

**ICR SANITARY DISTRICT**  
**PO Box 1963 Prescott, AZ 86302**  
**April 14, 2022**

**Date:** Thursday, April 14, 2022

**Time:** 1:00 p.m.

**Place:** Chino Valley Bible Church, 1578 State Rte 89, Chino Valley, AZ

- 1. CALL TO ORDER** *Mr. Summers called the meeting to order at approximately 1:00 p.m.*
- 2. ROLL CALL** *Present were: Mr. Bob Summers, Board Chairman; Mr. Jerry DeSantis, Board Member(via telephone) ; Mr. Jeff McLeod, Board Member; Mr. Bob Busch, District Manager; Mr. Bill Whittington, Legal Counsel*
- 3. Mr. Summers made a motion to GO INTO EXECUTIVE SESSION: For discussion or consultation for legal advice with the attorneys of the Inscription Canyon Ranch Sanitary District pursuant to A.R.S. § 38-431.03(A)(3) and discussion or consultation with the attorneys of the Inscription Canyon Ranch Sanitary District in order to consider its position and instruct its attorneys regarding the District's position regarding contracts that are the subject of negotiations, or in conjunction with pending or contemplated litigation, or in settlement discussions conducted in order to avoid or resolve litigation pursuant to A.R.S. Section 38-431.03(A)(4) re:**
  - A. Legal advice concerning engineering report from Kimley-Horn for possible expansion/replacement of the wastewater treatment plant.
  - B. Legal advice concerning modifications to proposed agreement and addendum for accounting services for the Annual Financial review for FYE 2022.
  - C. Legal advice concerning unpaid bill for sewer later line repairs on Chloe Trail.
  - D. Legal advice concerning a possible deferral/waiver of the Developer Reimbursement payment for 2021 and one year extension of the 20 year developer reimbursement period, and second amendment to the Amended and Restated Development Agreement.
  - E. Legal advice concerning request for Public Records- for water and sewer infrastructure drawings.

*Mr. DeSantis seconded the motion. The motion passed unanimously without discussion.*

*During the Executive Session, the public will be asked to leave the Board meeting until the general session is re-convened*

**CONVENE INTO EXECUTIVE SESSION: 1:01 p.m.**

**RECONVENE INTO PUBLIC SESSION: 2:00 p.m.**

**4. CALL TO ORDER**

*Mr. Summers called the meeting back into order at 2:00 p.m.*

**5. ROLL CALL**

Present were: Mr. Bob Summers, Board Chairman; Mr. Jerry DeSantis, Board Member(via telephone); Mr. Jeff McLeod, Board Member; Mr. Bob Busch, District Manager; and Mr. Bill Whittington, Legal Counsel;

Also in attendance were: Derek Scott and Pat Carpenter, AQuality Water Co.; and Andrew Baird, Kimley-Horn

Members of the public: Charles Lehr, Annete, Summers, Ray Damesek, Jim Stoner, and Chris Stoner.

## 6. REPORTS

### MANAGER'S REPORT

*Mr. Busch stated that the plant output for March, 2022 was 1,1,762,079 gallons. That translated into 57486 gallons per day. He said that was quite different from the more than 60K gallons reported by AQuality Water. Mr. Busch stated that there are 787 active connections to the plant and 103 pending connections. Mr. Busch reported that the County has instituted a new procedure, requiring that a representative of the District be charged with advising the County each time a check is being issued as a fraud prevention procedure. Mr. Busch stated that he asked Cheryl Ibbotson to serve in that capacity. He said that he receives the check register and bank reconciliation each month so the County process seems redundant.*

*Mr. Busch reported that the District now has a waste disposal problem. Waste Management will no longer accept the bag filled dumpsters at the landfill because the bags are not drying out sufficiently to meet regulations. Therefore, the District is now having to pump waste liquids into a tanker truck which is hauled to the City of Prescott for processing. This process is very expensive, costing \$1,200 or more each week.*

*Mr. Busch reported that Ninyo & Moore has completed the environmental report on the pond and have submitted it to ADEQ. ADEQ will now require an amendment to the APP to formally close and decommission the pond. He stated that in a preapplication meeting with ADEQ, he asked if the pond could be temporarily put back into use until the sludge disposal problem could be resolved. ADEQ's response was that it could be done, with a number of stipulations, along with another application to amend the APP. Mr. Busch stated that this would likely take more than a year to obtain, and was not a viable solution for the sludge problem. He stated that unless the Board objected, he planned to request Ninyo & Moore submit a proposal to prepare the application for the APP amendment to decommission the pond.*

*Mr. Busch reported that there were repairs to three different lateral lines in Talking Rock in the past few weeks costing about \$4,800. He reported that Yavapai County has issued Approvals to Construct for Whispering Canyons, phases 6 and 7.*

*There were some questions from the public concerning the sludge handling process and resulting discussion among the attendees.*

## 7. CONSENT AGENDA

### Minutes of Meetings•

#### Minutes of Public Meeting March 8, 2022

- **Executive Session Minutes of March 8, 2022**

*Mr. Summers made a motion to approve the consent agenda. Mr. McLeod seconded the motion. Mr.. The motion passed unanimously without further discussion.*

*Mr. Summers then moved to item 7b on the agenda*

**Discussion of engineering report from Kimley-Horn Engineering concerning possible plant expansion and possible approval to schedule public hearing on the matter.**

Mr. Summers commented that he was surprised at some of assumptions in the report. The report seemed to suggest the purpose was to replace the Santec Plant, and he believe the Board was wanting to provide additional capacity in the best, cost effective method, including the expansion of the Santec Plant. He also commented that the report based full buildout on a 2018 report contemplating full buildout at 2,500 homes, when most recent information would indicate that it is more likely at 1,900 or 2,000 homes. Jeff McLeod commented that the report shows current connections at a much lower number than the number connected today. He commented that data in the report is not current information. Jerry DeSantis reported that in a meeting of the Planning Group and the County in August of 2021, it was determined that full buildout would likely be in the 1,900 to 2,000 connections. He said the County has approved 999 lots in Talking Rock, 280 in Whispering Canyons, 382 in Inscription Canyon and 45 in the Preserve, for a total of 1706. With additional unapproved areas, he suggested the maximum would be 1,900 or 2,000 lots. Bob Busch stated that the report was based on a planned capacity of 100,000 gallons per day. Current capacity is 90,000 gallons per day. I seems like a lot of money to spend for an additional 10,000 gallon capacity. Jeff McLeod echoed the comment stating that ADEQ requires planning a expansion when a plant reaches 80% capacity. If a 100,000 gallon plant were constructed, we would need to plan an expansion at 80,000 gallons. Given the present number of connections and pending connections, we would need to plan an expansion very soon. Bob Summers asked if Kimley-Horn considered possibly considered operating the existing plant in conjunction with a new plant.

There was some discussion about the cost estimates. Pat Carpenter commented that the cost estimate was considerably higher than a plant expansion he is associated with.

There was some discussion about when the report needed to be approved in order to meet the election timeframe. It was suggested that mid-June would be the latest possible. Bob Busch stated that July 1<sup>st</sup> is the deadline to call the election is July 1<sup>st</sup>. Publication and required notices will take a couple of weeks.

Andrew Baird asked if the report should include a recommendation or present the facts and then the District determine the plan. It was the Board consensus that a recommendation should be included in the report.

Andrew Baird commented that he understood that WIFA would fund upgrades but not expansions. The report contemplates that a new plant would be an upgrade that would likely be funded by WIFA. Jeff McLeod commented that in meetings with WIFA a year ago, our needs to expand were clearly outlined, and no one from WIFA indicated that WIFA would not fund it. Andrew Baird stated he would get clarification from WIFA.

Andrew Baird stated that he would get back to his group to update the report as soon as possible and keep Bob Busch informed.

Chairman Summers then took the meeting back to the regular order of business.

**8. OLD BUSINESS**

**A. Discussion and possible action concerning unpaid bill for sewer lateral repair work on Chloe Trail.**

*Bob Summers moved to have Bob Busch take action as discussed in Executive Session. Jeff McLeod seconded. Motion passed unanimously.*

**B. Discussion and possible action on a ballot proposal to allow the ICRSD to work with WIFA to finance the next plant expansion.**

*No action taken on this item.*

**C. Discussion and possible action concerning treatment plant upgrades or replacement.**

*No action taken on this item.*

**D. Discussion and possible approval of the second amendment to the Amended and Restated Development Agreement, calling for the deferral of the 2021 payment and one year extension of the 20 year developer reimbursement period.**

Jeff McLeod gave the public some background on discussions with the Developers. Rather than making the 2022 repayment, the District would use that in connections with the planned expansion, and in return, the repayment period would be extended by one year to 2034 for the plant transferred in 2012.

*Bob Summers moved to have Jeff McLeod finalize the agreement with the Developers and circulate it to the Board Members for signature without another meeting. Jerry DeSantis seconded the motion. Motion passed unanimously.*

**E. Possible approval of modifications to agreement with David Snyder, CPA, for financial services to conduct annual Financial Review for FYE 2022.**

*Bob Summers moved to accept the recommendation concerning item 2 of the Addendum concerning liability and remove item 16. Jeff McLeod seconded. Motion passed unanimously.*

**9. NEW BUSINESS**

**A. Possible approval of financial reports for February, 2022.**

*Bob Summers moved to approve financial reports for February, 2022. Jerry DeSantis seconded. Motion passed unanimously.*

**B. Discussion of engineering report from Kimley-Horn Engineering concerning possible plant expansion and possible approval to schedule public hearing on the matter.**

*This item covered above.*

**C. Discussion concerning possible newsletter.**

Jerry DeSantis suggested that he take the lead on developing a newsletter. No action was taken.

**D. Discussion & possible action concerning sludge handling equipment or methods. Solution may involve purchase of capital equipment using restricted or unrestricted capital funds.**

Bob Busch explained that something should be done to change the present method of pumping liquid sludge into a tanker truck for processing elsewhere. He said there seemed to be a couple of possibilities. He said that there is equipment made to handle sludge. One is some type of press, to dry the waste enough for disposal. The other is a dewatering dumpster. It is a special dumpster used to allow liquid to escape and allow the solids to dry enough for disposal. Either of these methods may be a long term solution, but they are costly and would take some time to purchase and put in place. He suggested that the Board might consider a short term solution that could possibly be put in place in a few months. He said that a dewatering bag has been purchased recently and placed on the concrete slab formerly used for the dumpsters. He said a second slab similar to the existing one could be placed in close proximity, and could be used later for a building to house a sludge press.

There was some discussion about alternative locations to haul the liquid waste and other disposal methods.

*Bob Summers moved to authorize Bob Busch to continue to develop plans to construct a concrete slab for handling a sludge bag. Jeff McLeod seconded. Motion passed with Bob Summers and Jeff McLeod voting "aye". Jerry DeSantis did not vote.*

**E. Discussion, comments and suggested changes to draft budget for FYE 2022-2023.**

The Board reviewed the draft budget proposed for FY 2022-23, and made comments and suggestions.

**F. Possible action concerning request for public records- for water and sewer infrastructure drawings.**

Bob Summers commented that a record request has been received from a professional engineer for drawings for Talking Rock infrastructure.

*Bob Summers moved to proceed as recommended in Executive Session. Jerry DeSantis seconded. Motion passed unanimously.*

There were some questions from the public regarding the nature of the request, the fee(s) possibly charged for the records and District and Yavapai County's position in the matter, with the Board responding as best possible considering the matter was covered in Executive Session.

**G. Election of Officers for the Board of Directors**

Bob Summers commented that even though he is the Chairperson, he has considered that all Board Members are equal. He said he refers to himself as a Board Member rather than as Chairman. He suggested that a Treasurer position be created to handle some of the activities of the Board, which would give each bor. Jeff McLeod commented that he was satisfied with the current situation, but would consider the matter.

*Bob Summers moved to table the item. Jeff McLeod seconded. Motion passed unanimously.*

**10. ADJOURNMENT**

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

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Board Clerk

\_\_\_\_\_  
Date