

ICR SANITARY DISTRICT
PO Box 1963 Prescott, AZ 86302
Tuesday December 14, 2021

Approved January 11, 2022

Date: Tuesday December 14, 2021

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; Mr. Jeff McLeod, Board Member; Mr. Bob Busch, District Manager; Mr. Bill Whittington, Legal Counsel; and Ms. Isabel Yribe, Clerk*

Ms. Jeanette Summers was in the audience
- 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 unpaid user fees and unpaid bills for sewer lateral repair work.
 - B. Legal advice concerning a possible ballot proposal to allow the ICRSD to work with WIFA to finance the next plant expansion.
 - C. Legal advice concerning claim for sewer line damage repairs from Copper Tree Construction Group, LLC.
 - D. Legal advice concerning a claim from Yavapai Water Production for repairs on Wilderness Way.
 - E. Legal advice concerning an engagement letter from William DeHann, Bond Counsel.
 - F. Legal advice concerning forms for rejection of Workers' Compensation Coverage.

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: 1:01 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. Bob Summers, Board Chairman; Mr. Jerry DeSantis, Board Member; Mr. Jeff McLeod, Board Member; Mr. Bob Busch, District Manager; Mr. Bill Whittington, Legal Counsel; and Ms. Isabel Yribe, Clerk

Present in the audience were: Jeanette Summers, Derek Scott, Richard Troutte, and David McNamara.

3. CALL TO THE PUBLIC *There were no comments from the public at this time.*

4. REPORTS

CHAIRMAN'S REPORT *Mr. Summers read the following: Your ICRSD Board continues to move forward on the next sewer plant expansion. With the lengthy timeframes for funding, equipment delivery lead times and construction time, the decision on how to proceed needs to be made soon. Today the Board has an agenda item to review a Bond Attorney's engagement letter. The Board is taking this action to place an item on the November ballot so you, the ICRSD residents, can voice your opinion on funding the next plant expansion via a Water Infrastructure Funding Authority of Arizona (WIFA) low interest loan. Unfortunately, there are limited avenues to fund the next expansion, but the ICRSD Board will continue to investigate all options. I have reached out to the two parties providing plant expansion bids requesting options available to hold prices against inflation. I have received a response from one bidder and hope to hear from the other bidder soon. Thank you for your time.*

MANAGER'S REPORT *Mr. Busch stated that the plant output for November 2021 was 2,155,450 gallons. That translated into 71,848 gallons per day or 79.8% plant capacity. Mr. Busch stated that there are 772 active connections to the plant as of November 2021 and 89 pending connections. He stated that at the current rate of effluent per home, the plant will be at 89% capacity when the pending connections are completed.*

Mr. Busch stated that there were repairs on Secret Springs at a cost of \$1,300 and a line break on Harmony Lane for which we haven't received the bill yet. He also stated that approximately six manhole rings would have to be repaired. Mr. Busch expressed concern in not being able to contact Christopher Russell, the CPA working on the financial for Alyx Cohen and partners. He stated that the financial review is due to be turned in to Yavapai County by January/February.

Mr. Busch stated that the pond at the plant was tested and inspected by the engineering firm, and he is expecting the results soon.

Mr. Busch stated that he has received notice that two of the two certified letters demanding payment of past due amounts for user fees or repairs have been received by the customer, but we have yet to receive any payments for those accounts. Mr. Busch stated that Phases 6, 12, 13, and Sterling Ranch in Talking Rock and phase 5 of Whispering Canyon have been completed but the District has yet to receive any bills of sale per the Amended and Restated Development Agreement. There was a brief conversation amongst the Board regarding the timeframe in which the District would begin the repayments to developers. Mr. Busch stated that he would communicate with representatives of the developers and advise the Board.

5. CONSENT AGENDA

Minutes of Meetings

- Minutes of Public Meeting November 16, 2021
- Executive Session Minutes of November 16, 2021

Mr. Summers made a motion to approve the consent agenda with the corrections made to the Public Session minutes as discussed, herein. Mr. DeSantis seconded the motion. The motion passed without further discussion.

6. OLD BUSINESS

- A. Discussion and possible approval of Conditions of Use for Chino Valley Bible Church as meeting place for future District Board Meetings.** *Mr. Summers made a motion to approve the Conditions of Use for Chino Valley Bible Church as the meeting place for future District Board Meetings. Mr. McLeod seconded the motion. The motion passed unanimously without discussion.*
- B. Discussion and possible action concerning unpaid user fees and unpaid bills for sewer lateral repair work.** *Mr. Summers made a motion to authorize Mr. Whittington to proceed as instructed during the Executive Session. Mr. DeSantis seconded the motion. The motion passed unanimously.*
- C. Discussion and possible action on a ballot proposal to allow the ICRSD to work with WIFA to finance the next plant expansion.** *There was no action on this agenda item at this time.*
- D. Possible action concerning claim for sewer line damage repairs from Copper Tree Construction Group, LLC.** *Mr. Summers made a motion to authorize Mr. Whittington to proceed as instructed during the Executive session. Mr. DeSantis seconded the motion. The motion passed unanimously without discussion.*

7. NEW BUSINESS

- A. Discussion and possible action concerning treatment plant upgrades or replacement.** *Mr. Summers stated that JCH Engineering has stated that the enhanced SBR plant could meet a B plus rating for wastewater treatment. He stated that this matter could be discussed in the near future. Mr. McLeod stated that it should be discussed by the first quarter of 2022*
- B. Possible approval of financial reports for November, 2021.** *There was nothing to report at this time as the Board just received the financial reports during this meeting.*

DeSantis left the meeting during the following discussion and did not participate further in the meeting.

- C. Discussion and possible action concerning a claim from Yavapai Water Production for repairs on Wilderness Way.** *There was a detailed discussion among Mr. Richard Troutte, homeowner, Derek Scott, Plant Operator, and the Board regarding this matter. It was undetermined who was responsible for the cause for the repairs in question. Mr. Troutte stated that because he is at the residence for approximately nine months out of the year, flushing of the line was necessary and Mr. Scott and the Board agreed. Mr. Scott did state that the line was flushed out recently and had no problem flushing out the line in the future to prevent this from happening again. There was a brief discussion regarding a manner in which both homeowner and the District could arrive at a solution instead of a costly, unnecessary process. A T-riser was proposed by Derek Scott so that digging up lines could be avoided if possible, in the future. Ms. Jeanette Summers also proposed a T-riser could be added to existing properties once a service call was made to a residence. The Board stated that could be discussed in the future. Mr. Summers proposed splitting the amount owed to Mr. McClymonds. Mr. Troutte agreed to that offer by the Board. Mr. Summers made a motion that the District reimburse Mr. Troutte the amount of \$941.50 once both Mr. Troutte and Mr. McClymonds signed a form releasing the District from any further liability and presented it to the District. Mr.*

McLeod seconded the motion. The motion passed with both Mr. Summers and Mr. McLeod voting 'aye'.

- D. Discussion and possible action concerning District policy on periodic flushing of sewer lines.** *There was no action taken on this agenda item at this time. It was suggested by Mr. McLeod that residents receive a letter referencing what should not be put down the drains, at time of hook up to the Sanitary District.*
- E. Discussion and possible action concerning an engagement letter from William DeHann of Greenberg Traurig, LLP to act as Bond Counsel for the District.** *Mr. Summers made a motion to accept and the engagement letter from William DeHann to act as Bond Counsel for the District, and that he execute the engagement letter. Mr. McLeod seconded the motion. The motion passed with Mr. McLeod and Mr. Summers voting "aye".*
- F. Discussion and possible action concerning Employee Notice of Reject of Workers' Compensation coverage for Board Members.** *The Board members each signed the Notice to Reject the Worker's Compensation Coverage.*
- G. Possible casting of ballot in the ICR Water Co. election.** *Mr. Summers made a motion to nominate Mr. Mark Armstrong and Mr. Jose Sanchez in the ICR Water Co. election. Mr. McLeod seconded the motion. The motion passed with both Mr. McLeod and Mr. Summers voting "aye".*
- H. Possible approval for the Board Chair to meet with Talking Rock Ranch management.** *There was a brief discussion regarding the talking points that could be brought up to Mr. Jay Frank and Mr. Peter Burger of Talking Rock Ranch, LLC. Mr. Summers made a motion that he be approved to meet with Mr. Frank and Mr. Burger of Talking Rock Ranch, LLC. Mr. McLeod seconded the motion. The motion passed with both Mr. Summers and Mr. McLeod voting "aye".*

5. ADJOURNMENT

Therefore, the meeting was adjourned at approximately 3:30p.m.

Board Clerk

Date