

**OFFICIAL MINUTES FOR THE  
BLACK CANYON CITY WATER IMPROVEMENT DISTRICT  
May 23, 2023 REGULAR BOARD & BUDGET AND RATE HEARING 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, Jed Carter, Vice Chair/Acting-Secretary  
Jeremy Brueckner, Member-at-large

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

The Chair welcomed the Public: Elaine Clayton, Tina Fehr, Jennifer Hutson, Sharon Mandoske, Dave McMath, Christina Roberts, Chester Stone, Tom Strizak & Greg Watts

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

**Agenda Item #3 Board Member Reports**

Dave Moore indicated meetings need to follow Roberts Rules of Order; in particular, only one person speaking at a time. The Chair has the floor at all times until he yields to a speaker; be it a Board member, Management or member of the Public. When the Chair yields the floor to someone upon ending, the floor is yielded back to the Chair. He noted it is difficult to transcribe minutes when more than one person is talking at the same time.

The Chair also reported the postings made to BCCWID website and the BCC Bulletin Board on Facebook. In addition, he reported on the water truck schedule the freeway project is using, estimating it would equate to approximately 860,000 gals/mo. and dirt work is estimated to continue for 12-months. Jeremy Bruckner added from his observations no water trucks are going north.

Dorothy Moore reported she has been researching CPA's who are qualified to be Auditors. She noted our long-time auditor (Alyx Cohan) had no issues thru 2020 with the audits she did but when we tried to submit (2020/21) documents she informed us she had formed a partnership and someone other than herself in the partnership was assigned to perform our audit. (Christopher Russell) was assigned and although we submitted all the documents he never did the audit. Dorothy indicated after numerous phone calls she spoke with a CPA who has indicated he may be able to help and an appointment in July has been scheduled to meet.

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

After review of the April 25, 2023 Regular Board Meeting minutes provided in the Board packets, the Chair noted an error regarding the dollar amount in the WIFA Loan agenda item and provided the correction. With the correction noted, he moved to approve. The motion was seconded by Jeremy Brueckner & upon vote with correction the April 25, 2023 minutes passed unanimously.

With the time noted as 5:15, the Chair indicated Public Budget and Rate Hearing would be next

**Agenda Item #7 Public Budget and Rate Hearing**

The Chair opened the hearing giving a recap of the four options the Budget Committee had given the Board for consideration with the Proposed Budget. Option 1) No rate increase; 2) \$1 increase per customer/per month to the Capital Improvement base rate; 3) \$1 increase per customer/per month to the Operations/Maint. base rate; and, 4) a \$1 increase per customer/per month to BOTH the Capital Improvement AND Operations/Maint. base rate (total \$2 per customer/per month increase).

The Chair yielded the floor to Christina Roberts who was having difficulty understanding the budget information handout provided. Sarah Hrabina provided the information, pointing out the columns were headed with the first being Capital Improvements and the second Operations/Maintenance.

Greg Watts inquired about the proposed rate increase and the Chair indicated the increase would be for the Capital Improvement Fund.

Elaine Clayton indicated she felt the public was sorely under-represented in the Budget Committee.

The Chair asked for a question regarding the budget, noting that is what this Public Hearing is for and yielded again to Elaine. Elaine inquired about sales tax and why there was nothing shown in the budget for it. The Chair yielded the floor to Sarah Hrabina for response. She explained, as stated, sales tax is charged on customer bills. Sales tax charged, however, is a liability not an expense of the District and is remitted to the State (AZDOR) monthly.

**Agenda Item #7 Public Budget and Rate Hearing (con't)**

The Chair yielded the floor to Dorothy who wanted to clarify the Budget Committee presented a Proposed Budget to the Board (April Board Meeting) so the Proposed Budget was not just approved by the committee members.

The Chair called upon Tom Strizak who inquired if the Capital Improvement Fund was originally set up to avoid going into debt. The Chair called upon Sarah Hrabina for response and she stated the funds designated for Capital Improvement was established years ago, and to her knowledge we are the only District who sets aside (restricted) funds for projects.

Christina Roberts inquired if there was an office position open, or was it filled. The Chair responded the Management team is working on that.

The Chair yielded the floor to Elaine Clayton who indicated she has spoken to the former CPA, Alyx Cohan...the Chair interrupted, noting we are looking for questions about this budget

The Chair called upon Greg Watts who asked again about the rate increase and the Chair noted again it would be for the Capital Improvement Fund.

The Chair yielded the floor to Elaine Clayton who stated several years ago you had to start taking out of the Capital Improvement Fund to pay for a lawsuit; how much did you take out...

The Chair reclaimed the floor stating the lawsuit has nothing to do with this budget and yielded the floor to Jeremy Brueckner. Jeremy indicated there is a set agenda and asked if we could please get through it by staying on topic. The Chair added the Board is trying to make a rational decision.

The Chair called upon Tom Strizak who inquired about the WIFA loan and the Chair indicated the loan is for capital improvements and the (approx.) \$120,000 the District would have to pay would be paid from this fund. After lengthy discussion, the Chair asked for any more questions and with none forthcoming, closed the Public Rate and Budget Hearing at 5:35 PM

The Chair asked for comments from the Board with Jed Carter stating he was in favor of the \$1 per customer/per month rate increase for Capital Improvements. Dorothy Moore was also in support as well as Jeremy Brueckner. The Chair indicated although he felt a \$2 increase for capital improvements was his top choice he would agree to the \$1 increase. Calling for a motion, Jeremy Brueckner moved to approve a rate increase of \$1 per customer/per month for Capital Improvements effective July 1, 2023.

The motion was seconded by Jed Carter and upon vote was approved unanimously. A motion to approve the 2023-2024 Proposed Budget was made by the Chair and seconded by Jed Carter. Upon vote the motion approving the 2023-2024 Budget passed without opposition.

Next on agenda

**Agenda Item #5 Treasurer's Financial Report for Approval as of 4/30/23**

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

<b>Account</b>	<b>Beginning</b>	<b>Ending</b>	<b>Change</b>
General Fund	\$ 91,166.83	\$ 89,007.77	\$ 2,159.06-
Security Deposits	\$ 48,760.00	\$ 48,760.00	\$ -0-
Impact/Capital Fund	\$ 263,728.70	\$ 269,779.50	\$ 6,050.80+
Arsenic Sinking Fund	\$ 78,569.67	\$ 83,569.67	\$ 5,000.00+
Recap/Bank of the West	\$ 24,584.88	\$ 21,352.08	\$ 3,232.80-
<b>Account Totals</b>	<b>\$ 506,810.08</b>	<b>\$ 512,469.02</b>	<b>\$ 5,658.94+</b>

Cash Management	Deposits/Cash Receipts Report	\$ 45,574.54
GJ Adjustments:		
Less: BofW	Merchant Service Fees	\$ (352.43)
BofW	Monthly Scanner Fee	\$ (45.00)
BofW	Returned ck +fee	\$ (215.00)
Cash Management	Check Disbursement Report	\$ (39,303.17)
	<b>Net Gain/(Loss)</b>	<b>\$ 5,658.94</b>

**Agenda Item #5 Treasurer’s Financial Report for Approval as of 4/30/23 (con’t)**

April billing totaled \$46,338.50. Water consumption for the month was reported at 3,957,000 gals. compared to 3,397,000 gals. the previous month. The Apr 2022 comparison was 4,632,000 gals. Total gallons billed for the fiscal yr. 2022/23 to date is 43,729,000 gallons (10 mos.) with comparison to previous fiscal year 2021/22 of 46,161,000 gallons. The financials include Quick Books invoices #3270 to #3284 and In-Hance Audits #20,741 through #20,805 with the accounts receivable in both In-Hance and Quick Books balancing at \$29,981.34 Credit & Debit Card Payments: Seventy-six (76) transactions were processed; 43 debits & 33 credit card payments for a total \$6,805.29. Batches 229 thru 249 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 April  
 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 Report as of April 30, 2023 as submitted. A second was made by Jeremy Brueckner and upon vote the April 30, 2023 Financial Report was approved unanimously.

**Agenda Item #6 Operations Report for Approval as of 05/18/2023**

Operator Bob Hanus provided a recap of his Operations Report submitted to the Board with 41 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 continue to be high with 50 received. 73 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
5/21/2023	19’2”	21’4”	19’5”	21’9”	19’6”	21’6”	18’9”	19’5”	18’4”	20’1’
4/24/2023	18’9”	21’8”	20’4”	23’2”	19’10”	23’	18’9”	20’	19’	20”2”

Update on the meter pedestal replacement at GOA: A revised plan from the Engineer was submitted to Yavapai County.  
 Aging arsenic filtration systems- Water samples requested from Canyon State Filtration were taken & submitted needed to complete design work for quote.  
 Permit submitted to Yavapai County for Big John Well #3 is under review.  
 Oasis Well #2 pump failed. KP Ventures called out to verify new pump needed.  
 After some final discussion, Dave Moore moved to accept the Operations Report as of 5/18/23 and Jed Carter seconded the motion. Upon vote the motion was approved unanimously.

**Agenda Item #8 2022 Consumer Confidence Report**

The Operator reported the District was in compliance with the Safe Water Act and Jed Carter added it means we meet or exceed ALL requirements of ADEQ and the EPA. The customer letter was also reviewed. The report and customer letter will be mailed to all Owner/Users. Dave Moore moved to accept the report and letter with Jed Carter seconding the motion. Upon vote was approved unanimously.

**Agenda Item #9 Oasis Well #2 Pump/Motor/Submersible Cable Piping Replacement**

Bob Hanus reported the pump failure and the Board reviewed the quote from KP Ventures. After additional discussion Dave Moore moved to approve the replacement. The cost quoted was \$15,936.57 (w/sales tax). The motion was seconded by Jed Carter and upon vote approved unanimously.

**Agenda Item #10 New Well Construction BJ#3 Permitting APN 502-07-011C (Update)**

Bob Hanus indicated the application was under review and has made it through so far.  
 INFORMATION ONLY; NO BOARD ACTION REQUIRED

**Agenda Item #11 Well Depth Reporting Monthly (Policy Change Request by Owner/User)**

The Chair opened the discussion indicating he would not be in favor of making a change to the Policy making it mandatory to report monthly. He indicated it would take away the flexibility of not reporting if in the future someone else comes in and starts drawing millions of gallons of water that could affect our wells. He also stated the depths and draw are reported (in Operations Report); always have been. Bob Hanus, Operation indicated a problem he sees is the Board does not meet every month (No meetings in June or August) and that in itself would be an issue. Dorothy pointed out the issue with the current freeway construction and the Chair added the only reason we got ADOT to communicate with us was because we would NOT give them our well depth information. He indicated he, personally, took a lot of heat from them and our County Supervisor for this. Initially had a fantastic relationship with Keiwit/Fann until all of a sudden no calls, no emails. He learned a memo had been put out no information was to go out regarding water outsourcing. Jeremy suggested with drought concerns, information could be helpful. The Chair noted the depths +drawn down are reported (Operations Report/Minutes) with Jeremy concurring. After additional discussion and due consideration, Dave Moore moved to make no change to the Policy and Dorothy Moore seconded the motion. Upon vote, making no change to the Policy was approved unanimously.

**Agenda Item #12 Call to the Public**

Being already beyond the time limit for the meeting the Chair indicated there would be no public call and adjourned the meeting at 6:15 PM.

He announced there would be no June meeting

The next Regular Board Meeting would be July 25, 2023

**Certification:**

I, Sarah J. Hrabina certify that the Agenda for the **May 23, 2023** Regular Board & Public Budget and Rate Hearing Meeting was publicly posted at the Water District Office and Post Office on **May 19, 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 06/4/2023

A full recording is available

Attachment: Approved 2023-24 Budget