

**OFFICIAL MINUTES FOR THE
BLACK CANYON CITY WATER IMPROVEMENT DISTRICT
MAY 28, 2024 REGULAR BOARD MEETING AND BUDGET & RATE HEARING**

Agenda Item #1 - Call to Order and Roll Call

Chair, Dave Moore called the meeting to order at 5:00 PM.

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

Dave Moore, Chair, Dorothy Moore, Treasurer; Randall Hrabina, Secretary

Telephonically: Jed Carter, Vice Chair.

Vacancy Member-at-large

Also in attendance from Management– Bob Hanus & Joe Thompson Operations; Sarah Hrabina, Lisa Chandler, Office Management

The Chair welcomed the Public: Tony Chandler, Carol Batdorf, Elaine Clayton, Greg Watts, Cindy Malandro, Eva Berst and Tom Strizak.

Agenda Item #2 – Reflection Time

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, BCC Bulletin Board/Facebook.

The Chair, also asked the public to utilize the Public Call question comment card and place on the table to be called upon, time limited due to large agenda. .

Agenda Item #4 - Approval of 04/23/24 Regular Board Meeting Minutes

After review of the April 23, 2024 Regular Board Meeting minutes provided in the Board packets to board members, the Chair asked for any questions from the Board followed by the Chair calling for a motion to approve. Dorothy Moore moved to approve the April 23, 2024 minutes as written and the Chair seconded the motion. Upon vote the motion carried unanimously approving the minutes for the 04/23/24 Regular Board Meeting.

Agenda Item #5 - Treasurer’s Financial Report for Approval as of 4/30/24

Dorothy Moore provided a recap of the April 30, 2024 Financial Report for approval

Account	Beginning	Ending	Change
General Fund	\$ 78,696.26	\$ 59,809.02	\$ 18,887.24-
Security Deposits	\$ 51,090.00	\$ 51,090.00	\$ -0-
Impact/Capital Fund	\$418,278.20	\$ 427,172.20	\$ 8,894.00+
Arsenic Sinking Fund	\$114,520.55	\$ 117,405.78	\$ 2,885.23+
Recap/Bank of the West	\$ 43,308.79	\$ 78,202.41	\$ 34,893.62+
Account Totals	\$ 705,893.80	\$ 733,679.41	\$ 27,785.61+

Also Two (2) Monthly Cash Management Reports are attached showing

Actual total Receipts deposited All sources/ April +\$ 89,523.19

Reverse previous mo card pmts recv'd in March not processed till April 1 -\$ 9,664.62

And/less: General Journal cash account adjustments:

BMO monthly analysis bank fees including scanner fee -\$ 159.98

BMO Merchant fees debit & c-card processing fees -\$ 435.34

Actual total Disbursements All sources/April -\$ 51,477.64

Note: Total disbursements paid include legal fees of \$12,213.75

TOTAL ALL ACCOUNTS, BALANCING WITH ABOVE RECONCILIATION +\$ 27,785.61

April Billing totaled \$50,459.51

Water consumption for the month was reported at 4,150,000 gals. compared to 2,731,000 gals. the previous month. The April 2023 comparison was 3,957,000 gals

Total gallons billed for the fiscal yr. 2023/24 to date is 45,395,000 gallons (10 mo.) with comparison to previous fiscal year 2022/23 of 43,729,000 gallons.

Agenda Item #5 - Treasurer’s Financial Report for Approval as of 4/30/24 (con’t)

The financials include Quick Books invoices #3566 to #3589 and In-Hance Audits #21,748 through #21,842 with the accounts receivable in both In-Hance and Quick Books balancing at \$26,461.70.

Credit & Debit Card Payments: One Hundred Nineteen (119) transactions processed; 67 debits & 52 credit card payments; total \$11,702.77. Batches 495 thru 519
 Review of all audit adjustments was done – delinquent & penalty fees posted; final reads/refund security deposits; re-read/corrections; turn-ons/turn-off
 Impact fees: 2 – debit/cc – payments received from March plus 2 in April 2024.

Audit #21,836 ac# 815	\$14,000.00
Audit #21,778 ac# 502	2,500.00
Audit #21,774 ac# 2087	2,500.00
Audit #21,766 ac# 821	<u>2,500.00</u>
Total:	\$21,500.00

Monthly General Journal Entries were attached for approval
 Respectfully submitted by Sarah J. Hrabina and Donna Lisa Chandler (tr) Management and approved by Dorothy Moore, Treasurer
 After the recap and review, Jed Carter moved to accept the 4/30/24 Financial Report as submitted and Dave Moore seconded the motion. Upon vote the April 30, 2024 Financial Report passed by majority with R Hrabina abstaining. Motion carried unanimously.

Agenda Item #6 - Operations Report for Approval as of 05/24/2024

Operator Bob Hanus provided a recap of the Operations Report submitted to the Board. With 64 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 80; 87 Pink Slips were sent out. Water Quality report- Monthly bac-t samples: 3/19/24 tests were absent. 4/23/24 absent; 5/14/2024 absent. PFOS less than EPA limits.

Well Stats reported as holding steady as of May report..

Date	B John 1		Oasis 1		Oasis 2		GOA 2		GOA 3	
	WL	DRW	WL	DRW	WL	DRW	WL	DRW	WL	DRW
05/08/24	22’4”	24’6”	26’10”	26’5”	24’	25’2”	24’5”	N/A	21’3”	22’1”
05/01/24	22’5”	24’5”	26’3”	27’10”	25’8”	27’8”	21’5”	22’11”	22’7”	22’10”

It was also reported work continues on the WIFA paperwork for the meter replacement project. The electrical upgrades at the Oasis site should be finalized 6/3. Big John #3, an onsite pre bid conference was conducted with two vendors. Received a list from ADWR of private wells in Black Canyon City and have started cross referencing these to our accounts.

After recap and review, Chair Dave Moore moved to accept the Operations Management Report submitted as of 5/24/24. Randy Hrabina seconded the motion and upon vote, the motion to approve the Operations Report as submitted was approved unanimously by the Board.

Agenda Item #7 – 5:15 PM Public Budget & Rate Hearing

The Chair acknowledged all board members had received a packet on the Proposed Budget for 2024-25, as discussed at the April board meeting. In response to an email he received from the public inquiring, “What is entailed in a budget?” the Chair indicated it is a financial plan which outlines your expected income and expenses as compared to previous years. The Chair called upon Sarah Hrabina, Office Management to give a recap of the 2024-25 Proposed Budget which includes a \$7 per mo. per customer rate increase. (See attached) approved at the previous board meeting. Additional board discussion followed with the Chair opening the floor to the public at 5:36 pm.

Agenda Item #7 – 5:15 PM Public Budget & Rate Hearing (con't)

The Chair yielded the floor to Frankie Reed, she noted her trash had increased by \$4 and wanted to know how will the increase be shown on the bill. In response to this question, it was explained that the \$7 increase will be reflected in the base water amount. The Chair added the current base rate of \$25 will increase to \$32. Rate increase will be effective July 1. After a review and recap of the last board meeting The Chair yielded the floor to Greg Watts who questioned whether the District had ever had this large of an increase before. In response, Randy Hrabina indicated there have been many increases, but not as high, that he recalls. The increases are due to increased costs in operation and maintenance. Joe Thompson of water operations, mentioned the current base rate in Cordes Junction, where he lives, was just increased 234%. The Chair yielded the floor to Elaine Clayton who asked why the district was opposed to having an outside organization assess the rates for a 5 year period for better planning. Randy Hrabina responded, you would have to have a crystal ball. The Chair, responding to Elaine, indicated from his perspective, you brought RCAC from California as a recommendation to the board and I told you the board would think about it. I researched them...with Elaine interjecting, you did not; I researched what you researched and you were totally incorrect, you did nothing, you have no idea what they do. Continuing the Chair added, I can tell you who they've done rate studies for in Arizona and what they do with all of them. They all raise rates every single year for five years. That is not what this district is all about. If we only need a dollar, we're only going to raise the rates a dollar. Thank you for your question Elaine. Board member Dorothy Moore commented the rate increase included the increase to the operations & maintenance contract. After review and recap the Chair called for any other questions on the rate increase. The floor was closed to the public at 5:49 pm. The Chair called for a motion to finalize Budget and Rate Increase. Randy Hrabina moved to approve the 2024025 Budget with the \$7 per month/per customer increase. Dorothy Moore seconded the motion and upon vote was approved unanimously by the Board.

Agenda Item #8 Consumer Confidence Report.

The Chair called upon Bob Hanus, Operations Management and Sarah (Hrabina/Management) to report on the report and annual letter. Bob reported he had compiled water statistics and submitted the data to ADEQ. The report shows the district is in good standing with the Clean Water Act. One issue was a violation due to water samples not being submitted on time by Legends, the district's water testing company. Chair commented, all the other data looked real good and asked if there were any other questions. Motion to approve by Dave Moore and second by Jed Carter. Upon vote the motion to approve the Consumer Confidence Report carried unanimously.

Agenda Item #9 Call of Election

Chair called upon Sarah Hrabina, Management to report. Sarah reported that the district is required to advertise and also include the information on the Board Agenda. The Call of Election is to inform the public there are 3 positions up for election. Sarah went on to say that the general election is Nov. 5, 2024 at the Pioneer Masonic Lodge (aka Civic Center). The polls will be open at 6am; close at 7pm. The last date to register to vote in the election is Oct. 7, 2024. Qualified candidates can obtain an election packet from the Yavapai County Elections Department. Chair noted; Information only, No Board action required.

Agenda Item #10 Capital Improvement Project for Ironwood/Palo Verde Approval to Advertise for Bids

The Chair called on board member Randy Hrabina and Bob Hanus of Operations to speak on the subject. Randy opened with information on the condition of the Ironwood/Palo Verde. The lines are in poor condition as they are in excess of 70 yrs. old and rupture constantly. He noted that the costs would be considerable to replace 4400 to 4500 ft. of 6"pipe; replace all service lines; and estimating about 140 yds. of slurry will be needed. Also noted there are no engineering requirements but Yavapai County would most likely require daily inspection of the project. After review and recap of the estimated job costs, funding, and scheduling, the Chair made a motion to approve advertising for bids of the Ironwood/Palo Verde project. Randy Hrabina seconded the motion and upon vote was approved unanimously.

Agenda Item #11 - Audit for Fiscal Year Ending 6/30/2023

The Chair commented on the highlights of the report: Total net position increased by \$61,260.00 or 3.48%. Operating revenues increased by \$10,796.00 or 2%. Expenses went up \$37,000.00 or 7.25% and noted that this was favorable news as this is the third and final audit to be completed which brings the district current in its yearly audits. After brief discussion and recap, Chair Dave Moore called for a motion to approve the audit for the year ending 6/30/2023. Jed Carter so moved to approve and Dave Moore seconded. Upon vote the motion approving the Audit for Fiscal Year ending 6/30/2023 was approved by majority vote with Dorothy Moore abstaining.

Agenda Item #12 - Big John Well #3 Bids, Review & Possible Award of Contract.

The Chair inquired Jed Carter had received a copy of the bids to review; Jed confirmed. First bid was from Mikes Drilling and it was noted that his bid matched plan specs completely. The Chair confirmed both bids included the prevailing wage requirements and the only difference between the 2 bids was in price. Mikes Drilling bid the project at \$425,951.00 taxes included. The second bid, KP Ventures was \$257,647.88. The total difference between the 2 bids totals \$168,303.12. After review and recap of the bids, the Chair called for a motion to approve the Big John #3 bid from KP Ventures in the amount of \$257,647.88. Randy Hrabina moved to approve the bid to KP Ventures in the amount of \$257,647.88 with Dave Moore seconding the motion. Upon vote the motion awarding the bid to KP Ventures carried unanimously.

Agenda Item #13 Call to the Public

The Chair opened the floor for public yielding the floor to Eva Berst who commented she approved of the District's Angel program. The Chair noted an update will be on the board meeting agenda for July. Elaine Clayton had questions on the owner shut off valve at the cost of \$250.00. Requested a breakdown of the WIFA loan.

Greg Watts made a request to have the board vote on having Public Call allotted at every meeting. He also asked about the Grade 2 water distribution system requirements for a licensed operator present at least 2 times a week. In response, it was noted both Bob Hanus and Joe Thompson's certifications constitute them to be over qualified.

With no additional Board business, Randy Hrabina moved to adjourn the meeting and Dave Moore seconded the motion. Upon vote, the motion was approved and the meeting adjourned at 6:07 pm

The next Regular Board Meeting will be July 23, 2024.

Certification:

I, Sarah J. Hrabina certify that the Agenda for the MAY 28, 2024 Regular Board Meeting was publicly posted at the Water District Office and Post Office on MAY 24, 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 and Donna Lisa Chandler on 7/19/2024
A full recording is available