

**APPROVED MINUTES OF
BLACK CANYON CITY WATER IMPROVEMENT DISTRICT
REGULAR BOARD MEETING
January 27, 2026**

AGENDA ITEM #1 CALL TO ORDER

Board Chair Elaine Clayton called the Regular Meeting to order at approximately 5:01 PM at the Black Canyon City Community Library, Black Canyon City, Arizona. Notice of the meeting was properly posted at the BCC Post Office, at the BCCWID office and on the BCCWID website in compliance with Open Meeting Law requirements.

AGENDA ITEM #2 ROLL CALL OF BOARD MEMBERS

Board Members Present: Elaine Clayton (Chair), Irene Brooks (Vice Chair), Tom Strizak (Secretary), Melina Reylek (Treasurer), Shawn Collins (Member at Large).

Also Present: Devon White, Legal Counsel (telephonically); Jerry Postema, General Manager (telephonically); Lisa Waldschmidt, Rural Water Association of Arizona (telephonically)

AGENDA ITEM #3 INTRODUCTION OF ATTENDEES

Members of the public in attendance included Kory Connor, Julie Connor, Susan Battenburg, Maryanne Woods, Joe Brockaw.

AGENDA ITEM #4 CONSENT AGENDA

Approval of Minutes:

- November 25, 2025 – Regular Meeting
- November 25, 2025 – Executive Session Meeting
- December 17, 2025 – Special Meeting/Budget Adoption
- January 21, 2026 – Special Meeting

Tom made a Motion to accept the minutes. Shawn seconded the Motion. No discussion. Elaine, Tom, Shawn and Irene voted in favor of the Motion. Melina voted no to approving the minutes stating she did not have time to review them. Legal Counsel advised that if Melina found something in the minutes that needed to be corrected, it could be addressed at a future meeting.

AGENDA ITEM #5 REPORTS AND CORRESPONDENCE

A. Chair's Report – Activities for last month

Update on Move to the New Office – The final move to the new District office has been completed. Because Board members and family did the actual move, the District saved \$1200 in moving costs which was the lowest bid. There have been positive comments from customers who have come into the new office.

Update on security/security system – The new security system is installed and working. There is keyless entry on the front and back doors. Cameras inside and outside of the office record all activities.

B. Operations Report

Usage Summary – This information was not available.

Well Depths – This information was not available.

Other Operational Matters –Operational updates included arsenic media replacement, abandonment of the Big John 3 well due to insufficient production, corrections needed to hydropneumatic tank settings, and malfunctioning altitude valves. Four main breaks occurred in December and an additional four to five in January. Several service lines require replacement due to improper connections.

C.General Managers' Report – Jerry Postema

The meter/billing remediation plan – There were challenges for the new team reading the meters for the first time. It was difficult to find some of the meters because they were covered with dirt, some had dead batteries and there were erroneous readings creating unusual billing amounts. Attempts to correct the readings are being worked on by Elaine, Irene and Julie in the office. Elaine explained that a vendor, Arizona Utility Solutions in Prescott, was reviewing the readings and making recommendations for corrections. The District's attorney and CPA are aware of the issues and the current plans for corrections. Jerry continued to explain that the verified readings will be entered into the database and will be a starting point for the next readings in January. The billing has been delayed in January while all readings and bills are being reviewed for accuracy.

There are currently 200 new meters in inventory that will be used to begin the process of replacing old meters and non-working meters. These new meters will allow customers to monitor their water usage and identify leaks.

Lisa with Rural Water Association of Arizona will travel with the field operations team and complete some on-site training. She will also assist with locating meters that have not been found yet. Jerry, Lisa and the office staff will be preparing a best practices document for reading and estimating meter readings.

Update on the field operations transition – The change to the new field operations team occurred Dec 1. On December 1, there was a water main break on Mud Springs Road followed by two booster pump failures and four hydro-pneumatic tank failures. The new team worked continuously from 7 AM on December 1 until 5 PM on December 2 to correct these issues.

A look into plans/goals for 2026 – The rate increase assessment with RCAC has been postponed 2-3 more months due to the challenges BCCWID has had with the meter readings. ADEQ has a technical assistance program that will pay for small water systems to have a professional engineer create a Preliminary Engineer Report (PER). It usually takes about 6 months to complete the professional engineer report. This report can be used to prioritize projects and pursue grants for the projects. Currently ADEQ is working on scheduling a date and time for the engineer to come to BCCWID.

Jerry will look into using the money from the WIFA loan that was set aside for the PER if ADEQ isn't going to be able to get this scheduled for several months. Tom stated that he and Melina attended a meeting and were told that ADEQ had approved the PER for BCCWID. Jerry will follow up on this.

Jerry contacted NRWA concerning \$200,000 loan for meter replacements and spoke with the Director who was supposed to get back to him. He will follow up on this.

Jerry has requested a reallocation of WIFA loan funds to purchase meters at each of the wells. He also wants to see if the money can be used for Variable Frequency Drives and altitude valves.

D. Financial Report – Melina Reylek, Treasurer

The bookkeeper's report is posted on the BCCWID website. As of December 31, 2025, the bank accounts show the following balances:

Arsenic Sinking Account	\$70,907 balance
BMO Checking Account	\$55,173 balance
Capital Reserve Account	\$81,391 balance
General Account	\$32,862 balance
Security Deposit Account	\$52,990 balance

AGENDA ITEM #6 NEW BUSINESS

A. Discussion and possible action re: Kory & Julie Connor's water line

The water line for these residents is scheduled to be repaired and reset at the end of this week. It may take 2 days for the contractor to complete the work.

B. Discussion and possible action re: Annual officer selection and board reorganization

Devon, legal counsel, explained that annually there is a discussion with the Board members concerning whether there will be any change in the roles or if all Board members will remain in their current positions. At the end of the discussion, the Board will vote on who will hold the various positions.

During the discussion, each of the Board members stated they want to remain in their current positions. Everyone is still learning their responsibilities. Issues and opportunities for improvement have been identified and keeping continuity in the positions will allow the Board to work on the opportunities.

Elaine made a Motion that Elaine Clayton remain in the position as Board Chair, Irene as Vice Chair, Tom as Secretary, Melina as Treasurer and Shawn as Member at Large. Tom seconded the Motion. No further discussion. All voted in favor. The Motion passed unanimously.

C. Discussion and possible action re: Operations Report(s) – There was no further discussion concerning the operations report.

D. Discussion and possible action re: General Manager's Report(s) – There was no further discussion concerning the General Manager's report.

E. Discussion and possible action re: Meter Read/Billing Remediation Plan – There was no further discussion concerning the meter read/billing remediation plan.

F. Discussion and possible action re: Ratification of additional expenses related to the new office – There are 2 invoices that need to be ratified. There was an additional security expense to change the locks on the doors that did not have keyless entry. The other invoice that needs to be ratified is the cost of having electricity installed in the wall in the middle of the office. These two invoices needed to be paid to the vendor prior to the Board meeting.

One invoice in the amount of \$979.00 was for the locks and keypads. The other invoice was \$979.66 for the electricity being brought to the middle wall in the office. Irene made a Motion to ratify payment to Bradshaw Residential Services for \$979.00 for the locks and keypads and \$979.66 for electricity installed in the middle wall of the office. Elaine seconded the Motion. No further discussion. All voted in favor. The Motion passed unanimously.

G. Discussion and possible action re: Hiring temporary administrative support for meter read data entry – Elaine suggested that the Board consider posting a job for another support person in the office to backup Julie especially during absences. Irene explained that meter readings have to

be posted the same day they are read and payments are coming in at the same time and two people really need to be in the office working on these separate duties. Melina suggested hiring someone in a temporary position. Tom made a Motion that the Board pursue looking for another person at \$21/hour as a backup to Julie. Shawn seconded the Motion. There was no further discussion. All voted in favor. The Motion passed unanimously.

H. Discussion and possible action re: Hiring of a permanent administrative support person for meeting minute transcription and office backup – This was addressed in the above topic “G”. No further discussion or action taken.

I. Discussion and possible action re: Establishing a monthly expenditure limit that may be authorized without prior Board approval – Elaine explained that having a monthly expenditure limit would allow invoices to be paid, like the ones to the contractor that were ratified in this meeting, without calling a Special meeting or holding the invoices until the next Regular meeting. Shawn made a motion establishing a \$1000 expenditure limit that could be paid without prior Board approval. Tom seconded the Motion. No discussion. All voted in favor. The Motion passed unanimously.

J. Discussion and possible action re: BCCWID Logo Contest – The Water District has never had a logo representing the District. Elaine suggested holding a logo contest to allow community members to create a logo for the District. There would be a \$150 first place award and \$75 second place award for the winning logos. The award money would be donated and would not come from District funds. This would be an opportunity for the District and the community to interact. Shawn made a motion to initiate the process of developing a logo contest. Irene seconded the Motion. No discussion. All voted in favor. The Motion passed unanimously.

K. Discussion and possible action re: Newly defined roles and responsibilities of Board Members as presented – The Board agreed that a separate meeting should be held to finalize roles and responsibilities for the Board Members. Elaine stated she wanted Irene and Tom to meet and coordinate getting the records that need to be kept in order and updated. Irene and Melina will coordinate getting invoices reviewed.

AGENDA ITEM #7 CALL TO THE PUBLIC

One member of the public suggested that the individual Board members create their own job responsibilities. The Board agreed with the suggestion. A separate meeting will be scheduled to further discuss the role descriptions.

Melina stated that there is no sign for the tree adopted by BCCWID. Melina will follow up with the person responsible for the sign.

AGENDA ITEM #8 FUTURE AGENDA ITEMS

There was no specific discussion concerning future agenda items.

AGENDA ITEM #9 ADJOURNMENT

The meeting was adjourned at approximately 6:36 PM.

Respectfully Submitted,

Elaine Clayton, Board Chair

Transcribed by Irene Brooks on 3/28/2026.