

**OFFICIAL MINUTES FOR THE
BLACK CANYON CITY WATER IMPROVEMENT DISTRICT
Feb 27, 2024 REGULAR BOARD MEETING**

Chair, Dave Moore called the meeting to order at 5:01 PM.

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

Dave Moore, Chair; Jed Carter (telephonically), Vice Chair, Dorothy Moore, Treasurer;

Randall Hrabina, Secretary

Vacancy Member-at-large

Also in attendance from Management– Bob Hanus, Operations; Sarah Hrabina, Office Management

The Chair welcomed the Public: Eva Berst, Elaine Clayton, Tina Fehr, Ruth Foster, Dave McMath, Cindy Malandro, Krystal Rossi, Shawn Snelling and Greg Watts

The Chair asked for the customary **moment of silence**.

Agenda Item #3 Board Member Reports

The Chair reported the postings made to the BCCWID website and the BCC Bulletin Board. He reported the vacancy on the Board is still open at this time. He also reported eight candidates for the Office Management position were interviewed with two withdrawing leaving six still being considered.

Agenda Item #4 Approval of 1/23/24 Regular and Reorganization Board Meeting Minutes

After review of the Jan. 23, 2024 Regular and Reorganization Board Meeting minutes provided in the Board packets, Dave Moore moved to approve the minutes as written. The motion was seconded by Dorothy Moore & upon vote the minutes for the Board Meeting were approved by majority with Randy Hrabina abstaining.

Agenda Item #5 Treasurer’s Financial Report for Approval as of 1/31/24

Dorothy Moore provided a recap of the Jan 31, 2024 Financial Report for approval

Account	Beginning	Ending	Change
General Fund	\$ 78,730.11	\$ 84,712.83	\$ 5,982.72+
Security Deposits	\$ 50,540.00	\$ 51,090.00	\$ 550.00+
Impact/Capital Fund	\$386,104.75	\$ 396,606.97	\$ 10,502.22+
Arsenic Sinking Fund	\$108,583.76	\$ 111,521.96	\$ 2,938.20+
Recap/Bank of the West	\$ 29,793.26	\$ 31,811.77	\$ 2,018.51+
Account Totals	\$653,751.88	\$ 675,743.53	\$ 21,991.65+

Cash Management Report	Deposits/Cash Receipts Report		
Actual total Receipts deposited	All sources/Jan	+\$	62,828.87
GJ Adjustments:			
BMO monthly analysis bank fees including scanner fee		-\$	162.61
BMO Merchant fees	debit & c-card processing fees	-\$	350.54
BMO returned ck		-\$	39.53
Actual total Disbursements	All sources/Jan	-\$	40,284.54
TOTAL ALL ACCOUNTS, BALANCING WITH ABOVE RECONCILIATION		+\$	21,991.65

Jan billing totaled \$45,158.00. Water consumption for the month was reported at 3,440,000 gals. compared to 4,077,000 gals. the previous month. The Jan 2023 comparison was 3,188,000 gals Total gallons billed for the fiscal yr. 2023/24 to date is 34,081,000 gallons (7 mo.) with comparison to previous fiscal year 2022/23 of 32,429,000 gallons. The financials include Quick Books invoices #3493 to #3514 and In-Hance Audits #21,487 through #21,581 with the accounts receivable in both In-Hance and Quick Books balancing at \$25,141.42. Credit & Debit Card Payments: One Hundred Thirty-three (133) transactions processed; 76 debits & 57 credit card payments; total \$9,690.06. Batches 426 thru 448 Review of all audit adjustments was done – delinquent & penalty fees posted; final reads/refund security deposits; re-read/corrections; turn-ons/turn-off

No impact fees posted in Jan

Monthly General Journal Entries were attached for approval

Respectfully submitted by Sarah J. Hrabina, Management and approved by Dorothy Moore, Treasurer

Agenda Item #5 Treasurer’s Financial Report for Approval as of 1/31/24 (con’t)

After the recap and review, Jed Carter moved to accept the 1/31/24 Financial Report as submitted and Dave Moore seconded the motion. Upon vote the Jan. 31, 2024 Financial Report passed by majority with R Hrabina abstaining.

Agenda Item # 6 Operations Report for Approval as of 2/23/2024

Operator Bob Hanus provided a recap of his Operations Report submitted to the Board with 56 work orders completed. Work orders completed included turn-ons, turn-offs, replacement of meters or auto-reads, main line breaks, well/booster site repair/maintenance, final reads/re-reads, water pressure/condition issues & customer service provided. Blue Stakes 76; 88 Pink Slips were sent out Water Quality report- Monthly bac-t samples were taken but results not received before report date; Also, 1st Qtr Arsenic samples were taken but results not yet received.

Well Stats reported holding fairly steady

Date	B John 1				Oasis 1		Oasis 2		GOA 2		GOA 3	
	WL	DRW			WL	DRW	WL	DRW	WL	DRW	WL	DRW
2/23/24	23’5”	25’5”			25’10”	27’1”	25’6”	27’2”	22’5”	24’	23’9”	24’2”
2/09/24	23’7”	25’6”			26’7”	23’5”	26’8”		22’3”	23’8”	23’6”	23’11”

Bob reported he is working on the WIFA paperwork for the meter replacement project; and, work continues on electrical upgrades at the Oasis site. An ADEQ Inspection is scheduled for March 6, 2024. After some additional questions from Board members and final discussion, Randy Hrabina moved to accept the Operations Report submitted as of 2/23/24 and Dave Moore seconded the motion. Upon vote the motion to approve the Operations Report as submitted was approved unanimously by the Board.

Agenda Item #7 Lead and Galvanized Line Inventory Update & Discussion

The Chair opened the discussion asking the Operations Manager to confirm the discussion from the January Board Meeting regarding seeking assistance from RCAP (Rural Community Assistance Partnership). It was pointed out it would actually take even more time since they are not familiar with the system. Streets have been identified with the type of pipe and footage is going to be measured (starting in March) so the inventory will be completed before the Oct deadline. It was also confirmed we have no lead lines in the distribution system.

DISCUSSION ONLY; NO BOARD ACTION NEEDED OR TAKEN

Agenda Item #8 Management of Operations Annual Review & Possible Contract Increase

The Chair yielded the floor to Bob Hanus, Operations Manager who indicated he was seeking an increase. He noted, in particular, the \$5,000/mo increase is based on (current base, \$12,184.) the large number of blue stakes and after-hour calls are greater than expected.

Randy Hrabina pointed out the increase being asked for was a 47% increase and asked if a lesser amount could be considered. Discussion included the Consumer Price Index at 3.4% in 2023. After much discussion, Bob indicated if the Board could not approve the increase requested it was perhaps better if the contract was put out to bid (to replace him) and the Chair indicated the earliest date would be for the April meeting. NO ACTION TAKEN

Agenda Item #9 Audit for Fiscal Year Ending 6/30/2021 Review & Discussion

The Chair opened the discussion indicating the CPA completed the 2021 fiscal year audit, stating it does not bring good news and asked Sarah (Hrabina/Management) to explain. Sarah indicated Dave was correct, it was not good news; it was great news for everyone!

It confirms there has been no mismanagement of funds as falsely accused of by members of the public. It reinforces the stable financial position of the District; therefore, providing reassurance to all the vicious allegations of financial impropriety are completely without merit. The unfounded accusations both online and sent to public officials were meant to be damaging to the District and Management and were nothing short of slander and libel. Highlights pointed out in the audit by the CPA firm, SC Audit & Accounting

Agenda Item #9 Audit for Fiscal Year Ending 6/30/2021 Review & Discussion (con't)

Solutions, included an increase in net position of over \$72,000; an increase in operating revenues and a decrease in total expenses.

Sarah also addressed accusations of the Board/Management lacking transparency stating detailed financial reports are provided monthly and provided to all Board members. Highlights of the report are given at the Board meeting and become part of the minutes which are posted, once approved, on the District website. She pointed out Audits are also available on the website and this 2021 Audit will also be posted. These actions demonstrate our commitment to transparency.

After additional discussion Randy Hrabina moved to accept the 2021 Fiscal Year Audit from SC Audit & Accounting Solutions and Jed Carter seconded the motion. Upon vote the 2021 Audit was approved unanimously.

Agenda Item #10 Discussion and Possible Action regarding: Possible Approval of Resolution 2024-02-27 Approving and Authorizing the Execution of Loan Agreement #920370-24 with the Water Infrastructure Finance Authority of Arizona (WIFA)

The Chair opened the discussion reading the resolution (see attachment). The WIFA loan, in the amount of \$466,300 includes a \$320,650 forgiveness by WIFA making the amount to be repaid by the District \$145,650 (for the Big John #3 Well Project). After discussion and due consideration, Randy Hrabina moved to adopt Resolution 2024-02-27. Jed Carter seconded the motion and upon vote Resolution 2024-02-27 was adopted unanimous by the Board.

Agenda Item #11 Discussion and Possible Action Regarding: Possible Approval and Signature of Certificate of Authority to be used in Conjunction with the WIFA Loan Agreement

The Chair opened the discussion reading the Certificate of Authority (see attachment).

The Certificate of Authority is needed with the WIFA loan and after due consideration, Randy Hrabina moved to approve the Certificate of Authority. Jed Carter seconded the motion and upon vote the Certificate of Authority was approved by unanimous vote.

Agenda Item #12 Motion to Adjourn

The Chair called for a motion to adjourn and Randy Hrabina so moved. A second was made by Dave Moore and upon vote passed unanimously and the meeting adjourned at 6:16 PM.

The next Regular Board Meeting will be March 26, 2024

Certification:

I, Sarah J. Hrabina certify that the Agenda for the **Feb 27, 2024** Regular Board Meeting was publicly posted at the Water District Office and Post Office on **Feb 26, 2024**, on or before 4:30 PM.

Sarah J. Hrabina

Sarah J. Hrabina

ATTESTED:

I, Randall J. Hrabina, Secretary 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,

Randall J. Hrabina

Secretary

Transcription of the minutes was completed by Sarah Hrabina on 3/3/2024

A full recording is available