

INSCRIPTION CANYON RANCH SANITARY DISTRICT

PO Box 215 Chino Valley, AZ 86323

~ Plant Expansion Planning Committee Meeting~

Tuesday September 15, 2020

Date: Tuesday September 15, 2020

Time: 2:05 p.m.

Place: Chino Valley Bible Church, 1578 N. State Rte 89,

- 1. CALL TO ORDER** Mr. Summers called the meeting to order at 2:05 p.m.
- 2. ROLL CALL** Present were: Bob Summers, Committee Member; Charles Lehr, Committee Member; Karl Antilla, Committee Member; Bob Frisch, Committee Member; Ray Damasek, Committee Member; Jimmy Stoner, Committee Member; and Bob Hilb, member of the public.
- 3. Meeting Purpose and Protocol, with Selection of Chairperson and other Officers** Mr. Summers stated that the meeting was being recorded for purposes of transcribing the minutes as a matter of the Open Meeting Laws. Mr. Summers stated that he would chair today's meeting until a chairperson is appointed. Mr. Summers passed out a copy of Section 25 of the District's Bylaws to those present. Mr. Summers paraphrased the section and stated that members of a committee must include the compliance addendum, therein, to any emails sent to the public by any committee member. Mr. Summers stated that the committee was required to adhere to Open Meeting Laws. He also stated that minutes must be kept and open for public inspection no later than three working days after the meeting. Mr. Summers stated that he will ask the District's legal counsel how many emails, at one time, can be sent out to the committee members. He stated that five persons, including the sender may constitute a "meeting" but he would first have to confirm that with the District's legal counsel. Mr. Hilb suggested that Mr. Busch not be named as a member of the planning committee, therefore, allowing him to communicate with anyone. Mr. Summers expressed some concern with that and stated he would prefer one person to focus on communication, entirely. Mr. Summers stated that at the next meeting, members should focus on what the goal for the committee will be. He stated that each member was given the 151 page report produced by Civiltech as part of their suggestions to the District for future plant expansion. Mr. Summers summarized his goal for the planning committee. There was a brief discussion regarding the plant's capacity. Mr. Summers stated that the committee would have to determine what the

most feasible plant expansion was. There was a brief discussion on quality, quantity, and cost of future expansion. A brief discussion about the possible sharing of information by the ICR Sanitary District Board regarding hook-up totals, lots, and other details, ensued. There was some concern about the many different documents available to the committee for review and the inability to pinpoint the exact figures the committee had to work with. Mr. Summers stated that during the "Possible Next Steps" section would be the appropriate time for members to recommend their ideas to the planning committee. Mr. Summers stated that time is of the essence for the planning committee to brainstorm their ideas. He also stated that a finite number on what the plant could accommodate was not realistic as there were other ways to increase capacity, for example, adding more chemicals to the system or changing the process, temporarily. Mr. Anttila stated that the biggest disappointment was when a design was handed off to Operations and the Design was not what the owners had in mind, that a miscommunication could be avoided by having a clear mission statement and establishing a clear goal to work towards. Mr. Summers stated that throughout the process, things might need to be reformulated so that the goal was to see the plant expand to its ultimate capacity. Mr. Anttila stated that a cost/benefit was imperative to guide the committee into the best possible outcomes for expansion. Mr. Summers summarized the WIFA requirements for obtaining finances and stated that grants were unlikely, but the District had an option to apply for loans. Mr. Anttila reiterated that a definite number of maximum growth was imperative. Mr. Hilb stated that someone would have to do the work to get that information and perhaps a committee member could be assigned that duty. There was a brief discussion on the ICR Sanitary District Board sending a letter to the developers for each subdivision and stating that they confirm the number of lots in that subdivision. Mr. Hilb stated that if the developers were asked for that number, they were likely to tell the Board. Mr. Summers voiced his concern with the pending litigation with Talking Rock Ranch, LLC over plant capacity. He stated that he was not sure that the Board should be communicating with Talking Rock Ranch, LLC at this time. Mr. Summers stated he recalled there being 1795 current and a potential total of 1905 lots but did not want to be quoted as saying these numbers were final. There was a brief discussion regarding the possibility of going to the Yavapai County Assessor's Office to find out how many lots there were in the District. Mr. Hilb stated that the numbers for Whispering Canyon, Inscription Ranch, and The Preserve would be available but the numbers for Talking Rock Ranch, LLC would not be available, due to land ownership matters and changing development plans. The need for a clearcut goal for the committee was strongly suggested and deemed necessary by the members. Other ideas on how to acquire the total number of lots in the District, as well as the maximum gallons per day used by the District's residents. The country's political climate was a concern by the committee and it was feared that it would affect the District even sooner than the plant expansion planning would be completed. Mr. Summers moved that Jerry DeSantis be appointed as the Planning

Committee chairperson. The motion passed unanimously without discussion. Mr. Frisch had seconded to the motion. Mr. Summers tabled the voting for Vice Chairperson until the next meeting. Mr. Summers stated that Ray Damasek volunteered for the position of Communications Coordinator. There were no objections from the committee members. Mr. Summers stated that he volunteered for the position of Sergeant-At-Arms. There were no objections to that. The question arose about how many people could join the planning committee. Mr. Summers stated that it was up to the committee to decide that and currently, it had nine members. Those members are: Alan Black, Bob Frisch, Ray Damasek, Bob Summers, Jimmy Stoner, Jerry DeSantis, Karl Anttila, Bob Busch, and Charles Lehr. As a matter of Open Meeting Laws, Mr. Summers stated that allowing the public to participate is not a requirement, however, public attendance must be allowed. He stated that he did not prefer to have a member of the public ask countless questions during a committee meeting thus distracting the members from its task at hand. He stated that it was his opinion that public participation be very limited. He stated that it did not mean the committee could not ask a member of the public for input just that the public could not give the committee its opinions. It was asked if the public could be asked to speak. Mr. Summers stated that in any open meeting, a call to the public could be made. It was also asked if the meeting minutes would be posted. Mr. Summers stated that they would be as a requirement of the Open Meeting Laws. Mr. Summers made a motion to prohibit public participation during the committee meetings, but allow public attendance as required by the Open Meeting Laws. Bob Frisch seconded the motion. The motion passed unanimously. A member asked if personal emails would be used for communication purposes. Mr. Summers stated that he could request that email addresses be assigned for the committee members as they are part of the District's business. It was also suggested that each member create a separate Yahoo Account for committee communication purposes. There was a concern about using members' personal email addresses and it was duly noted by Mr. Summers. A discussion arose regarding the use of plats/plots as a baseline to determine how much capacity would be needed. It was mentioned that during each phase, an allocation of water was requested from the ADWR by Talking Rock Ranch, LLC. It was stated that the allocation of water, essentially, was locked in for those phases as they existed at that time. The allocation of water for Sterling Ranch was a carryover of what the earlier development looked like. The 50 lots in Sterling Ranch now has the additional water. Mr. Summers stated that in order to have a District email address required the Outlook program. Committee members stated that it was probably easier to create a gmail account for committee business. Mr. Summers stated that the committee's goal included providing guidance to the board in its pursuit of future growth. Mr. Summers stated that the District was only meeting the minimum requirements while supplying effluent to the golf course. A description of the significance between A, B, and B+ ratings was given. Concerns that the agencies involved with the District could someday change the ratings used and how it could

negatively impact the District was discussed. Mr. Summers stated that the effluent quality is measured at the point of discharge and not where the water is being used.

4. Discussion of Possible Next Steps & Action *A discussion regarding the engineering report and to whom that report belonged to ensued. Mr. Summers stated that the District owned that report. A question was brought up asking about the legality of giving the data from that report to a different engineering firm for review. The question related to the District's ability to change engineers if necessary. Mr. Hilb stated that engineers have already been changed several times. It was speculated that because the District is a public entity the documents were "public record". Mr. Summers made note of the questions asked by the committee and stated that he would ask District counsel for guidance on those matters. Mr. Summers stated that a previous plant operator was available to answer questions on some of the plants mentioned in the aforementioned engineer's report. He also stated that Sunset Engineering was able to conduct a presentation of information to the committee. Mr. Summers stated that the committee would have to decide what their next steps would be. It was, again, reiterated to Mr. Summers that establishing a clear goal was of the utmost importance at this point. He stated that he acknowledged the committee's need to find out the number of lots in the District that are currently and potentially going to be hooked up to the District. Mr. Antilla expressed the concern that Mr. Summers was further along in knowledge of the plant expansion and communicated the need to stick to the basics. Mr. Summers suggested that the information be reviewed so that the committee knew what has been suggested before. A question from the committee arose regarding the engineers the District had to choose from and whether they were a small representation of the entire engineer pool or only the engineers from the local vicinity. There was a brief discussion regarding effluent, effluent sales to Talking Rock Ranch, LLC and the cost/benefit to supply them with it. Mr. Hilb stated that the District is obligated according to how the APP reads. He stated that it would have to be rewritten and politics would come into play. A short discussion related to the plant rating, and the possibility of Talking Rock Ranch, LLC taking up the cost to reach a better rating was brought up. Mr. Summers stated that he would take on the task of finding solid figures for the total build out for the District. It was suggested that if the Board/Mr. Summers handed out a matrix, it would have to be published. When the developer saw it and had an issue with the numbers, he would then have an opportunity to say that the numbers were wrong. It was also suggested that the committee provide a master plan on what the District is looking for in terms of cost, efficiency, and use of the existing plant infrastructure, for example, to the engineer so that everything fits towards that pattern. A question regarding the 10 acre parcels in Sterling Ranch and the ability to have them divided into smaller parcels arose and was briefly discussed. The matter of what parcels/size the County approved was also mentioned.*

5. Setting Date for Future Meeting(s) Mr. Summers stated that the committee had approximately a year and a half to reach a conclusion. He stated that meeting frequency was up to committee members. Mr. Summers stated that his research for a solid number of total build out should only take a few days. It was mentioned that effluent quality, the committee's goal, and a number for the total build out was necessary. A conversation regarding the District's contractual obligations to the golf course in Talking Rock Ranch, LLC was discussed. Also mentioned was, if at some point the golf course wanted the District to provide them with anything greater than a B+ rating, who would pay for it. Mr. Summers stated that the Amended and Restated Development Agreement, from his recollection, did not mention an effluent quality rating only the rate that the District would charge the golf course for providing the effluent. The ratings for water quality, the conflicting numbers in different documents, and the legal ramifications as they pertained to the Amended and Restated Development Agreement were also briefly discussed by the committee. The committee discussed tentatively meeting on October 21, 2020 at 2:00 at the same location.

6. Adjournment

Therefore, the meeting was adjourned at approximately at 3: 35 p.m.

Board Clerk

Date