

**OFFICIAL MINUTES FOR THE
BLACK CANYON CITY WATER IMPROVEMENT DISTRICT
March 26, 2024 REGULAR BOARD MEETING**

Chair, Dave Moore called the meeting to order at 5:01 PM.

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

Dave Moore, Chair; Jed Carter (telephonically), Vice Chair, Dorothy Moore, Treasurer;

Randall Hrabina, Secretary

Vacancy Member-at-large

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

The Chair welcomed the Public: Eva Berst, Lisa Chandler, Elaine Clayton, Ruth Foster, Rebecca

McLaughlin, Richard Morris & daughter, Katie, Krystal Rossi, Tom Strizak and Greg Watts

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

Agenda Item #3 Board Member Reports

The Chair mentioned he would like the public to use the paper/pens provided to write down Public Call topics & he would call upon the Public to speak.

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

Agenda Item #4 Approval of 2/27/24 Regular Board Meeting Minutes

After review of the Feb. 27, 2024 Regular Board Meeting minutes provided in the Board packets, Randy Hrabina moved to approve the minutes as written. The motion was seconded by Jed Carter & upon vote the minutes for the Board Meeting were approved unanimously.

Agenda Item #5 Treasurer’s Financial Report for Approval as of 2/29/24

Dorothy Moore provided a recap of the Feb, 29, 2024 Financial Report for approval

Account	Beginning	Ending	Change
General Fund	\$ 84,712.83	\$ 75,030.95	\$ 9,681.88-
Security Deposits	\$ 50,090.00	\$ 51,090.00	\$ -0-
Impact/Capital Fund	\$396,606.97	\$ 406,514.27	\$ 9,907.30+
Arsenic Sinking Fund	\$111,521.96	\$ 114,505.67	\$ 2,983.71+
Recap/Bank of the West	\$ 31,811.77	\$ 39,282.60	\$ 7,470.83+
Account Totals	\$675,743.53	\$ 686,423.49	\$ 10,679.96+

Cash Management Report	Deposits/Cash Receipts Report		
Actual total Receipts deposited	All sources/Feb	+\$	53,362.21
GJ Adjustments:			
BMO monthly analysis bank fees including scanner fee		-\$	188.92
BMO Merchant fees	debit & c-card processing fees	-\$	321.11
Actual total Disbursements	All sources/Feb	-\$	42,172.22
NOTE: Includes CPA/2021 Audit \$12,500 & Legal Fees \$1,877.50			
TOTAL ALL ACCOUNTS, BALANCING WITH ABOVE RECONCILIATION		+\$	10,679.96

Feb billing totaled \$52,597.86. Water consumption for the month was reported at 4,433,000 gals. compared to 3,440,000 gals. the previous month. The Feb 2023 comparison was 3,946,000 gals Total gallons billed for the fiscal yr. 2023/24 to date is 37,521,000 gallons (8 mo.) with comparison to previous fiscal year 2022/23 of 38,514,000 gallons. The financials include Quick Books invoices #3515 to #3535 and In-Hance Audits #21,582 through #21,660 with the accounts receivable in both In-Hance and Quick Books balancing at \$37,106.33. Credit & Debit Card Payments: One Hundred Twelve (112) transactions processed; 65 debits & 47 credit card payments; total \$11,521.72. Batches 449 thru 469 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 processed in Feb- Audit#21,648; a/c#814 \$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 as of 2/29/24 (con’t)

After the recap and review, Jed Carter moved to accept the 2/29/24 Financial Report as submitted and Dave Moore seconded the motion. Upon vote the Feb. 29, 2024 Financial Report passed by majority with R Hrabina abstaining.

Agenda Item # 6 Operations Report for Approval as of 3/22/2024

Operator Bob Hanus provided a recap of his Operations Report submitted to the Board with 39 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 70; 108 Pink Slips were sent out Water Quality report- Monthly bac-t samples were negative both for the 2/27/24 tests and the 3/19/24 1st Qtr Arsenic samples taken 2/27/24 were reported as:

Big John: 6.5 ug/l Oasis: 3.6 ug/l GOA: 1.3 ug/l With EPA limits at 10.00

Well Stats reported as holding steady; even recharging about a foot since last month.

Date	B John 1		Oasis 1		Oasis 2		GOA 2		GOA 3			
	WL	DRW	WL	DRW	WL	DRW	WL	DRW	WL	DRW		
3/21/24	22’5”	24’5”			25’5”	27’5”	25’4”	27’0”	21’5”	22’6”	22’4”	22’5”
3/11/24	22’5”	24’7”			25’2”	27’2”	25’1”	27’7”	21’4”	22’7”	22’3”	23’1”

Bob reported he is working on the WIFA paperwork for the meter replacement project; and, work continues on electrical upgrades at the Oasis site. The District passed the ADEQ Inspection on March 6, 2024 with -0- deficiencies. Bab added to his report that the collecting of measurements of the lines in the system has been started and will continue.

After some additional questions from Board members and final discussion, Randy Hrabina moved to accept the Operations Report submitted as of 3/22/24 and Dave Moore seconded the motion. Upon vote the motion to approve the Operations Report as submitted was approved unanimously by the Board.

Agenda Item #7 Review & Discussion of Applicants for Office Management & Possible Contract Approval

The Chair opened the discussion and asked Sarah Hrabina (Office Manager) to provide the recap. Sarah indicated she and the Chair had conducted personal interviews with the eight (8) candidates that submitted resumes. After the first interviews, one candidate withdrew their application. Second interviews were held and candidates were asked to submit their bid for the position by 3/19/24 and were told the top three qualified would be forwarded to the Board for consideration based on qualifications and price. One candidate did not submit a bid and another one withdrew their application citing the current FaceBook controversy. Sarah indicated she was very pleased with all of the applicants. A 1-year contract was recommended to give both the candidate and the Board a chance to see if it was working well and all were comfortable.

The top 3 candidates were:

- Donna Lisa Chandler Bid was \$82,620/yr Training Period/hourly rate of \$22.00
- Krystal Rossi Bid was \$92,000/yr Training Period/hourly rate of \$25.00
- Rebecca McLaughlin Bid was \$96,000/yr Training Period/hourly rate of \$25.00

The Chair thanked Sarah for the recap and stated he wanted to dispel some misinformation out there on FaceBook. This is NOT a 15-hr. a week position; is 30-35-hrs. a week. When you hear numbers like \$82,000, \$92,000 & \$96,000, the other thing I’d like to dispel is there is approximately \$24,000 a year in office overhead included in those numbers. Rent, utilities, insurance, office supplies, postage are all part of the office management contract.

The Board has received all the information on the top 3 candidates and noted they were selected primarily on qualifications. The Chair asked the Board how they felt about the candidates qualifications. Randy Hrabina indicated he had reviewed the resumes several times. Credentials were good on all of them but he indicated he was particularly impressed by one, strictly from the resume. Dorothy Moore

**Agenda Item #7 Review & Discussion of Applicants for Office Management
& Possible Contract Approval**

agreed. Jed Carter indicated he found two that stood out. Having received input from all Board members, the Chair stated he was looking for a motion at this time. Randy Hrabina moved to accept the bid submitted by Donna Lisa Chandler based on credentials (and, was also low bid). Jed Carter moved to accept the bid from Krystal Rossi. However, Roberts Rules only permits one motion on the floor at a time. The Chair asked if Randy Hrabina was willing to withdraw his motion, and he indicated he was not. The Chair called for a second to the motion on the floor and Dorothy Moore moved to second the motion to accept the bid from Donna Lisa Chandler. Upon vote, Yeah votes were Dave Moore, Dorothy Moore and Randy Hrabina. Jed Carter voted Nay and the motion to accept the bid from Donna Lisa Chandler in the amount of \$82,620 (base amount) annually (\$6,885.00 monthly base amount) was approved by a majority vote. The Chair congratulated Donna Lisa Chandler and the Board thanked all the applicants.

**Agenda Item #8 Management of Operations Annual Review & Possible Contract Increase
(Second Review)**

The Chair opened the discussion indicating WET (Western Environmental Technologies, Inc.) wants to continue the management contract asking for a \$3,000 increase as of March 1st and a second increase as of July 1st of \$2,000. Thereafter, through July 25, 2027 only an annual increase equal to the CPI (consumer price index). The Chair indicated Bob is also suggesting a clause be added to the contract: If the contract is not working in the best interest of WET or the BCCWID, both parties have the right to cancel it with a 90-day written notice. The cancelation letter requires a written list of the concerns that must be addressed. If the parties cannot work them out, then the contract is terminated in 90 days. The Chair added the issues can only be within the control of the District. The Chair yielded the floor to Bob Hanus, Operations Manager who indicated his concern is the Board does not spend enough money on capital improvements to keep the system running property. Randy Hrabina indicated it is an old system and needs to be constantly upgraded. In the past we did upgrades as we had the money. You may think borrowing \$5-\$10Million may be the better option. Additional discussion followed regarding field operations and emergencies with Bob noting you can't plan for emergencies. When asked about rebidding the contract, if it is 2027 and the arsenic systems haven't been replaced and we haven't moved forward with galvanized line replacements...probably not. He indicated he considers himself a frugal person and is always mindful of costs but gave an example of the huge increase in just a few years everyone in the industry are facing. Only doing improvements with funds on hand doesn't really work any more with the projects needed. Times have changed; repair costs have increased because the County won't let you dig in the street unless it is with a licensed contractor. With no additional discussion, the Chair moved to approve the Operations Management contract increase of \$3,000 as of March 1, 2024 and an additional increase of \$2,000 July 1, 2024; thereafter, any annual increase can only be tied to the CPI (consumer price index) thru the expiration date of July 2027. The contract will also be amended to include, as discussed, with the 90-day cancelation clause. Randy Hrabina seconded the motion and upon vote the Operations Management contract with increase and amendment was approved unanimously.

Agenda Item #9 Budget Discussion Update

The Chair opened the discussion indicating Sarah (Hrabina/Office Management) will present the Proposed 2024-2025 Budget to the Board and is hoping to have options to consider. The May Board Meeting will then include the Public Budget and Rate Hearing. The Chair indicated he plans to open the floor for public comment at the April meeting in addition to the May meeting so there will be two opportunities.

INFORMATION ONLY; NO BOARD ACTION NEEDED OR TAKEN

**Agenda Item #10 Discussion and Possible Changes to Policy and Procedures on the Budget
Process for 2024-2025**

The Chair stated he would like to suspend the Budget Committee formation as outlined in the District's Policy and Procedure manual for this year. He stated he would like to give Sarah (Hrabina/Office Management) the opportunity to train Lisa Chandler. With no questions from the Board, the Chair moved

Agenda Item #10 Discussion and Possible Changes to Policy and Procedures on the Budget Process for 2024-2025

to suspend the budget committee formation for 2024 as outlined in the Policy and Procedure manual and Randy Hrabina seconded the motion. Upon vote, the motion was approved unanimously.

Agenda Item #11 Discussion on EPA Technical Assistance Program

The Chair opened the discussion indicating the Board has talked about RCAP & RCAC (assistance) in both the January and February Board meetings. It was noted this is similar and called upon Bob (Hanus/Operations Manager) to provide more details. Bob indicated ADEQ has hired consultants to put the data Management gathers and submits on an excel spreadsheet and format into the way ADEQ wants it reported. They DO NOT come out into the field. They are only taking the information we give them; that is the assistance they are providing at no cost.

Agenda Item #12 Discussion and Update on New WIFA Possible Grants on Lead and Galvanized Lines

The Chair opened the discussion stating in WIFA meetings he and Bob (Hanus/Operations Manager) have been asked what needs could WIFA provide assistance for and replacing the galvanized lines has been discussed. We have been told in April they will have a pilot program for grants they will be able to offer us.

Agenda Item #13 Call to the Public

Although the Chair had asked the public at the beginning of the meeting to turn in topics to discuss in Public Call, Greg Watts refused stating he wanted to speak his questions since the meeting is being recorded. The Chair yielded the floor and Greg asked:

- 1) What is the status of getting the Black Canyon property owners with private wells to install backflows to prevent cross-contamination. The Chair indicated the Board cannot answer due to open meeting laws and was not on the agenda which is why he asked for the topics in advance.
- 2) Drought Status- (Well information was provided in the Operations Report) the Chair stated we are (still) at Level 2.
- 3) Cost of security improvements at the office; Not on the agenda/cannot respond
- 4) FBI Case # for hate rock- Not on the agenda/cannot respond
- 5) Legal Fees- if we cannot see the document, how can we ask specific questions? The Chair indicated, as an example, you could ask what did the expenditure cover and we could provide a summary. For instance, the WIFA loan required attorney review.
- 6) Line Replacement- is there a 10-year requirement? The Chair referred to Agenda Item #12 noting working on the issue. Bob Hanus, Operator stated there is no time limit; however, the 10-year time frame is only if we ever exceed the MCL test limits.
- 7) Greg indicated as far as employees are concerned he felt it would be in the best interest if Management had 2 full-time employees.

The Chair called for a motion to adjourn and Randy Hrabina so moved. A second was made by Dave Moore and upon vote passed unanimously and the meeting adjourned at 6:18 PM.

The next Regular Board Meeting will be April 23, 2024

Certification:

I, Sarah J. Hrabina certify that the Agenda for the **March 26, 2024** Regular Board Meeting was publicly posted at the Water District Office and Post Office on **March 22, 2024**, on or before 4:30 PM.

Sarah J. Hrabina
Sarah J. Hrabina

ATTESTED:

I, Randall J. Hrabina, 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,

Randall J. Hrabina

Secretary

Transcription of the minutes was completed by Sarah Hrabina on 4/7/2024
A full recording is available