

**MINUTES OF PUBLIC MEETING OF THE
KACHINA VILLAGE DOMESTIC WATER IMPROVEMENT DISTRICT
MARCH 13, 2025**

1. **Call to order and roll call.** Meeting called to order at 5:30 pm. Board members Tyanna Burton, Peter Smith, Alice Bauman, and Alan Dulaney were present. Utility Director Sam Mossman and Accounting Manager Moya Miller were also present.
2. **Call to the Public for Items not on the Agenda.** No members in the public were in attendance.
3. **Manager's Report.** Sam Mossman described ongoing projects and utility operations.
4. **Consent Agenda Items.**
 - A. Approval of the minutes from the January 30, 2025 Board of Directors meeting.

Burton moved to approve the minutes as amended, Bauman seconded, the motion carried unanimously
 - B. Approval of a summary of payments made by the utility in January and February of 2025.

Dulaney moved to approve the summary of payments, Burton seconded, the motion carried unanimously.
5. **Executive Session Items.** None
6. **Regular Agenda Items.**
 - A. **Discussion and possible action regarding the utility's fiscal year 2024 financial audit.**

Staff and the Board discussed the audit results from HintonBurdick, including the issues with reconciling bank statements and the challenges posed by the Treasurer's office reports. Staff noted that there were no compliance issues or deficiencies found with the utility financials during FY24. No Board action was needed at this time.
 - B. **Discussion and possible action regarding auditor selection.**

Staff and the Board discussed the merits of continuing to use HintonBurdick for auditor services for the FY25 financial audit and the results we've had in recent years. Burton moved to engage with HintonBurdick for our FY25 financial audit, Bauman seconded, the motion carried unanimously.
 - C. **Discussion and possible action regarding KVID's legal counsel.**

Staff and the Board discussed the merits of continuing to use Steve Wene as the utility's legal counsel, including his time in the industry and expertise as a lawyer for small water districts. Burton moved to retain Steve Wene as the utility's legal counsel for FY26, Burton seconded, the motion carried unanimously.
 - D. **Discussion and possible action regarding vacancies on the Board of Directors and appointing new members.**

Staff and the Board discussed the vacant Board seats and the process for appointing new members. Board members indicated that they would continue to look out for potential

Board members in the community and that the recent interest in the fire wise committee may be a good place to look. No Board action was needed at this time.

E. Discussion and possible action regarding siting study and construction of a new well for KVID.

Staff and the Board discussed the new well and the progress on the siting study and the importance of the new well for the future of the utility. Dulaney led a discussion about the process of getting a new well approved and constructed, and the staff and Board reviewed a flowchart showing all the required steps to get a new well online and running. No Board action was needed at this time.

F. Discussion and possible action regarding staff and Board training opportunities.

Dulaney brought a valuable training opportunity with Norther Arizona Municipal Water Users Association (NAMWUA) for a day long seminar, indicating that PDH's would be available for staff and that it may hold value for Board members to attend if able. A brief discussion was held on the availability of training, staff commitments to earning PDHs, and the propriety of the District paying for Board training. Staff committed to forwarding the information to the Board via email and setting up attendance for interested Board members. No Board action was needed at this time.

G. Discussion and possible action regarding staff wages and compensation.

Staff and the Board discussed the wages for KVID staff and the policy of keeping qualified staff and making sure the wages offered at KVID were competitive. Staff indicating that the high quality of service and sparse outages were largely due to qualified employees and their attention to the utility. Staff noted that financial projections and the FY26 budget all accommodated the increase in wages. Dulaney moved to approve a 5% increase for all staff, including the Utility Director, Bauman seconded, the motion carried unanimously.

H. Discussion and possible action regarding setting taxes, rates, and fees for the District.

The Board and Staff reviewed the precious work regarding the current financial state of utility, the budget outlook for future years, and a draft of what the new rates and fees schedule will look like. The Board and Staff discussed the draft mailer that would be sent to the residents and other talking points that will be used to communicate about the rate increase to the customers. Staff then outlined the process to move forward with the public hearing to consider the rate increase. Bauman moved to approve the draft rate structure as the preliminary rate structure to be approved at the public hearing, set the date of the public hearing for May 8, 2025 at 5:30 pm, authorize the Utility Director to post, publish, and mail the necessary notices to the public and authorize the Utility Director to notify the County Board of Supervisors of the public hearing to establish rates and fees, Burton seconded, the motion carried unanimously.

I. Discussion and possible action regarding the FY26 budget.

The Board and Staff discussed draft budget process and timeline. Staff discussed an overview of the budget and the focus on large legacy projects that are on the schedule in the upcoming fiscal year, noting the deficit spending was largely due to the high cost of a new well and the fact that this was intentional and in line with the utility's financial projections. Burton moved to approve the FY26 Draft Budget as the FY26 Preliminary Budget, Bauman seconded, the motion carried unanimously.

- J. Discussion and possible action regarding authorization to provide the following notice:**
- (i) Post 3 locations in district;**
 - (ii) Mail notice to board of supervisors; and**
 - (iii) Publish twice in newspaper at least 7 days apart.**

The Board and staff discussed the public notice and public hearing process for budget approval and the timeline for approving the budget during the May 8th, 2025 public hearing. Bauman moved to authorize the Utility Director to post the notice at three locations within the District, to mail a notice of the hearing to the County Board of Supervisors, and to publish notice in the newspaper at least seven days apart, Dulaney seconded, the motion carried unanimously.

7. Announcements.

A. Future meeting dates.

The next meeting date will be the public hearing for rates and budget to be held on May 8th, 2025.

B. Future Board agenda items.

The items regarding well siting and construction and the empty Board seat will remain on the agenda. The next agenda will include a final decision on the rates and the budget for FY26.

Adjourned at 7:48 pm