

**ICR SANITARY DISTRICT**

**PO Box 1963 Prescott, AZ 86302**

**Regular Meeting**

**May 11, 2023**

**Approved (revised) June 8, 2023**

**Date:** May 11, 2023

**Time:** 9:00 a.m.

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

- 1. CALL TO ORDER** *Mr. Bob Summers called the meeting to order at 9:00 a.m.*
- 2. ROLL CALL** *Present were: Mr. Bob Summers, Board Chairman; Mr. Jeff McLeod, Board Member; Mr. Jerry DeSantis, Board Member; Mr. Bill Whittington, Legal Counsel; Mr. Bob Busch, District Manager; and Isabel Yribe, Clerk*
- 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 loan documents in connection with the District's commitment to borrow approximately 3.4 million dollars to finance expansion of the wastewater treatment plant.**
  - B. Legal advice concerning an amendment to the Amended and Restated Development Agreement dated March 1, 2012, as amended, modifying the Developer Reimbursement provisions to consider the amount of additional revenue needed to repay any financing obtained in connection with a plant expansion.**
  - C. Legal advice concerning Rate and Budget Hearing and setting of tax levy.**
  - D. Legal advice concerning an amendment to the employment agreement with the District Manager.**
  - E. Legal advice concerning obligation to provide service to unplatted areas within the District.**
  - F. Legal advice concerning property owner unpaid bills.**

*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: 9:00 a.m.**

**RECONVENE INTO PUBLIC SESSION: 9:56 a.m.**

1. **CALL TO ORDER** *Mr. Summers called the meeting into order at 10:00 a.m.*

**2. ROLL CALL**

*Present were Mr. Summers, Board Chairman; Mr. Jeff McLeod, Board Member; Mr. Jerry DeSantis, Board Member; Mr. Bill Whittington, Legal Counsel; Mr. Bob Busch, District Manager; and Isabel Yribe, Clerk*

*Mr. Derek Scott was present in the audience.*

**3. CALL TO THE PUBLIC**

*Mr. Derek Scott reported on building a crane at one of the lift stations in order to maintain safety to himself and other workers while the pump motor is removed and rebuilt or replaced..*

**REPORTS**

**Reports from the Board**

**Report from District Manager** *Mr. Busch reported April's output to be 2,157,645 gallons which also translated into 71,921 gallons per day Mr. Busch stated that the District experienced four days over 80K gallons per day. He also reported that the District had 894 active connections while another 58 were pending. Pickleball courts and restrooms would be going in at Talking Rock Ranch with the Developer incurring the costs to connect to the sewer system. District. Mr Busch stated that NFP is currently working on pollution coverage as there was an issue with all of the easements being included in the policy. Whispering Canyon developer will be conducting a walk through of Phase 6 improvements on May 18, 2023 at 1:30 p.m. Mr. Busch also stated that Empire Cat has performed maintenance on all of the plant generators and the Derek Scott had arranged to have the yard at the plant cleaned up.*

4. **CONSENT AGENDA (Routine items that may be approved by one motion)** *Mr. Summers made a motion to approve the consent agenda. Mr. DeSantis seconded the motion. The motion passed unanimously without discussion.*

**Minutes of Meetings**

- **Minutes of Public Meeting- April 6, 2023**
- **Minutes of Executive Session –April 6, 2023**
- **Minutes of Special Public Meeting of April 14, 2023**
- **Minutes of Executive Session – April 14, 2023**
- **Minutes of Special Meeting – April 18, 2023**
- **Minutes of Executive Session – April 18, 2023**
- **Reimbursement to District Manager (\$12.26)**
- **FedEx – Contract signature to Santec -\$12.26**

**5. OLD BUSINESS**

**A Discussion and possible action concerning an amendment to the Amended and Restated Development Agreement dated March 1, 2012, as amended, modifying the Developer Reimbursement provisions to consider the amount of additional revenue needed to repay any financing obtained in connection with a plant expansion.** *Mr. McLeod gave a brief update on his meeting with Mr. Cole Johnson and Mr. Sterling Johnson regarding this matter. Mr. McLeod stated that it was likely the District would stick to the 21 year reimbursement schedule but would seek to modify the language in the Amended and Restated Development Agreement regarding developer lot fees and developer reimbursements. Mr. McLeod reported that he is waiting for a conversation with Mr. Peter Burger.*

**B. Discussion and possible action concerning budget line items for the 2023-24 proposed District Budget and setting of a hearing date for the Rate and Budget Hearing.** *Mr. Summers made notice of and requested that typos be corrected in the budget to Mr. Busch. The Board discussed the proposed budget in detail and proposed to change Line Item "Legal Fees" from \$65K down to \$45K. There was also a brief discussion regarding how the WIFA loan repayment would affect the budget. Mr. McLeod suggested that the Board publish the Proposed Budget and depending on clarification on information from Mr. Eric Ness, the changes could be made, therein. Mr. Whittington reminded the Board that the Budget could be changed by reducing the total amount but not by raising it.*

*Mr. Summers made a motion to reduce "Legal Fees" from \$65K to \$45K in the budget. Mr. DeSantis seconded the motion. The motion passed without further discussion.*

**C. Discussion and possible action concerning loan documents for a loan of 3.4 million dollars to finance expansion of the wastewater treatment plant.** *Mr. Busch stated that he would send a copy of the required documents to the Board before he sends them off to Mr. Bill DeHaan.*

*Mr. Summers made a motion to adopt the proposed resolution and that he be authorized to sign it. Mr. DeSantis seconded the motion. The motion passed unanimously without*

## **6. NEW BUSINESS**

**A. Discussion and possible approval of financial reports for March, 2023.** *Mr. Summers made a motion to approve the financial reports for March, 2023. Mr. DeSantis seconded the motion. The motion passed unanimously.*

**B. Discussion and possible action concerning an amendment to the employment contract with the District Manager.** *Mr. Summers made a motion to approve the employment contract for Mr. Busch and that it renews every year, thereafter. Mr. DeSantis seconded the motion. The motion passed unanimously without discussion. Mr. Summers made a motion that he be authorized to sign the employment contract between Mr. Busch and the District. Mr. DeSantis seconded the motion. The motion passed unanimously.*

**C. Discussion and possible action concerning the District's obligation to serve unplatted areas within the District.** *Mr. Summers made a motion that Legal Counsel proceed as instructed in the Executive Session. Mr. DeSantis seconded the motion. The motion passed unanimously.*

**D. Discussion and possible action concerning possible water intrusion into the sanitary sewer system.** *Mr. Derek Scott was present to discuss with the Board the possible way in which water, other than through connections, might be making its way into the plant. There was a brief discussion regarding possibly monitoring/recording water levels at different manholes throughout the district to try and determine if rainwater was the cause of higher numbers being processed. Mr. Whittington stated that he was aware of a letter being sent to residents of another District reminding them that it is illegal to connect drainage from their homes a sanitary system and owners illegally connected could incur fines from the Arizona Department of Environmental Quality.*

**E. Discussion and possible action concerning property owner unpaid bills.** *Mr. Summers made a motion to authorize Mr. Busch to work with Mr. Whittington in preparing a letter to the residents that are past due on their accounts with the District. Mr. DeSantis seconded the motion. The motion passed unanimously .*

**5. ADJOURNMENT**

Therefore, the meeting was adjourned at approximately 11:15 a.m.

\_\_\_\_\_  
District Clerk

\_\_\_\_\_  
Date