

**APPROVED MINUTES FOR THE BLACK CANYON CITY WATER IMPROVEMENT DISTRICT
REGULAR BOARD MEETING
November 25,2025**

AGENDA ITEM #1 CALL TO ORDER

Chair, Elaine Clayton, called the meeting to order at 5:00 PM at the new Black Canyon City Water District Office located at 34301 Old Black Canyon Highway, Suite 4 in Black Canyon City, Arizona. Meeting agenda notices were posted at the BCC library, post office and on the bulletin board at the current BCCWID office.

AGENDA ITEM #2 ROLL CALL OF BOARD MEMBERS

Roll Call showed a quorum with the following Board Members present: Elaine Clayton (Chair); Irene Brooks (Vice Chair); Melina Reylek (Treasurer); Tom Strizak (Secretary); and Shawn Collins, (Member-at-Large). Others in Attendance: Jerry Postema (District General Manager); Derek Scott (owner of Arizona Utility Operations); JP Rasko (field superintendent for Arizona Utility Operations); and Devon White (BCCWID Attorney).

INTRODUCTION OF ATTENDEES

Cindy Malandra (owner/user)

AGENDA ITEM #3 CONSENT AGENDA

Shawn made a motion to approve the minutes from the 10/28 regular meeting, 10/28/ executive meeting and 11/5 special budget meeting. Tom seconded the motion. All voted in favor. The motion passed unanimously.

AGENDA ITEM #4 REPORTS & CORRESPONDENCE

A. Board Chair Reports

- 1. Update on move to the new office** - Theo with NAIT started installing cable and the security system.
- 2. Rental option for adjoining office space** - The suite next to the new office is now vacant (approx.. 250 sq. ft) and would be ideal for holding Board meetings and meetings with others. The Board Chair will meet with the landlord to see what arrangements and rental cost would be if BCCWID were to rent that space also.
- 3. Update on the budget** -The recently approved tentative budget was posted at the District office, the library and on the BCCWID website. Attorney Devon White sent the notice of public hearing and summary of the budget to the Prescott Courier which published it on Sunday, November 23, 2025 and will publish it again on Sunday, November 30, 2025. The full budget is available upon request. The public hearing for the budget approval is scheduled for December 17, 2025 at 5:00 pm at the new BCCWID office.

B. Operations Report - Bob Hanus

The monthly operations report was not presented. Bob Hanus was not present at the meeting.

C. District General Manager's Report -Jerry Postema

1. Operations and oversight updates; update on the field operations transition; and

introduction of the new field operations team - Jerry reported that the agreement with Arizona Utilities Operations is currently being reviewed by the attorney but they have started working in BCC transitioning field operations from WET (Bob Hanus's team) to AUO. Jerry introduced two of the field operations crew who were at the meeting- Derek Scott (owner of Arizona Utility Operations) and JP Rasko (field superintendent). Derek operates several systems in water and wastewater and has over 30 years experience. JP has been working in the water and sewer industry, pipeline industry and heavy trucking over 10 years. JP has worked in the Mayer and Yarnell water districts and worked in Yuma constructing a wastewater plant. JP added that he has done many line repairs in Deer Creek and other work in Tonto Basin and Show Low.

The last day for WET to service BCCWID is November 30, 2025. They will transfer everything to BCCWID including various electronic information by 3:30 pm on December 1, 2025. They agreed to share a Dropbox with BCCWID and the information can be downloaded. There is a two-week time period from November 15 until November 30 where both WET and AUO will be working on BCCWID for the transition. There will be some immediate changes to operations processes and procedures as needed and there will be interfacing with Julie in the office. Projects that have been worked on will need to be closed out.

Updates on projects -the arsenic media at Big John was changed out. In December, the line with low pressure going to the residents' home on Wyatt Way will be fixed. Their line was tapped directly into the well line instead of the distribution line. An attempt to correct the issue was made in October, however, the WET team did not allow the contractor to work on the line at that time. The overflowing tank on Wyatt Way was the result of keeping the well running all of the time even when the tank was full. This allowed pressure to be kept on the line, even when it was not needed. To stop the overflow from the tank, the WET team partially closed the valve so the pump wouldn't shut down and there would be enough flow to create pressure to service the houses connected to that line. This process results in wasting water and electricity and created some flooding in the area. This is one process that will be reviewed when AUO assumes responsibility for servicing BCCWID.

There are no meters on the wells. ADEQ and ADWR have requirements including an annual well and usage report. Meters need to be installed on the wells as a priority so the District knows how much water is being produced. Secondly, the older meters installed at individual properties need to be replaced because they are not providing accurate information. Jerry will contact WIFA to determine if the additional funds available from the Big John #3 well could be used to purchase well meters. If that is not possible, the Bureau of Reclamation has a conservation grant that might be available. In Yarnell and Mayer, the grant was used to purchase new meters and all were changed to the automatic read system.

The new operators will read every meter in the District. There are meters that have not been read for multiple billing periods and many meters have been misread. It appears that many of the meter readings were estimated.

D. Financial Report- Melina Reylek

Melina read the financial report provided by Natalie Galgano. Balances in the accounts:

Arsenic Sinking Account	\$131,332.87
BMO Checking Account	\$73,310.82
Capital Reserve/Impact Acct	\$80,910.24
General Account	\$91,161.27
Security Funds Account	\$52,990.00

Melina stated there was a charge to Staples for \$564.00 and one to Chilleen's for \$68.00 from the BMO Checking Account that did not have Board approval prior to spending. She also noted a charge from the General Fund in the amount of \$204.00 and she questioned what it was for. Melina stated that there were charges in the past that she did not believe had been approved. Board Chair explained that these were routine expenses, such as office supplies and the Chilleen's charge was lunch for people from other entities or Districts meeting with BCCWID Board members and/or staff for business purposes. Elaine suggested that Melina consider reviewing invoices in the office or contacting Natalie Galgano for additional information on anything she questions.

Devon White explained that BCCWID does not have a procurement process at this time. It is still being developed. This would guide whether every expense needs to be approved.

Tom asked why Melina, as Treasurer, did not sign the checks since she is the primary signor. Shawn explained that checks are issued and two people need to sign them. Melina needs to come to the office to sign the checks. Other signors come in to the office and sign them so they can be sent out timely. Melina stated that Natalie is supposed to contact her when checks are ready to be signed and she hasn't received any communication from Natalie. Devon explained that it depends on what the BCCWID policy states concerning the signing of checks but there are 5 authorized signors. The Board Chair reminded Melina that, at one time, she refused to sign checks so perhaps this needs to be clarified with Natalie.

E. NEW BUSINESS

1. Discussion and possible action re: Review and discussion of the Treasurer's Report

- Discussion held. See documentation above.

2. Discussion and possible action re: Operation's Report -No operations report presented.

3. Discussion and possible action re: General Manager's Report - No further discussion.

4. Discussion and possible action re: WET Mutual Cancellation Agreement -Devon reported negotiations were taking place concerning contract renewal with WET when WET sent a letter stating they wanted to part ways mutually and amicably. BCCWID instructed Devon's office to prepare an agreement to that effect and Bob Hanus signed the agreement. The matter occurred so

quickly, there was no opportunity to bring it before the Board prior to signing the agreement. The time from drafting of the agreement to signing, it was less than a week.

Tom made a motion to ratify the instructions given to legal counsel regarding negotiation and execution of the WET Mutual Cancellation Agreement and approve the contract as drafted. Shawn seconded the motion. All voted in favor. The motion passed unanimously.

5. Discussion and possible action re: Hiring administrative staff for minute transcription and office backup -The Board Chair stated this is a matter that will need to be discussed further but the Board needs to begin looking for someone with certain qualifications to act as Julie's backup in the office. One question is whether that person should be someone to help Julie and transcribe the meeting minutes or should the Board pay someone just to transcribe the minutes. Devon explained that it would have to be posted and published in the newspaper for competitive bids. He stated that if Irene's competitive bid were the one accepted, the Board could pay Irene because she would be acting in a separate capacity than that of Board member. There was discussion about recording and transcribing programs and devices, such as Microsoft Teams, the OWL, PLAUD. Jerry recommended the Board consider the skill sets needed especially as technology levels get higher for meter reading, GPS coordinates, and others. The person in the office needs to have the skill sets to adapt and learn the new technology. This topic was deferred to a future meeting.

6. Discussion and possible action re: The purchase of a recording device for Board meetings. Discussion was included under New Business Agenda Item E. This topic was deferred to a future meeting.

7. Discussion and possible action re: Roles and responsibilities of Board members -The Board Chair distributed drafts for responsibilities for the Secretary and Treasurer positions and requested that all Board members review and make comments on either the description pages or separate pages to the Board could discuss at a future meeting. All roles will be reviewed and discussed along with bylaws but it will be done one section at a time.

8. Discussion and possible action re: Adjournment into an Executive Session with legal counsel pursuant to A.R.S. 38-431.03(A)(3) for the purpose of receiving legal advice re: social media posting, board etiquette, decorum, and potential development of policies for such items.

9. Discussion and possible action re: Inter-Account Funds Transfers

10. Discussion and possible action re: District Budget Adoption

Irene made a motion to go into executive session with legal counsel pursuant to A.R.S. 38-431.03(A)(3) for the purpose of discussing New Business Items 8,9,and 10. Shawn seconded the motion. All voted in favor. The motion passed unanimously.

EXECUTIVE SESSION -The Board entered Executive Session at 6:13 PM.

RETURN TO PUBLIC SESSION

The Board Chair stated that given the time constraints, the meeting would be adjourned.

CALL TO THE PUBLIC

No members of the public were in attendance at the time the Board returned to public session. Cindy Malandra was permitted to ask questions during the General Manager's report. She asked if there was any concern with contamination of the water from backflow from the houses that were connected directly to the well instead of to the distribution line and Jerry explained that the residence had a backflow preventor in place so no concern with contamination.

ADJOURNMENT

The Board Chair adjourned the meeting at 7:09 pm.

Transcription of the minutes was completed by Irene Brooks (maryibrooks@msn.com) on December 16, 2025.