

**OFFICIAL MINUTES FOR THE
BLACK CANYON CITY WATER IMPROVEMENT DISTRICT
Sept 26, 2023 REGULAR BOARD MEETING**

Chair, Dave Moore called the meeting to order at 5:04 PM.

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

Dave Moore, Chair; Dorothy Moore, Treasurer;

Attending telephonically: Jeremy Brueckner, Member-at-large & Jed Carter, Vice Chair/Acting-Secretary

Also in attendance from Management– Bob Hanus & Joe Thompson, Operations

Sarah Hrabina, Office Management attended telephonically until arrival at 5:40 PM

The Chair welcomed the Public: Eva Berst, Elaine Clayton, Tina Fehr, Michael Henderson, Mary Hoadley, Frankie Reed, Christina Roberts, Tom Strizak & Greg Watts

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

Agenda Item #3 Board Member Reports

Dorothy Moore reported the Agenda was posted at the post office

Dave Moore mentioned the need to follow Roberts Rules of Order; also reported working on the Water Angel Program, noting a contribution has been offered by TekNet for the program. Hoping to have it completed for the Oct board meeting.

Agenda Item #4 Approval of 7/25/23 Regular Board Meeting Minutes

After review of the July 25, 2023 Regular Board Meeting minutes provided in the Board packets, Dorothy Moore moved to approve. The motion was seconded by Jeremy Brueckner & upon vote the July 25, 2023 minutes passed unanimously.

Agenda Item #5 Treasurer’s Financial Report for Approval as of 7/31/23 & 8/31/23

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

Account	Beginning	Ending	Change
General Fund	\$ 143,553.55	\$ 84,013.07	\$ 59,540.48 -
Security Deposits	\$ 50,065.00	\$ 50,065.00	\$ -0-
Impact/Capital Fund	\$ 287,330.94	\$ 300,013.28	\$ 12,682.34+
Arsenic Sinking Fund	\$ 91,652.39	\$ 94,476.63	\$ 2,824.24+
Recap/Bank of the West	\$ 16,090.38	\$ 30,159.41	\$ 14,069.03+
Account Totals	\$ 588,692.26	\$ 558,727.39	\$ 29,964.87 -

Cash Management	Deposits/Cash Receipts Report	\$ 58,896.69
GJ Adjustments:		
Less: BofW	Merchant Service Fees	\$ (258.25)
BofW	Monthly Scanner Fee	\$ (45.00)
BofW	Return ck +bank fees (2)	\$ (165.12)
BofW	Returned ck posted 7/31; QB 8/10	\$ (275.00)
Cash Management	Check Disbursement Report	\$ (88,118.19)
	Net Gain/(Loss)	\$ (29,964.87)

July billing totaled \$55,063.54. Water consumption for the month was reported at 5,487,000 gals. compared to 5,215,000 gals. the previous month. The July 2022 comparison was 5,997,000 gals. Total gallons billed for the fiscal yr. 2023/24 to date is 5,487,000 gallons (1 mo.) with comparison to previous fiscal year 2022/23 of 5,997,000 gallons. The financials include Quick Books invoices #3335 to #3353 and In-Hance Audits #20,988 through #21,061 with the accounts receivable in both In-Hance and Quick Books balancing at \$36,003.13 Credit & Debit Card Payments: Ninety (90) transactions were processed; 54 debits & 36 credit card payments for a total \$7,368.99. Batches 293 thru 314 Review of all audit adjustments was done – delinquent & penalty fees posted; final reads/refund security deposits; re-read/corrections; turn-ons/turn-off

One impact fee was posted in July: Audit#21,000 acct#2086 \$2,500.00

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) 8/31/2023

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

Account	Beginning	Ending	Change
General Fund	\$ 84,013.07	\$ 100,403.51	\$ 16,390.44+
Security Deposits	\$ 50,065.00	\$ 50,490.00	\$ 425.00+
Impact/Capital Fund	\$ 300,013.28	\$ 314,051.30	\$ 14,038.02+
Arsenic Sinking Fund	\$ 94,476.63	\$ 97,308.10	\$ 2,831.47+
Recap/Bank of the West	\$ 30,159.41	\$ 24,806.20	\$ 5,353.21-
Account Totals	\$ 558,727.39	\$ 587,059.11	\$ 28,331.72+

Cash Management	Deposits/Cash Receipts Report	\$ 59,402.25
GJ Adjustments:		
Less: BofW	Merchant Service Fees	\$ (249.32)
BofW	Monthly Scanner Fee	\$ (45.00)
BofW	Returned ck +fee	\$ (61.56)
Cash Management	Check Disbursement Report	\$ (30,714.65)
	Net Gain/(Loss)	\$ 28,331.72

Aug billing totaled \$56,723.40. Water consumption for the month was reported at 5,708,000 gals. compared to 5,487,000 gals. the previous month. The Aug 2022 comparison was 5,650,000 gals. Total gallons billed for the fiscal yr. 2023/24 11,195,000 gallons (2 mos) with comparison to previous fiscal year 2022/23 of 11,647,000 gallons. The financials include Quick Books invoices #3354 to #3375 and In-Hance Audits #21,062 through #21,133 with the accounts receivable in both In-Hance and Quick Books balancing at \$36,170.52 Credit & Debit Card Payments: One Hundred Twenty-two (122) transactions were processed; 67 debits & 55 credit card payments for a total \$11,096.85. Batches 315 thru 339

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 fees was possessed in Aug

Monthly General Journal Entries were attached for approval

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

After the review, Jed Carter moved to accept the Financial Reports for July 31, 2023 and August 31, 2023 as submitted. A second was made by Jeremy Brueckner and upon vote both Financial Reports were approved unanimously.

Agenda Item #6 Operations Report for Approval as of 09/22/2023 (2-mo period)

Operator Bob Hanus provided a recap of his Operations Report submitted to the Board with 101 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, water pressure/condition issues & customer service provided. Blue Stakes 157 (2 mos); 84 Pink Slips were sent out in Aug & 79 in Sept

Water Quality reports were good; Monthly bac-t samples negative; 3rd Qtr Arsenic: Big John 5.8, Oasis 2.8 & GOA 2.3 (EPA limit 10); TTHM's/HAA5's annual samples also taken & results below EPA limits; Lead & Copper samples (10 locations) also taken and within EPA limits. 90% have to below limit; had 1 fail so still within the EPA limits.

Water Stats reported ok:

Date	B John 1		B John 2		Oasis 1		Oasis 2		GOA 2		GOA 3	
	WL	DRW	WL	DRW	WL	DRW	WL	DRW	WL	DR''W	WL	DWR
9/25/23	19'5"	21'9"			21'4"	23'1"	21'4"	23'3"	19'7'	21'3"	20'	22"4'
9/13/23	19'5"	22'1"			21'3"		21'4"	21'4"	19'6"	21'1"	19'8"	22'2"
8/28/23	19'4"	21'10"			21'5"	23'3'	21'3"	23'5"	19'10'	20'9'	19'10'	20'9"
8/13/23	19'3"	21'8"			21'5"	23'3'	21'3"	23'5"	19'2"	20'8"	19'9"	20'8"
8/4/23	19'7"	21'8"			21'3"	23'7"	21'2"	23'5"	19'9"	21"	19'1"	20'6"

It was reported the meter pedestal replacement at GOA, is finally completed!!
Big John Well #3 reviewing bids.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 9/22/23 and Dorothy Moore seconded the motion. Upon vote the motion was approved unanimously.

Agenda Item #7 Oasis and GOA Well Sites Electrical Improvements and Cleanup Discussion

Operations Manager provided an extensive report in the Board packets regarding electrical issues at the sites. Re-wiring is needed; breaker box is arching and needs panel to be updated and indicated the cost for improvements with an electrical contractor would cost approximately \$7,200 at GOA. In addition, would like to install a frequency drive at Oasis to eliminate hammering when pumps short-cycle. Jeremy Brueckner stated the Board needed to support the upgrades; Jed Carter concurred. Dorothy Moore indicted funds are available. After final discussion, Jeremy Brueckner moved to approve the project. Dorothy Moore seconded the motion and upon vote the electrical improvement in the approx. amount of \$11,200 as discussed was approved unanimously.

Agenda Item #8 Big John #3 Well Project Update

Bob Hanus indicated he has a meeting scheduled for 9/27 will a well driller to get a quote on drilling, hoping to find potential savings/reduction in cost.
Information Only; No Board action required or taken

Agenda Item #9 Booster Pumps- Planned Future Updates as Funds Available

Bob Hanus provided information regarding the current booster pumps. For example, he said the two boosters in Kings Ranch, have back-ups but must be switched manually. Would like it to be set up with lead-lag and switch automatically. There are approximately 8 sites with Cholla being the only one that switches automatically. Lead-lag control panels would provide better service to the Owner/Users.
Discussion followed, but Information Only; No Board action taken

Agenda Item #10 William R Whittington the District's attorney of record- Discussion on Contacts/Meeting

The Chair opened the Board discussion indicating Whittington was approved as the District attorney of record back in 2016 and feels it would be good to re-establish the relationship as there have been changes in Board members since then. He suggested two (2) members plus Sarah (Office Management) be approved to meet to discuss matters, for example public document requests, that may require conferencing with him for advice or legal opinion. Jeremy Brueckner indicated he felt it would be in the best interest of the District to assure we are operating within our guidelines and policies through Yavapai County and the State of AZ. And if we are so inappropriately approached or approached in a way we

Agenda Item #10 William R Whittington the District's attorney of record- Discussion on Contacts/Meeting (con't)

can't answer, it would be best to have a legal source to turn to. Jed Carter indicated he agreed. Additional discussion followed with the Chair calling for a motion for the Chair, Vice-Chair and Sarah (Office Management) to be allowed to meet and re-establish the relationship with the District's legal counsel. Jeremy Brueckner so moved and Jed Carter seconded the motion. Upon vote approving the motion to re-establish the legal relationship with the office of William R Whittington was unanimous.

Agenda Item #11 Public Request- Policies & Procedures change to Disallow 1st-3rd Degree Relatives Serving on the Board or Management Teams

The Chair opened the discussion calling upon Elaine Clayton to present her thoughts for the request. Ms Clayton indicated having 1st thru 3rd degree relatives on the Board academically, if you do the research, is definitely not a suggested or recommended. Having a husband and wife serving on the Board, handling all the finances is strongly discouraged and in most organizations is not allowed. The Water District needs to follow the steps and known practices of not allowing 1st thru 3rd degree relatives to serve. Jeremy Brueckner indicated there was a time when people stepped up to serve but when no one comes forward...the current Board, to my knowledge, is operating with no issues and noted the suggestion was a vague attack at Board members at a time when there more important issues. He suggested tabling the matter. The Board has the District's best interests in mind. Financially, we have major money set aside for projects, more important than petty issues like on-line bill pay or (prohibiting) 1st-3rd degree relatives. Don't feel this is the time to consider this being in the best interest of the District. There is no policy, no law, no guidelines from the State, County or District Attorney's office that says relatives can't serve together. The Chair added previous Board members (husband & wife) served and served well with no conflict and if you look up, happens in other Districts as well. Jed Carter concurred, adding there is no nepotism because no one is being paid; Board members serve on a voluntary basis so I don't understand the argument. The Chair indicated it may be a very good topic to discuss with the attorney for his opinion. Bob Hanus noted the request included the management team. Felt the Board could vote on the Board members issue but stated management is a private company and like many small companies is family-owned. He also added Improvement District Services is a private company owned by two sisters providing services to a number of small districts. At this time the Chair called for a motion to TABLE the matter and Jeremy Brueckner so moved with Jed Carter seconding the motion.

Agenda Item #12 Call to the Public

The Chair addressed the Public outlining the public call procedures. Mary Hoadley was given the floor & inquired about the open seat on the Board. The Chair replied there is an open seat; does not required an election, rather an appointment by the Board to fill the vacancy.

Frankie Reed was given the floor & inquired about the well stating she was familiar with Gilbert Pumps & suggest they may be a vendor Management may want to contact (if they are still in business).

Mary Hoadley was given the floor & she inquired about any new information regarding the potential development at the Greyhound Track property. Bob Hanus indicated, as previously stated, the District would require a capacity study before water service would be approved.

Elaine Clayton was given the floor & as a reminder to the Board she stated the District is required by Statute to publish minutes within 72 hrs. of a Board meeting and not wait until they are approved to post. She noted the last minutes posted (website) are from May 2023 and this is in violation of the Statute. She also expressed her total distain and disapproval about married people being on the Board; indicated she feels limited research was done on the matter. Most organizations or corporate for profit or non-profit may allow family members but there are guidelines. Serving on a Board where there is voting, handling all the finances is against every other organization's policies.

Greg Watts was given the floor & spoke about the next election cycle may create change. He noted the difficulty maintain a full board indicating why a family member may be considered as better than an empty seat. He even expressed his thoughts of running for the Board but, as an example, tonight's discussion about booster pumps, plumbing & electrical, although he has a water background is different. He stated he thinks it good to have the two (husband/wife; Dave & Dorothy Moore) of you, if that's what it takes; you do it for free and then can be subject to the whipping post by the public. I appreciate people who serve on the Board. He also expressed appreciation for the update on the Dog Track property noting the importance of the demands it could put on the system.

Christine Roberts was given the floor & she expressed why transparency and the exchange of information is good, noting information by attending has helped her.

Michael Henderson was given the floor & suggested if there is a conflict with relatives serving in desperation, once a new Board member comes on one of the related Board members could step down.

Frankie Reed was given the floor & she inquired about the number of Board members and qualifications for a Board position. The Chair indicated the Board can have 5-members. He noted both Jed and Jeremy have water backgrounds. The open position is for Secretary and duties are similar, other than the Chair who is responsible for the agenda. Greg Watts added the positions are 4-yr terms.

Tom Strizak was given the floor and he inquired how long the position has been open. The Chair responded stating a long time.

Michael Henderson was given the floor and inquired how much legal fees would cost the Owner/Users. The Chair indicated the cost is unknown.

With no other business to come before the Board, the meeting was adjourned at 6:27 PM
The next Regular Board Meeting will be Oct. 24, 2023

Certification:

I, Sarah J. Hrabina certify that the Agenda for the **Sept 26, 2023** Regular Board Meeting was publicly posted at the Water District Office and Post Office on **Sept 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 10/21/2023
A full recording is available