the need to follow Roberts Rules of Order

He also reported the postings made to BCCWID website and the BCC Bulletin Board on Facebook.

Jeremy Bruckner indicated the water truck activity for the Freeway Project continue to be about the same.

Agenda Item #4 Approval of 5/23/23 Regular Board and Budget & Rate Hearing Meeting Minutes

After review of the May 23, 2023 Regular Board and Budget & Rate Hearing Meeting minutes provided in the Board packets, Jeremy Brueckner noted an error in the Board Member Reports; the work appointed should be appointment. With the correction noted, he moved to approve. The motion was seconded by Dave Moore & upon vote with correction the May 23, 2023 minutes passed unanimously.

Agenda Item #5 Treasurer's Financial Report for Approval as of 5/31/23 & 6/30/2023

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

Account	Beginning	Ending	Change
General Fund	\$ 89,007.77	\$ 90,197.58	\$ 1,189.81+
Security Deposits	\$ 48,760.00	\$ 49,815.00	\$ 1,055.00+
Impact/Capital Fund	\$ 269,779.50	\$ 277,637.20	\$ 7,857.70+
Arsenic Sinking Fund	\$ 83,569.67	\$ 88,569.67	\$ 5,000.00+
Recap/Bank of the West	\$ 21,352.08	\$ 31,051.13	\$ 9,699.05+
Account Totals	\$ 512,469.02	\$ 537,270.58	\$ 24,801.56+

Cash Management	Deposits/Cash Receipts Report	\$ 52,625.14
GJ Adjustments:	+ VOIDED ck#20781	\$ 324.15
Less: BofW	Merchant Service Fees	\$ (224.89)
BofW	Monthly Scanner Fee	\$ (45.00)

Cash Management	Check Disbursement Report	\$ (27,877.84)
	Net Gain/(Loss)	\$ 24,801.56

May billing totaled \$45,483.31. Water consumption for the month was reported at 3,951,000 gals.

compared to 3,957,000 gals. the previous month. The May 2022 comparison was 5,095,000 gals.

Total gallons billed for the fiscal yr. 2022/23 to date is 47,680,000 gallons (11 mos.) with comparison to

previous fiscal year 2021/22 of 51,256,000 gallons. The financials include Quick Books invoices #3285 to

#3317 and In-Hance Audits #20,806 through #20,900 with the accounts receivable in both In-Hance and

Quick Books balancing at \$24,534.58 Credit & Debit Card Payments: Eighty-eight (88) transactions were

processed; 55 debits & 33 credit card payments for a total \$7,654.95. Batches 250 thru 270

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 May

Monthly General Journal Entries were attached for approval

Respectfully submitted by Sarah J. Hrabina, Management and approved by Dorothy Moore, Treasurer

Agenda Item #5 Treasurer’s Financial Report for Approval (con’t) 6/30/2023

Dorothy Moore provided a recap of the June 30, 2023 Financial Report for approval

Account	Beginning	Ending	Change
General Fund	\$ 90,197.58	\$ 143,553.55	\$ 53,355.97+
Security Deposits	\$ 49,815.00	\$ 50,065.00	\$ 250.00+
Impact/Capital Fund	\$ 277,637.20	\$ 287,330.94	\$ 9,693.74+
Arsenic Sinking Fund	\$ 88,569.67	\$ 91,652.39	\$ 3,082.72+
Recap/Bank of the West	\$ 31,051.13	\$ 16,090.38	\$ 14,960.75-
Account Totals	\$ 537,270.58	\$ 588,692.26	\$ 51,421.68+

Cash Management	Deposits/Cash Receipts Report	\$ 50,578.64
GJ Adjustments:	+STOP paymt GD ck#220802	\$ 15,936.57
Less: BofW	Merchant Service Fees	\$ (238.89)
BofW	Monthly Scanner Fee	\$ (45.00)
BofW	Returned ck +fee	\$ (127.00)
Cash Management	Check Disbursement Report	\$ (14,682.64)
	Net Gain/(Loss)	\$ 51,421.68

June billing totaled \$52,417.47. Water consumption for the month was reported at 5,215,000 gals. compared to 3,951,000 gals. the previous month. The June 2022 comparison was 6,070,000 gals. Total gallons billed for the full fiscal yr. 2022/23 52,895,000 gallons with comparison to previous fiscal year 2021/22 of 57,326,000 gallons. The financials include Quick Books invoices #3318 to #3334 and In-Hance Audits #20,901 through #20,987 with the accounts receivable in both In-Hance and Quick Books balancing at \$31,444.11 Credit & Debit Card Payments: Eight-five (85) transactions were processed; 40 debits & 45 credit card payments for a total \$6,999.84. Batches 271thru 292 Review of all audit adjustments was done – delinquent & penalty fees posted; final reads/refund security deposits; re-read/corrections; turn-ons/turn-off

One (1) impact fee was possessed in June- Audit#20,963 a/c#115 \$2,500.00

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 Reports for May 31, 2023 and June 30, 2023 as submitted. A second was made by Jed Carter and upon vote both Financial Reports were approved unanimously.

Agenda Item #6 Operations Report for Approval as of 07/21/2023

Operator Bob Hanus provided a recap of his Operations Report submitted to the Board with 30 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. Blue Stakes 97 (2 mos) 98 Pink Slips were sent out Water Quality reports were good; Monthly bac-t samples negative; Water Stats reported staying steady:

Date	B John 1		Oasis 1		Oasis 2		GOA 2		GOA 3	
	WL	DRW	WL	DRW	WL	DRW	WL	DRW	WL	DWR
7/18/23	19'4"	21'6"	21'	23'3"	20'11"	23'3'	19'3"	20.1'	19"	19'11'
7/3/23	19'7'	22'3"	20'10"	23'	20'7"	23'1"	19'3"	20'1"	19'	20'
6/26/23	19'7"	22'2"	20'9"	23'1"	20'6"	23'	18'9"	19'9"	19'2"	19'9"
6/12/23	19'4"	21'8"	20'4"	22'7'	20'1"	22'4'	18'9"	19'3"	18'4'	20"

Updating the progress on the meter pedestal replacement at GOA, Bob reported APS has been contacted to turn power off on 7/31/23 and county inspection is scheduled for Aug. 1st.

Aging arsenic filtration systems- currently evaluating including media life and cost; recommendation at Sept. Board meeting.

Permit submitted to Yavapai County for Big John Well #3 is still under review; gathering additional quotes for drilling.

After some additional questions from Board members and final discussion, Dave Moore moved to accept the Operations Report as of 7/21/23 and Jeremy Brueckner seconded the motion. Upon vote the motion was approved unanimously.

(NOTE: There was NO Agenda Item #7 on agenda/omitted in error)

Agenda Item #8 Dog Track Potential Development

Bob Hanus indicated he spoke with a Realtor regarding a potential Buyer inquiring about water for a development. He stated he would need an engineer's report regarding the plan before going forward. Info Only; No Board action taken.

Agenda Item #9 On-Line Bill Pay

The Chair called upon Jeremy Brueckner who indicated he was still researching costs and comparing other Districts who provide this service.

Info Only; No Board action taken.

Agenda Item #10 New Well Construction BJ#3 (Update)

Bob Hanus indicated he is asking KP Ventures for a breakdown of costs
Info Only; No Board action taken

Agenda Item #11 Management Contracts Review & Board Action

11A The extended Management Contract approved by Board action 2/22/2022 was inadvertently never executed at that time. Terms for Office Management was for 1-year extension to 7/25/2023 with an increase base from \$7,916/mo to \$8,066/mo.; all other terms and conditions remained the same. Terms for Field/Operation Management was for a 5-year extension to 7/25/2027 with a rate and revision review annually and a base rate through 7/25/2023 increase from \$9,184/mo to \$12,184/mo. all other terms and conditions remained the same. On motion by Dave Moore to execute and sign retroactively the management contract approved by Board action was seconded by Jeremy Brueckner. Upon vote, executing retroactively the management contract as approved on 2/22/2022 was approved unanimously

11B Office Management Contract- The Chair yielded the floor to Sarah Hrabina who expressed she was looking forward to retirement but felt compelled to continue another year wanting to help create a smooth transition for the office management. I also want to work with the CPA (next agenda item) to complete the audits from 2021 through 2023, noting we have had 21 years of audits with no issues. The 1-year contract through 7/25/2024 remains the same in terms and conditions with no rate increase. After due consideration, Dave Moore moved to accept the 1-year office management contract through 7/25/2024 with American Country Homes, Inc. as presented. Jeremy Brueckner seconded the motion and upon vote was approved unanimously.

11C Operation/Field Management Contract- As noted in the 2022 contract with Western Environmental Technologies, Inc. (WET) the Operation/Field Management Contract is through 7/25/2027 with annual rate and revision review. The WET contract rate remains the same with no increase through 7/25/2024, On motion by Jeremy Brueckner, seconded by Dorothy Moore the WET contract through 7/25/2024 with no rate change was approved unanimously by the Board.

Agenda Item #12 CPA-Auditor Information & Board Discussion/Action

The Chair yielded the floor to Sarah Hrabina who indicated she and Treasurer Dorothy Moore met with Kay Green at Audit & Accounting Solutions, LLC in Prescott. Providing audits to other special districts Dorothy and Sarah both were impressed with their resume. The firm submitted a fee proposal with the 2021 audit at \$10,000 + additional \$2,500 initial set up cost; and 2022 and 2023 both \$10,000 each. Additional discussion followed including the Chair stating the cost for the last audit was \$6,800 with Alyx Cohan and had been anticipating the cost could run \$20,000+. Dorothy Moore added she had contacted quite a few CPA's in her search for a firm that could do audits and was impressed with this firm. Dave Moore moved to approve Audit and Accounting Solutions, LLC to perform the District audits for 2021, 2022 and 2023 per the proposal discussed. The motion was seconded by Jeremy Brueckner and upon vote approved unanimously.

Agenda Item #13 Call to the Public

Elaine Clayton noted she questions the backdating/signing of the contract and also any board discussion outside of board meeting regarding contract matter finds suspicious.

Greg Watts indicated the increase in public attendance is due to the freeway construction and concerns about our water and the water Tony Chandler is selling. Asked if the board meetings could be extended an additional 30 minutes. The Chair indicated liking public attendance but felt the time allotted is similar to other Districts and sufficient. He also added he has repeatedly stated the gentleman referenced as selling water is not selling; that is a fact. Additional discussion including the Chair indicating (to date) the freeway water usage has not affected our wells.

Tina Fehr inquired about the Maggie Mine development (Dog Track Potential Development/Agenda Item #8) and who would pay for the infrastructure. The Chair responded the Developer would pay for it; if an additional storage tank was needed, the Developer would pay for that as well.

Glen Thurman added 400 new meters would put a strain on this system; this aquifer.

Bob Hanus, Operator indicated the State, no one has a hydrology report so no one has this information. He also stated we would not connect 400 units without a capital input and Board approval. Discussion concluded with it being noted nothing would happen without receiving an engineer's report for the proposed development.

Eva Berst asked if the side conversations could cease, noting it makes it very hard to hear.

Kerry Kovaleski indicated with this (proposed) development wants to be informed so we can voice our concerns, noting the Rock Springs development, as an example approved by Yavapai County (NOT in the Water District). The Chair noted the District learning of the (potential) development approx. 2 weeks ago which is why it was placed on the agenda.

Elaine Clayton indicated she felt it very important the District look into becoming a part of an AMA so we know our water source is protected.

Kerry Kovaleski indicated she had no issue with the contract being signed retroactively if documented (Agenda Item #11) noting having experienced a similar situation on a Board she served on.

Tom Strizak inquired about contracts not being notarized with the Chair responded it's not required.

Dorothy Moore added, having been a notary, the notary only proves ID was provided and the person signing is the same. It does not make it a legal paper.

With no other business to come before the Board, the meeting was adjourned at 6:23 PM
There is no meeting in August; therefore, the next Regular Board Meeting will be Sept. 26, 2023

Certification:

I, Sarah J. Hrabina certify that the Agenda for the July 25, 2023 Regular Board Meeting was publicly posted at the Water District Office and Post Office on Saturday July 22, 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 09/9/2023
A full recording is available