

ICR SANITARY DISTRICT

PO Box 1963 Prescott, AZ 86302

Regular Meeting

August 9 , 2022

Approved September 8, 2022

Date: Tuesday, August 9, 2022

Time: 1:00 p.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 1:00 p.m.*
- 2. ROLL CALL** *Present were: Mr. Bob Summers, Board Chairman; Mr. Jeff McLeod, 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 the Amended and Restated Development Agreement and the District's possible financial liability if subdivisions within the District expand beyond their current boundaries.**
 - B. Legal advice concerning infrastructure design defects in The Preserve at the Ranch.**
 - C. Legal advice concerning possible Request for Proposal for design & construction services for sludge processing equipment at the wastewater treatment plant.**

Mr. Summers' motion included adding item 6C. from the Public Meeting to the Executive Session.

Mr. McLeod 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: 1:03 p.m.

RECONVENE INTO PUBLIC SESSION: 1:45 p.m.

1. CALL TO ORDER

Mr. Summers called the meeting back into order at 1:45 p.m.

2. ROLL CALL

Present were Mr. Summers, Board Chairman; Mr. Jeff McLeod, Board Member; Mr. Bill Whittington, Legal Counsel; Mr. Bob Busch, District Manager; Eric Ness of Santec Corporation (by telephone); and Isabel Yrube, Clerk

Members of the public in attendance: Mrs. Jeanette Summers

3. REPORTS

Chairman's Report

Mr. Summers read the following: *I would like to congratulate Jerry DeSantis on his reelection. He is the only person filing for the position available this November. I look forward to the three of us finishing the work we have started. The plant expansion is critical as the building boom continues to rapidly add new homes to our area and increase the daily load on the sanitary district plant. Please review the ballot proposal by the ICRSD Board carefully, the alternatives to passing the authorization to borrow the needed funds are not attractive. Also, the landfill has quit taking our bagged dried sludge and we are working to find a solution. The Board will issue a bid request for a sludge dewatering system to reduce the expense of hauling our wet sludge for further processing to another facility. Thank you for your time.*

Manager's Report

Mr. Busch reported that the plant output for July 2022 was 2,329,730 gallons. He said that it averaged to approximately 75,152 gallons per day. Mr. Busch stated that there was one day in July at 101K gallon, and one day at over 90,000 gallons. Mr. Busch stated that there are currently 853 connections to the plant and 69 pending connections to the plant. Mr. Busch stated that a "stop payment" was placed on a check to Envirotech for \$19,615 issued in April, as it was lost in the mail. He said that the check was reissued. The check was later found in the grass underneath the mailbox. Mr. Busch stated that per the second amendment to the Restated Development Agreement, \$62,713 was transferred from the General Fund to the Restricted Account on July 15, 2022. Mr. Busch stated that a laboratory audit was conducted this morning by the Arizona Department of Health.

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

Meeting Minutes

- Minutes of Public Meeting- July 12, 2022
- Minute of Executive Session – June 9, 2022
- Minutes of Executive Session – July 12, 2022

Reimbursement to District Manager (\$475.01)

- GoDaddy- Domain Renewal (\$22.17)
- GoDaddy – SSL Renewal (\$94.99)
- Amazon – Conference Unit (\$357.85)

Mr. Summers made a motion to approve the Consent Agenda. Mr. McLeod seconded the motion. The motion passed unanimously without discussion.

5. OLD BUSINESS

- A. Discussion and possible action concerning engineering, permitting, construction or financing for treatment plant upgrades, expansion or replacement.** *There was a brief call placed to Mr. Eric Ness. It was discussed that an RFP was being planned to cover the design and construction of a sludge handling system for the plant. A notice must be published in the next week, with a deadline in early September. Mr. Summers stated that with the District's current funds, they might also consider looking at long lead items required for the plant expansion. The timeline required for the elections, WIFA funding and ordering would extend the plant expansion. It was discussed that the ADEQ permit should probably be obtained before any equipment is ordered. Plant expansion lead times, deadlines and assistance in finding sludge bag alternatives were discussed, therein. RFP parameters were also discussed. There was some discussion about possibly beginning the design for the plant expansion and ADEQ permitting asap. There would be an APP amendment application for the sludge equipment and another for the plant expansion. WIFA financing was also discussed, briefly. Mr. Ness stated that he could look into possible financing options with his banking contacts and communicate those to Mr. Busch.*

Mr. Summers made a motion to authorize Mr. Busch to work with Mr. Ness and report back to the Board by the next meeting. Mr. McLeod seconded the motion. The motion passed unanimously without further discussion.

- B. Discussion regarding District financial liability if sub-divisions within the District expand beyond their current boundaries.** *There was nothing to report on this agenda item at this time.*

6. NEW BUSINESS

- A. Discussion and possible action concerning Request for Proposal for design and construct service for sludge handling equipment for the wastewater treatment plant.**

Mr. Summers made a motion to approve the RFP to be published with the information required that Counsel has provided, including the appropriate timeline. Mr. McLeod seconded the motion. The motion passed unanimously without further discussion.

- C. Possible action concerning infrastructure design defects in The Preserve at the Ranch.**

Mr. McLeod stated that the District should establish a policy or procedure to notify owners within the Preserve of sewer connection requirements when they apply for a connection.

Mr. Summers made a motion to authorize Mr. Busch to work with Cheryl Ibbotson to establish the appropriate notifications. Mr. McLeod seconded the motion. The motion passed unanimously.

- C. Discussion concerning possibly scheduling a hearing with the owner of Chole Trail property concerning sewer line repairs.**

Mr. Summers made a motion to authorize Mr. Busch to offer an in person meeting with the owner of the Chloe Trail property. If an in person meeting cannot be made, Mr. Busch is

authorized to put the item on the next agenda for a possible hearing. Mr. McLeod seconded. Motion passed unanimously.

D. Discussion and Possible approval of June, 2022 financial reports *Mr. McLeod had concerns regarding the discrepancies of the Balance Sheet wherein the amount of monies were lower at the end of June 2022 than they were in May 2022 after several deposits were made into the Capital Account. Mr. Busch was instructed to work with Ms. Cheryl Ibbotson to remedy the discrepancies by the next board meeting.*

7. ADJOURNMENT

Therefore, the meeting was adjourned at approximately 2:35 p.m. .

Board Clerk

Date