

UNAPPROVED MINUTES FOR THE BLACK CANYON CITY WATER IMPROVEMENT DISTRICT
REGULAR BOARD MEETING
July 22, 2025

AGENDA ITEM #1 CALL TO ORDER

The Board Chair called the meeting to order at 5:01 PM at the Black Canyon City Community Library. Meeting notices were posted at the BCC Post Office, the bulletin board outside the BCCWID office and on the BCCWID website.

AGENDA ITEM #2 ROLL CALL OF BOARD MEMBERS

Roll Call showed a quorum with the following Board Members present: Elaine Clayton, Chair; Melina Reylek, Treasurer; Tom Strizak, Secretary; Shawn Collins, Member-at-Large.

Also in Attendance: Jerry Postema, District Manager; Robert Hanus, Operations Manager; Lisa Chandler, Office Manager; Tomas Montoya, District Attorney.

INTRODUCTION OF GUESTS

Natalie Galgano, Accountant; Kenny Porter, K.P. Ventures and Drilling

Members of the Public in attendance: Cindy Malandro

AGENDA ITEM #3 CONSENT AGENDA

Approval of Minutes from Special Board Meeting of June 16, 2025, and Regular Board Meeting of June 24, 2025. After Shawn made a Motion to approve the minutes for the June 16 and June 25, 2025 meetings, Tom stated some corrections were needed before approval could be made. Melina made a Motion to table this topic for a future meeting so the minutes and meeting video could be reviewed by the Board for accuracy. Shawn seconded the Motion. All voted in favor and the Motion to table approval of the minutes pending review and corrections passed unanimously.

The Board Chair revised the agenda to address New Business Item H at this point.

H. Discussion and possible action re: consideration of possible actions recommended by Kenny Porter with K.P. Ventures regarding Big John #3 well: Kenny Porter listed possible options to increase production at Big John #3 which is currently producing about 6 gallons per minute. He recommended starting with a video of the well and then deciding the best option(s) to improve production. Discussion was held concerning costs and the remaining loan amount. Shawn made a Motion for Kenny, Bob and Jerry to collaborate and work on resolving the issues with the Big John #3 well in an amount not to exceed \$40,000. Melina seconded the Motion. All voted in favor. The Motion passed unanimously.

The Board Chair returned to the order of the original Agenda.

AGENDA ITEM #4 REPORTS & CORRESPONDENCE

A. Board Chair Reports

1. Update on Transition to New Office Location: In preparation for the move to the new office, NAIT will inspect and advise what is needed to hook up the computers. NAIT and ADT will prepare information concerning security services. Shawn has contacted Simply Safe, which is another option for security services. Files in the current office are being reviewed to determine what records need to be kept and digitized. A few renovations are needed in the new office before moving in.

2. Update on Transition of financial oversight to Natalie Galgano, CPA: The transition of bookkeeping responsibilities to Natalie continues. She will balance the checkbook, pay bills, review invoices and complete other bookkeeping activities. Natalie needs access to the Yavapai County accounts which can be done by listing her as a signor for those accounts.

3. Update on 2023-2024 Audit: The Board has requested that the audit get started.

4. Update on WIFA Reimbursement: The Board is awaiting \$220,000 reimbursement with another \$80,000-\$90,000 pending processing. Payroll information is needed from NACOG before WIFA will reimburse. All other required paperwork has been submitted.

B. Operations Report

1. Report on well depths

Big John		Big John 3		Oasis 1		Oasis 2		GOA 2		GOA 3	
WL	DRW	WL	DRW	WL	DRW	WL	DRW	WL	DRW	WL	DRW
33'6"	38'1"			35'7"	36'1"	*			42'11"	33'8"	38'4"

*Oasis 2 is down due to recharging issues. Water levels continue to decline.

2. Usage Summary: 4,813,000 gallons of water were used last month.

3. Project Status Overview: The backwash valves in the Big John arsenic system have been replaced.

4. Big John #3: Kenny with K.P. Ventures provided the status under New Business Agenda Item 5H.

5. School House Road electrical panel – Inspection can be scheduled after obtaining Yavapai County approval of the permit. The paperwork has been submitted to the County for the permit. After completion of the inspection, the power can be turned back on.

5. Online work orders – The staff will start utilizing the on-line work orders once the concern about the field staff carrying laptops in the trucks is resolved.

6. Emergency phone coverage – When Bob is on vacation and a customer calls the emergency number; Bob's voicemail provides the customer with another phone number (one of the field staff's phone numbers).

AGENDA ITEM #5 NEW BUSINESS

A. Discussion and possible action re: review and possible approval of financial reports

presented by District CPA: Natalie distributed the financial reports to Board Members and reviewed the balances for each account:

Arsenic Sinking Account	\$129,398
BMO Checking Account	\$ 21,942
Capital Reserve/Impact Acct	\$ 99,872
Warranty Account	(\$ 77,623)
Security Fund	<u>\$ 53,090</u>
Total BCCWID Funds	\$226,679

She explained the \$77,000 shortage in the checking account was because the WIFA reimbursement has not been received and transfer of funds from the BMO account to the Warranty Account is pending. The Board Chair made a motion to accept the financial report presented by Natalie Galgano. Motion was seconded by Melina. All voted in favor and the Motion passed unanimously.

B. Discussion and possible action re: possible vote to go into executive session pursuant to A.R.S. 38-431.01 (A)(3) for legal advice and A.R.S. 38-431.01 (A)(4) to give direction to legal counsel re: Bob Hanus's performance review and possible revisions to Bob Hanus's WET contract: Shawn made a motion to go into executive session per the statutes noted in the agenda to receive legal advice and to give direction to counsel re: Bob Hanus's performance review and contract. The Board Chair seconded the Motion. No discussion. Two members voted in favor of the Motion (Shawn Collins and Elaine Clayton) and two members voted against the motion (Tom Strizak and Melina Reylek). Motion failed. Discussion ensued concerning the need for Executive Session for the above topic and whether an executive session was needed to obtain legal advice concerning Bob Hanus's contract. There were concerns about the Board's commitment to transparency to the public. The District Attorney explained the purpose of the executive session was for the Board to get legal advice and give direction to legal counsel. No legal action is taken during Executive Session. Bob's contract (Item B) and Julie's contract (Item C) can be addressed in one Executive Session.

C. Discussion and possible action re: possible vote to go into executive session pursuant to A.R.S. 38-431.01 (A)(3) for legal advice and A.R.S. 38-431.01 (A)(4) to give direction to legal counsel re: a possible contract for Julie Owings for her role as temporary office clerk: A Motion was made to go into executive session per the statutes noted to receive legal advice and to give direction to counsel re: Bob Hanus's performance review and contract and a possible contract for Julie Owings for the role of temporary office clerk. The Motion was seconded. All voted in favor and the Motion passed unanimously.

THE BOARD ENTERED EXECUTIVE SESSION 6:20 PM
THE BOARD RECONVENED PUBLIC SESSION

AGENDA ITEM 5.B. – Shawn made a Motion to direct legal counsel to move forward on the items discussed in Executive Session under A.R.S. 38-431.01 (A)(3) and A.R.S. 38-431.01 (A)(4) related to New Business Agenda Item 5.B. The Board Chair seconded the Motion. All voted in favor. The motion passed unanimously.

AGENDA ITEM 5.C. – Shawn made a Motion to direct legal counsel to create a contract for the office clerk position listing the responsibilities discussed in Executive Session under A.R.S. 38-431.01 (A)(3) and A.R.S. 38-431.01 (A)(4) related to New Business Agenda Item 5.B. The Board Chair seconded the Motion. All voted in favor. The motion passed unanimously.

The Board Chair stated she would entertain a Motion to start the base hourly rate of pay for the office clerk position at \$21.00 per hour with a review every 6 months for the first year to determine if a raise would be appropriate. Shawn seconded the Motion. All voted in favor. The Motion passed unanimously.

D. Discussion and possible action re: possible approval of Resolution #2025-01 ratifying certain Board actions taken at the Governing Board Meeting held June 16, 2025, including:

- 1. Ratifying the Board's decision to enter into executive session to discuss Lisa Chandler's contract.**
- 2. Ratifying the Board's decision to offer a revised Agreement to Lisa Chandler.**

This topic was moved to a future meeting because the posting was not done within 72 hours of the meeting.

E. Discussion and possible action re: Bob Hanus's WET contract: New Business Agenda Item E and G are combined into one discussion. Jerry Postema explained to Bob that an evaluation must be done or should be done by July 27, 2025 according to Bob's contract. Secondly, Jerry explained that there are items in Bob's contract that may not be clear or don't benefit either party so the Board would like to discuss these items in a public setting and come to agreement. The Board Chair made a Motion that Jerry Postema and Board Chair meet with Bob Hanus, owner of WET, for the annual review next week, with date and time to be determined and communicated. Shawn seconded the Motion. All voted in favor. The motion passed unanimously.

F. Discussion and possible action re: contract for services by Julie Owings: This was addressed under New Business Agenda Item 5.C.

G. Discussion and possible action re: consideration of selection of a date for performance review for Bob Hanus: This topic was discussed in conjunction with Agenda Item 5E.

AGENDA ITEM #6 CALL TO THE PUBLIC

There were no questions from the public.

AGENDA ITEM #7 ADJOURNMENT

The Board Chair adjourned the meeting at 6:54 pm.

ATTESTED:

I, _____ (name), _____ (position) 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,

(Signature)

Print Name and Position

Transcription of the minutes was completed by Irene Brooks (maryibrooks@msn.com) on September 3, 2025.