

**UNOFFICIAL MINUTES FOR THE
BLACK CANYON CITY WATER IMPROVEMENT DISTRICT
JANUARY 28, 2025 REGULAR BOARD MEETING**

Chair, Elaine Clayton called the regular board meeting to order at 5:01 PM.

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

Elaine Clayton, Chair, Melina Reylek, Treasurer, Tom Strizak, Secretary

Mr. William Whittington, Board Council

Also in attendance: Operations Management – Bob Hanus

Bill Whittington – Board Council

The Chair welcomed the Public: Alice Matheson, Marcy Hines, Irene Brooks, Jerry Cook, Kim Cook, Kent Reylek, Mike Colson, Cindy Malandro,

Agenda Item #2 - Board Member Report.

The Chair reported posting of the Agenda at the U.S. Post Office and the BCCWID Water Office, The Secretary, Tom Strizak reported posting of the Agenda and the Meeting Minutes to three different FaceBook groups.

Agenda Item #3 Consent Agenda; Approval of the 01/10/2025 Special Board Meeting Minutes

The Chair opened to the board, to table the approval of the 01/10/2025 Special Board Meeting Minutes because we are not ready. The website was not up yet, we will get all meeting minutes will to be posted to the website soon.

Agenda Item #4 Chair Reports and Correspondence: Chair's report for January, 2025.

Reports and activities for January. We have talked a lot about the Rural Community Assistance Corporation, RCAC. Let's take a look at what it is they are going to be doing. So, this is going to take a little bit of time and there is a process, I think we have submitted all the paperwork that we have for them to at least to start moving forward. In January and February of this year, we are going to have a technical, managerial and a financial assessment. The Chair has conferred with Operations Manager, Bob Hanus as he has talked to them and provided them a list of all of the equipment, and the district's financial needs. RCAC is going to schedule a field visit out of their Tucson Az. office. This is to assess the total health of the District.

Asset inventory beginning January 2025 and ongoing we are going to continue to look at what are the best funding strategies. RCAC is not going to be our only source of funding they are going help us look for other funding methods as well. Capital improvement infrastructure funding strategy. This is so important because we have never strategically decided what projects to take on and how to proceed. RCAC will assist with the request for proposals for engineering consultants, we do need engineering as a basic funding requirement. We must provide a preliminary engineering report. Financial revenue analysis to find out what our financial position is given Capital Improvement needs and determine if there is a need to raise rates. Board training and funding applications. Annual income statements for the last three fiscal years, balance sheets, current budget, most current quarterly income statement, current asset inventory, billed water consumption, and a 5 year infrastructure capital improvement plan, debt schedule and preliminary engineering report. This will inform you as to why this information is so important.

In reference to the question as to why do we have so many accounts? The BMO account is where all revenue, water accounts is deposited. From there revenue is transferred to the Yavapai Special District accounts. The four Yavapai County accounts consist of General Fund where all general district billing is from. The Arsenic Sinking fund is for the maintenance of the Arsenic media replacement. The Security Deposit account is where all district security deposits are held. The Capital Improvement account is funded monthly by all revenue generated through billing. All accounts are separate to provide for the specific needs of the district. The district will not be moving forward with the pipe replacement the Abbott/Abbott/Buckskin Project. The Palo Verde Ironwood water main replacement had a 20,000.00 increased to the initial amount due to the district waterlines infrastructure is unknown and need to be located. The Chair requested the contractor to resubmit his bid for the second time after awarded and it had increased from original bid by 50,000 dollars for pipe raising material costs and labor. The Chair's Does not want to deplete the funds in the Capital Improvement accounts. So, the Chair would like to

wait until the District assessments are complete in order to identify the pipe location to complete infrastructure projects more accurately. The board is continuing to look for grants and other funding. The Circuit rider was in the office this week and he is from the main Rural Water Association of Arizona and they have interesting options on their website that will
Integration of QB and Inhance utility billing software will happen this week. The QB software was also updated. This software had not been updated since 2016 and was no longer serviceable by Quick Books due to the extended expiration. This will make a huge difference in our ability to move forward.

Agenda Item # 4 B Operations Report for Approval as of 12/13-2024 – 01/24/2025

Operator Bob Hanus provided a review & recap of his Operations Report submitted to the Board with 42 work orders completed. Work orders completed included turn-ons, turn-offs, replacement of meters or Auto reads, 5 main line or service line breaks, well/booster site repair/maintenance, final reads, re-reads-7, water pressure/condition issues & customer service provided 95 Blue Stakes; 55 Pink Slips were sent out. Big John and GOA, the valves were replaced. Water samples came back clean, Arsenic and Nitrates collected quarterly, collected last month.

Collected 2 Bacteria Samples for the month, and they were absent. Annual Samples, no annual samples taken for last month.

Well Stats reported

Date	B John 1				Oasis 1		Oasis 2		GOA 2		GOA 3	
	WL	DRW			WL	DRW	WL	DRW	WL	DRW	WL	DRW
01/24/25	26'10"	29'2"			32'	52'	27'6"	29'5"	27'3"	29'9"	27'10"	28'2"

School House Loop tanks, still waiting a quote from Foster Electric for a control and APS panel. Palo Verde main line upgrades are complete. Operations to install the new meters after project completion. April and Big John sites received new batteries. GOA generator transfer switch is being mapped to wire to the well. Big John 3 status, request for a sign posted at the project. Alpha Graphics is working on a quote for this. KP Ventures reports the district is next on their list to start to drill new well. Possibly February.

Agenda item #5 A. New Business: discussion and possible approval of Financial Report for Nov. & Dec. 2024

Discussion and possible action of the monthly financial report for November and December 2024 and January of 2025. With that, the board has just signed the contract for Municipal Accounts and they will be starting on these right away. The chair does not want to approve November or December 2024 because they were not seated at the time. And January will be reviewed for accuracy and presented at a future meeting.

B. The district bank accounts. The intent of the new board is to close the old account and use the 2 new accounts for the accounts receivable and the individual Water Angel account. Those bank accounts are being addresses and will be on target with those next week.

Agenda Item #5 C; Letter of Resignation of Chair, Dave Moore Discussion and Possible Action

Submitted on, 11/12/2024 wrote a letter of resignation. "I am formally submitting my resignation as chair with the BCCWID effective November 12, 2024 @ 4:30 pm. It's been an honor serving on the board for the last 10 years in office. During my tenure, I had the privilege of working alongside dedicated colleagues on numerous projects that have significantly benefited the water users in our district. These accomplishments have been a collective effort and I am confident that the new board members will continue to uphold. Prioritizing the needs of the water users first and foremost. My decision to resign is

5, C. (cont.) due to personal reasons and I believe it's the right time for me to step down and allow new leadership to guide the board forward". I am grateful for the support and collaboration I have experienced during my time here and am proud of what we have achieved. The chair called for a motion to approve Dave Moore's resignation. Melina Reylek, Treasure seconded the motion, Chair, Elaine Clayton, Chair asked if and opposed? None opposed. Motion approved and carried unanimously.

Agenda Item #5 D; Discussion and Possible Action regarding presentation and training by the Districts attorney regarding the open meeting law, conflicts of interest and board duties.

Chair, Elaine Clayton, granted the attorney to proceed with the established topic of discussion. Attorney Bill Whittington, handed out packets and a document that he intends to discuss. The outline presented has 9 bullet points on it. Starting with Intent and ends with penalties. The very next page is a copy of the statute that talks about the purpose of the open meeting law. I have highlighted pieces of it that should come to your attention and what that statute says is that you have an obligation to do what you do in favor of full disclosure to the public. Put in the statute is a public policy statement. This is rare under the statute, which emphasizes how important it was to the legislature when they decided to do this. Page 3 meetings being open to the public and it lists what you have to include in your minutes. Highlighted for minute preparation. Arizona law does not require that you let the public speak at all. Only Listen. There are states where it's absolutely required. There are times when you must take public input. Not at a general meeting, but for instance when you are doing a budgeted option, you must take public input. In a meeting like this, you can permit public speaking, but it means they (public) can't insist upon it, you get to choose. In fact, you are not even obliged to have a call to the public on your agenda. Because you are not obliged, it is not necessary to have it on the agenda at all. (See board packet agenda). The next page 4. Talks about some of the notice requirements. 2 items are yellowed. Paragraph "I" say's that you may have a call to the public, but you don't have to. It is agenda item #6. That is the time when you ask the public if they have anything they want to speak about. That is when you make a topical decision whether you leave it on the back of the agenda or put it on the front. Sometimes you may want to put it up front because you may want to solicit input from the public before you get to that item on the agenda it is a risk as you may have already taken action on that item. Paragraph H is a provision that states that you must file with the county board of supervisors a statement in writing that say's, where you post. You should check to find out. The district is obliged by law to do it. Unless, you put that same statement on your website. It has to one or the other. Page 5 is a highlighted list of the items you may address in executive session. If it's not on this list, you can't do it. That should encourage you as a board to do everything in public, in front of everyone. But there are times when you can't. 1. Employment issues. 2. Exempt records. 3. Legal advice. Require executive session to keep it confidential. 4. Private Contract or Litigation. Example Office Contact. 5. Negotiate Union Contracts. 6. Discussions with International Interstate negotiations and tribal council. Contract across state lines or with a local tribe. 7. Real Property negotiations. 8. School (only) Security. 9. Security Plans. Cameras, listening device. Page 6 is a table of consanguinity, conflicts of interest. These are the people you cannot take action or participate in it. The rule of three. Relation within a third degree. Page 7. Statute of conflict of interest rules only prohibit you from participating you from participation only if it is substantial. A substantial interest is any pecuniary or proprietary interest either direct or indirect other than a remote interest. Page 8. Open meeting law violation. Attorney General can show up to investigate and fine you or remove you from office. These are the ramifications and they pay attention to whether or not is intentional or negligence. Page 9 – 20 is a sample Agenda, customized this so you can see what a good agenda and board packet look like. Highlighted and useful. Example: page 9, ARS 38-421.0383. I have done that because the statute says that if you want to go into executive session, you must cite the statute. The AG's says you can cite this on every agenda to do a review on your district manager. Motion second and meet with that manager. The law allows it as long as you cite the statute and it is on the agenda. Page 10. Chairman's report; list of 4 things. Sample: Activities of last month, reports, status of construction of new well. Progress of lease purchase on a new truck. I did that to sample detail if you want to invite conversation about it from the board or the public. You are not obliged to do so, but at least you would be permitted to do so.

Quick look at page 12. 2 parts. 1. Sample Agenda, 2. Sample Board Packet. Item # 3 Consent agenda, prepared by you or the District manager. In this case it is the approval of minutes. Note legal review. Board member can approve. See packet. Page 1, requirements critical: the law says 24 hour notice before you have a meeting. This is done by posting your agenda. 3. Emergencies: you forgot something on the agenda. Declare an emergency. 4. Ratification; Forgot something and have already entertained a motion to approve it. Within 30 days of discovering that you forgot to do it, you call a special meeting and you post not 24 hours, you post three days, 72 hour notice that you are going to ratify an action you have already taken. Post notice to the public and admit you have made a mistake. Notify public. Public records; retention schedules. Request. Some records are permanent. Agendas, minutes. Recording must be available by recording. Once you have approved draft minutes, you can erase tape recording. I other item, list of things a water board can do and some you HAVE to do. You only have coverage if you are acting within the scope of your authority. Chair, declares 5 minute break.

Agenda Item 5 E; Discussion and possible action regarding 2 vacancies on the board.

Chair refers to district legal attorney: Bill Whittington.

The law gives you very little instruction how you do this. Typically, you send out notice to the public to fill a vacancy on the board. Please submit a letter of interest. It is then put on the agenda, interview you, you can do this in executive session under A1 just like you did the district manager. There is a second, a discussion and a vote. All information is handled in the By-laws and or operational policies and personnel policies, sexual harassment if you have employees. Board member by laws or policies.

Agenda Item 5F discussion and possible action re: Service of Rural Water Impact to update and manage the District's website.

Elaine Clayton, mentioned that there was a 30 day risk fee trial. The contract is \$605.00 annually.

Chair calls for questions. Secretary, Tom Stizak mentioned due date to begin service 2/5/2025 to 2/5/2026. Total including \$ Set-up fee: \$449.00 and annual website fee total: \$1054.00 for new website. Call for discussion; also available alert system for water outages. Customer call reduction. Chair motion to approve, Tom Strizak seconds, all in favor, motion is approved and carries.

G. Discussion and possible action re: Online bill payment options and user fees with current vendor Inhance.

H. Discussion and possible action re: relocating the District's office from suite #6 to suite # 1.

The current office space is 200 sq. ft. and the request to move the office to #6 which is 800 sq. ft.

The attorney will review the contract at the request of the board. The chair will pass this request and the chair will get the contract to the attorney.

I. Discussion and possible action re: capital improvement projects. The chair mentioned that replacing pipes because Yavapai County is going to repave. Roads manager and this is not a requirement. If there is a leak and the District has to repave it what would happen? Bob mentioned will be an increased cost. The chair would like the pipes to be located prior to the bid to avoid unnecessary charges. Which goes back to Ironwood Palo Verde Project. And this would deplete the Capital Improvement funds. Chair referred to Bob Hanus who mentioned who reported that all the electrical panels on all the wells and pumps need to be replaced. Bob is working on the getting a pump for the School House Tank. That has 2 booster pumps, which included APS panel and control box and a control panel. This is a good place to start. Chair would like to work with Operations to work on District needs and this will not deplete Capital Improvement funds. Cost to locate lines and not exceed the bid by \$20,000. Chair would like operations to get an estimate for production meters on all wells. RCAC Arsenic System assessment and approach the state for funds. To confirm the district's need for funds is justifiable. Chair did not see the need to vote on these items. The chair would like to utilize the assessments to move forward.

J. Discussion and possible action re: possibly re write of the policy manual. Including potential revisions to the District's procurement policies. Per Bill Whittington, the procurement policies are out of date and upon review and discussion with the chair. The attorney will review and advise.

K. Discussion and possible action re: Past due accounts. Per the law does not require those POA's but you have to make sure the POA'S are adequate. The attorney suggests that be considered per cases by case advisement. Decide who your contract is with and pursue payment.

L. Discussion and possible action re: possible ratification of purchase of office computers. Chair describes the purchase of 2 Dell computers at the advice of Tech support. The amount spent was \$4,000.00. District debit was used to make the purchase. Chair called to ratify for the expenditure for 2 new computers in the amount of \$4,606.30. Melina Reylek so moves, Thomas Strizak seconds the motion. All in favor, no opposition. Motion to ratify the purchase of the 2 new computers.

6. Call to the Public.

No response for call to the public.

Chair motioned to adjourn the meeting and the meeting adjourned at 7:02 pm

The next Regular Board Meeting will be March 6, 2025, Black Canyon City Public Library

Certification:

I, Elaine Clayton certify that the Agenda for the **January 28, 2025** Regular Board Meeting was publicly posted at the Water District Office and Post Office on **January 27, 2025**, on or before 4:30 PM.

Elaine Clayton

Elaine Clayton

ATTESTED: I, Elaine Clayton, Chair 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,

Elaine Clayton

Chair

Transcription of the minutes was completed by Donna Lisa Chandler on 03/24/2025