

**APPROVED MINUTES OF
BLACK CANYON CITY WATER IMPROVEMENT DISTRICT
SPECIAL BOARD MEETING
February 12, 2026**

AGENDA ITEM #1 CALL TO ORDER

Board Chair Elaine Clayton called the Special Meeting to order at approximately 1:05 PM at the Black Canyon City Community Library, Black Canyon City, Arizona. Notice of the meeting was properly posted at the BCC Post Office, 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; Tom Strizak, Secretary; Melina Reylek, Treasurer; Shawn Collins, Member at Large.

Also Present: Devon White, Legal Counsel (telephonically), Natalie Galgano, CPA (telephonically), Lisa Waldschmidt, Rural Water Association of Arizona (telephonically)

INTRODUCTION OF ATTENDEES

Mary Hoadley with Upper Agua Fria Watershed Partnership, Andrea Ramos, Greg Watts.

AGENDA ITEM #3 CHAIR'S REPORT

- **Update on RCAC rate assessment** – The Chair reported that RCAC rate assessment has been in process for over a year. RCAC used the information provided by BCCWID, however, with no meters on the wells and numerous individual meters that are not working, it has been challenging to evaluate and assess. One assessment will include the arsenic replacement cost, and one assessment will be created without that cost. Sierra Kublicki with RCAC will have the assessment report ready by March 2, 2026.
- **Roles of Board Members** – The Chair stated that it would be ideal if all Board members could be more involved in their specific roles. The Board Chair requested that each Board member provides her with a schedule of times/hours each member has available to assist in getting some activities completed.

AGENDA ITEM #4 NEW BUSINESS

A. Discussion and possible action re: Acceptance of Irene Brooks' resignation as BCCWID Board Member – The Board Chair explained that Irene had to step down and resign her position as Vice Chair. Tom made a Motion to accept Irene Brooks' resignation. Shawn seconded the motion. No discussion. Motion passed unanimously.

The Board Chair requested that legal counsel explain if a community member could fill Irene's position on an interim basis, but not the entire term, until the position was filled. Devon explained that the community member would have to be appointed to the Board for the remainder of Irene's term, which was due to expire at the end of 2026.

B. Discussion and possible action re: Office personnel's employment status, contingent or district employee – The Board Chair requested that Legal Counsel explain the difference between employee and contract hire. Counsel explained briefly that some differences included how much the Board sets the person's hours, work to be completed and the amount of oversight the Board has. He suggested that although Julie is technically a contract hire, her role is more like that of an employee.

The Board Chair asked Natalie Galgano, CPA, to provide the Board with information concerning the budget and expenses for potential additional employees in the future. Natalie explained that in the prior fiscal year, the District spent \$99K for the office manager. The current budget is \$100K, which should allow enough for the District to have 1 or 2 office administrative staff and their own District Manager. Natalie was asked to share the amount of money paid to Jerry Postema to date. The District has paid \$43,624.00 to Jerry for the time period of June 2025 – December 2025. Natalie suggested that if the District hired a General Manager as an employee, a compensation package would need to be created that could include a specific salary and possibly a stipend for health insurance.

Natalie's accounting firm partners with a payroll processing company who would handle tax withholdings for employees, tax filings for the Board, direct deposit of paychecks at a fee of \$50 per payroll run. Currently the District runs payroll twice per month so the total cost of utilizing this payroll processing company would be \$1200 per year. The Board will discuss and decide in the February regular meeting if people will be employees or contract hires.

C. Discussion and possible action re: New Office Clerk's position – The Board discussed looking within and outside of the BCC community for an additional office clerk. The Board Chair stated she had posted on "Indeed.com" and there have been several resumes submitted. Shawn will be interviewing candidates that meet the requirements listed in the posting. Jerry will be involved in the interview process and will make the final decision concerning who will be offered the position. Technically, Jerry is supposed to be responsible for the office staff and field staff, but it is too difficult for him to manage the office staff because he is not located in BCC and does not have a complete understanding of the billing process and billing software. The Board Chair explained that Julie would handle payment processing and work 3 hours per day and the other utility clerk would be responsible for other duties. This would also give the District backup when one or the other clerk is not available for work.

D. Discussion and possible action re: Arizona Utility Operations temporary contract extension – There was no open discussion at this time. See minutes after the Executive Session below.

E. Discussion and possible action re: District Manager contract extension – There was no open discussion at this time. See minutes after the Executive Session below.

F. Discussion and possible action re: Staff performance reviews – The Board Chair asked legal counsel to explain the process for staff reviews. Devon explained that if the Board wants to do a performance review, they must send the staff person a 24-hour notice and the staff person has the choice of having their review publicly or privately. Devon responded to a question concerning whether the review could be done in the office by an administrator and not by the entire Board. Devon explained that the review could be done that way, but it is usually set by policy.

G. Discussion and possible action re: National Rural Water Association loan – The Board Chair explained that the District has meters that are not working; some that are not recording any water usage and many that are past their life expectancy. The older meters do not register water usage accurately. The NRWA has a program where BCCWID could apply for a \$200K short term loan at 3% with a repayment term of 10 years. There is no penalty if the loan is repaid 10 years before due date. The Board Chair asked Jerry Postema to apply for the loan because it takes 6-8 weeks for approval.

The Metron meters cost about \$400 each plus \$85-\$100 to install them. The billing software will be integrated with the meter software so meters will not have to be read individually in the field. The software program automatically sends information from each meter directly to the billing software. If BCCWID was awarded a Conservation grant instead of a loan, any money spent on the meters could potentially be reimbursed.

Shawn made a Motion to ask Jerry to complete and submit the application for the \$200K grant/loan with NRWA. Discussion involved how much time Jerry would be charging to complete the application and what it would cost the District. It was suggested that a limit be placed on the amount of time Jerry spends on the application. Tom seconded the Motion. No further discussion. Motion passed unanimously.

The Board took a short recess at this time. – 1:59 pm

The Board resumed public session – 2:05 pm

When the Board resumed public session, there was a brief discussion about the benefits of having a District Manager. The Board members were in agreement that it has been helpful to have one person with extensive experience oversee operations. The Chair then requested that Lisa Waldschmidt from the Rural Water Association of Arizona share some of the pros and cons of having a District Manager who oversees only one District vs one who oversees several districts. Lisa explained that she, the director of RWAA for the Arizona territory and Elaine met and discussed the differences between having a contract District Manager and one who is a District employee. A contracted District Manager often works for many districts and oversees several office and field/operations staff. If BCCWID were to hire a District Manager as an employee of the district, they would be fully dedicated to BCCWID only and would likely oversee both the office and the field/operations staff. They would be responsible for developing a 5- or 10-year plan for the District and would be responsible for implementing the Capital Improvement Plan for BCCWID.

The Board Chair asked Lisa to summarize the condition of the BCCWID in its entirety from office to operations because Lisa has seen the field operation and equipment and created an inventory for BCCWID. She also assisted in the office with organizing public records and most recently with the meter reading review. Lisa has spent numerous hours assisting BCCWID. Her employer, RWAA, does not charge the district for the technical assistance Lisa has provided. It is a service available to rural water districts.

Lisa explained that most of the equipment in the District is aged and needs attention. Some of the equipment needs to be replaced. The arsenic treatment facility and most of the individual meters are at the end of their life span. She rode with the field/operations staff when they were reading meters to ensure they were comfortable with the meter reading process and understood the difference in the various meters currently installed. As meters age, they tend to read with less accuracy. New meters register within a maximum 3% variance. Aged meters can have a variance between 10-15% which results in loss of revenue. Lisa estimated that the District could be losing 8%-15% in revenue due to the aging/non-working meters.

At this point in the meeting, Elaine made a Motion for the Board to go into Executive Session for legal advice and possible instruction pursuant to A.R.S. 38-431.03 (A)(3) concerning New Business agenda items B, C, D, E, and F. Shawn seconded the Motion. The Motion passed unanimously.

**At 2:21 PM, the Board went into Executive Session
Public Session resumed at 3:34 PM.**

When the Board resumed public session, there were Motions made concerning New Business items D and E. Tom made a Motion to have the Board begin the search for a permanent District Manager. Details concerning job responsibilities and other considerations will be determined at a later date. Shawn seconded the Motion. There was no discussion. The Motion passed unanimously.

Tom made another Motion to extend the contract for AZ Utility Operations for an additional two months with legal counsel preparing the renewal notice and amendment clarifying the entity name. Shawn seconded the Motion. There was no discussion. The Motion passed unanimously.

AGENDA ITEM #4 NEW BUSINESS (continued)

H. Discussion and possible action re: Connect/disconnect new service application fees

The Board Chair advised the Board that some inconsistencies in the amount of charges for various services on different documents. Some of the inconsistent charges included connection fees, disconnect charges, security deposits. The documents with inconsistent information included application forms, late notices and disconnect notices. No action was taken at the meeting, but the Board agreed to review the Ordinance and Policies and Procedures manual to identify all charges that need to be clarified. This topic will be addressed further in a future meeting.

I. Discussion and possible action re: RCAC rate assessment – No action was taken. This topic will be addressed in a future meeting once the RCAC assessment report is received by the Board.

J. Discussion and possible action re: Meter reads and billing – No action was taken.

AGENDA ITEM #5 CALL TO THE PUBLIC

Members of the public were no longer in attendance, however, one owner/user, Greg Watts, prepared a written list of questions for the Board. Devon read Greg's questions which included the following: Will the job posting for District Manager include a list of job duties, experience required, hourly rate of pay or salary amount, benefits provided, vacation time, health care provided, and will the person need to supply their own vehicle and equipment or will the District provide the equipment, a computer, a phone, and other necessary supplies? Will there be a probationary period? Who will hire the District manager – the full Board or just the Board Chair?

Devon explained that many of the items would be included in the job posting and the details still need to be decided. He did state that the full Board will hire the District Manager; it would not be only the Board Chair.

AGENDA ITEM #6 ADJOURNMENT

The meeting was adjourned at approximately 3:48 PM.

Respectfully Submitted,

Elaine Clayton, Board Chair

Transcribed by Irene Brooks on 4/10/2026.