

**TRI-CITY REGIONAL SANITARY DISTRICT  
REGULAR MEETING MINUTES  
January 29, 2019**

**Secretary Moreno called the meeting to order at 5:22 p.m. as President Buzan was absent due to a family emergency.**

**PRESENT:**, J.Chism, M.A.Moreno, S.Palmer, B.Tower, Legal Counsel, W. Clemmens, Legal Assistant/Clerk, R. Hadley, M.Krebs, P.E., PACE, F.Rosenfeld, Bond Counsel, Leo Valdez, Financial Consultant

**Public** – D.Cammack, D.Abbott, AZ Silverbelt, Supervisor T.Humphrey, J.Menlove, R. Jacques, J.Zache, F.Barcon, H.Farester, J.Spehar, J.Alexander, P.Jepson, J.Heatherly, C.Mills, R.Harris, D.Haye, G.L.Jones, G.Miller, R.Rocha, E.Salcido, C.Salcido, J.Bejarano, V.Bejarano, M.Mejia, B.Marshall, J.Twohey, G.Blacheter, M.Gaona, J.Stanneart, G.R.Harvey, S.Allison, W.Allison, J.Williams, B.Speer, B.Mares, C.Cooper, D.Farester, A.Gameros, J.Tarron, W.Newman, F.Rios, T.Howell, O.Guerrero, C.Miles.

- Item # 1      **Minutes of December 4, 2018 and January 15, 2019** – Approved by motion of J.Chism.,seconded by S.Palmer.
- Item # 2      **Treasurer’s report – Balance** in the District Account as of December 31, 2018. \$287,371.14
- Item # 3      **Status re Request from persons owning property within the area of Vertical Heights** requesting that TRSD exempt their properties from taxation -Attorney Clemmens stated he was concerned that the new Board might not wish him to continue. Mr. Marshall pointed out that decisions made by the prior Board should carry forward. The Board agreed by consensus and directed Attorney Clemmens to continue the process.
- Item # 4      The Hearing on the Sufficiency of the Protest** was closed by action of the TRSD Board on January 15, 2019. Following that action a motion was introduced to take action, finding that the Protests received by TRSD were insufficient. The motion was tabled due to a tie vote. The Board will consider a motion to remove from the table the motion to determine the adequacy of the Protests which was tabled at that meeting. No one moved to remove the table therefore no action was taken.
- Item # 5      **Update on Status of Negotiations with TRSD, Town of Miami and City of Globe** concerning the DMAs for the region – M.Krebs reported that the 3 entities had met and were negotiating boundaries and Intergovernmental agreements with the assistance of CAG
- Item # 6      **Possible decision and direction to staff concerning the handling of Public Information Requests-** Attorney Clemmens reported that copies can be obtained for a cost of \$10.00 per month requested. H.Farester noted that he had only asked to see the information and was told there wasn’t 1 spot where it could be accessed.
- Item # 7.      **Work required to improve public relations** – e.g. Facebook, modification(s) to the Website, use of a freelance reporter – M.A.Moreno reported that T.Thayer could develop a Facebook page for the District and link it to both TRSD websites. J.Chism moved to add a Facebook presence but delay exploring for a freelance reporter, seconded by S.Palmer and carried.
- Item # 8      **Signatory Change on the TRSD Account** – J.Chism moved that Robert Zache be removed from the TRSD Account with the Gila County Treasurer’s Office and that Malissa Buzan be added to the account as his replacement at President of the Tri-city Regional Sanitary District, seconded by B.Tower and carried.
- Item # 9      **Payment of Bills:**  
T.Thayer submitted a bill in the amount of \$ 62.50 for Website services through December 31,2018. Approved for payment by motion of J.Chism, seconded by B.Tower.  
Arizona SilverBelt submitted a bill in the amount of \$3,929.34 for publication of the Notice of Intention. M.A.Moreno noted this was a ratification of a payment already made. Approved by motion of S.Palmer, seconded by J.Chism.  
Samuel Accounting Service submitted a bill in the amount of \$ 62.00 for services through December 10, 2018. Approved for payment by motion of S.Palmer, seconded by J.Chism.  
The Gila County Recorders Office submitted a bill in the amount of \$2,280.45 for Recording/Voter Ser-

**TRI-CITY REGIONAL SANITARY DISTRICT**  
**REGULAR MEETING MINUTES**  
**January 29, 2019**

ices. Approved for payment by motion of J.Chism, seconded by B.Tower.  
Gila County Department of Elections submitted a bill in the amount of \$ 991.50 for expenses incurred  
In the General Election of November 8, 2018. Approved for payment by motion of J.Chism, seconded by  
S.Palmer.

Item #9 cont.

M.A.Moreno submitted a request for reimbursement in the amount of \$142.49 for attendance at the CAG  
Headquarters regarding the Region's DMAs. Approved for payment by motion of J.Chism, seconded by  
S.Palmer.

Attorney Clemmens submitted a bill for services rendered during the month of December in the amount  
of \$6,656.81. B.Tower asked if this was a normal or expected bill. Approved for payment by motion of  
J.Chism, seconded by S.Palmer.

Graffiti Graphics & Printing, Inc. submitted a bill in the amount of \$1,040.55 for mailing postcards in Oct-  
ober, 2018. Approved for payment by motion of S.Palmer, seconded by B.Tower.

PACE submitted a bill in the amount of \$39, 509 for services and expenses incurred in conjunction  
with the Notification of Intention and posting of those signs along the proposed route of the waste-  
water infrastructure and removal of same. Approved for payment by motion of S.Palmer, seconded  
by B.Tower.

Item # 10

**Call to the Public –**

Ernest Salcido – We should have been allowed to vote.

You were allowed to vote by submitting a protest to TRSD as per the State of Arizona guidelines  
that TRSD followed.

Rita Rocha – Why put the plant between Solitude and the hospital. Why not Burch – less population  
Water runs downhill; Bigger plant than CVCH had – what's the rationale?

There is currently no definite location set for the TRSD WRF. TRSD is currently in negotiations  
for potential WRF and lift station locations. An example of a proposed location was illustrated by a  
rendering called "TRSD Water Reclamation Facility (WRF) Rendering Flyover" located on-line at  
<http://trsdwastewater.org/maps/>. It is believed this facility will be a minimum of 1200 ft. away from the  
hospital and Russell Road, which exceed the ADEQ requirements.

If operated and maintained properly, smell from the plant should not be an issue. Typically, the culprit  
of a facility that smells is septage receiving. The TRSD plant will not include a septage receiving facility  
Although the new WRF will not have full odor controls, it will be designed with an open treatment  
process, process ventilation and odor, noise and aesthetic controls. The facility will have to meet  
ADEQ setback requirements assigned to facilities with "No Noise, Odor or Aesthetic Controls" A  
setback is the minimum distance that the treatment facility must be set back from other properties.  
With an ultimate build-out of 0.65 MGD, the noise, odor and aesthetic setback requirement is 750 ft.  
Reference relocating the plant to the north, in the parcel between Russell Rd. and Miami Gardens, as  
well as the site on the west side of Hwy 188 – both sites are almost completely within the 500 year  
floodplain. We know this because we looked at 10 different sites for a possible WRF location. USDA  
does not like building critical facilities within a floodplain.

The question regarding gravity vs. pumping has been addressed in the PER, Attachment A (<http://trsdwastewater.org/documentation>) but all flows will go by gravity to a lift station regardless of the location.

Globe and Miami are both collecting their flows by gravity and then pumping to their treatment plants.

Gene Miller – Time Period for budget items to be considered re loans and such.

If the question is 'what would happen to the funding if the project dies or is stopped'? Our under-  
standing, based on USDA-RDs previous response to this question is the funds will go back to the  
USDA-RD National Office pool of funds. There is a great demand for the funding, especially the  
Grant funding throughout the US. As a result, the funds would be sent back to Washington and  
redistributed to other projects.

Gary L. Jones – Fees; District Boundaries (are we in the District); will we be taxed even if we don't  
receive services?

Our understanding is that your property is located off Russell Rd. south of the TRSD boundary. If  
this is accurate the answer to your question is not. You should be able to review your Gila County  
Tax bill to determine if you are currently paying taxes to TRSD.

Dana Hays – Service is coming to property LINE but not my house, why am I still subject to tax?  
Perhaps acreage property should be exempt. Based on a response by USDA-RD to a similar  
concern, the connection from your house to the proposed line and abandonment in place of the

**TRI-CITY REGIONAL SANITARY DISTRICT**  
**REGULAR MEETING MINUTES**  
**January 29, 2019**

existing on-site system will be made at not cost to you, the homeowner, regardless of the length of the service line.

Jay Spehar – Would like to see the Board revisit this; can't the District use existing structures; Go back to the USDA and apply pressure for greater percentage of grant amount. m

Complete evaluations of all viable alternatives for this project has been assembled and completed according to the USDA-RD guidelines under RUS Bulletin 1780-2. TRSD has been working on this project since 2011 and engaged PACE (Engineer) in 2012/13. Multiple Preliminary Engineering Reports (PERs) have been submitted due to changes in criteria and to answer questions presented by USDA-RD engineers, concerning alternatives considered and project phasing. In addition, the Miami engineers advised TRSD in writing that the existing Miami lift station and force main to the treatment facility does not have sufficient capacity of pump the flows from TRSD Phase 1. Therefore, the Miami alternative would still require TRSD to construct our own lift station force main. The Miami engineers confirmed that conclusion. Having said that, there are some areas that, due to proximity to the Miami infrastructure, it does not make sense for TRSD to run parallel lines. The locations include Mill St., Dairy Canyon as well as Gordon St.. TRSD is currently working on this transition with the Town of Miami to serve these customers.

The final Phase 1 PER (in coordination with USDA-RD) considered the alternative of using Miami's existing infrastructure and extensive efforts were made to enter into a fair, cost-effective Intergovernmental Agreement (IGA) with Miami. The TRSD Board and Staff have worked diligently for over three years through numerous communications and meetings to develop an acceptable agreement, but the TRSD proposed terms have been rejected by Miami. After countless hours working on developing fair terms and submitting a draft agreement to Miami, TRSD received a response letter from Miami stating they did not have time to read the proposal and asked TRSD to start negotiations over in three years. TRSD, at that time, needed to move forward with the project.

Furthermore, USDA-RD requires an in-depth review of possible alternatives and comparison of a 20-year Life Cycle Cost (LCC) within the PER. For purposes of evaluating the Miami alternative, TRSD was only able to obtain estimated costs of operating the Miami WRF from the Town's Engineer and a proposed cost to buy the capacity needed to be able to treat its flows. With all provided information considered, a review of a 20-year LCC analysis indicates that it is \$1 million less expensive to construct a new TRSD facility versus sending flows to Miami. A more extensive analysis was performed to review the costs for Phase 1 and Phase 2 that estimates at \$2 million savings in direct costs to construct a new TRSD facility versus sending flows to Miami.

USDA-RD requires using received loan funds on a project prior to being able to access the grant money. Even if sending Phase 1 flows to Miami would be a reduction capital costs, any savings would not reduce the loan and/or the loan payments. The grant funds would be reduced. Additionally, based on the Town's Engineer statements of treatment cost, the overall monthly rate to TRSD customers would be about \$10/month higher, although true cost is still unknown. There is no cost benefit to the residents and businesses of TRSD to have Miami treat TRSD wastewater. Considering the Miami alternative includes no reduction in debt, a likely higher monthly rate to customers and presents more unknown factors with less TRSD in put and control over what its customers are charged, it seems there is little justification for recommending the Miami alternative.

Additionally, regarding asking USDA-RD for a higher percentage of grant, Jeff Hays of the USDA-RD stated "the debt and grant structure for any project (and possible phases) is based on several factors for each community to ensure their rates are appropriate and similar to neighboring and similar systems. In this case, TRSD's combined debt service and operational rates equate closely to those of Miami's resulting in the approved debt and grant funding of approximately 42% loan to 58% grant. Furthermore, the current WEP program goals minimizes the amount of grant funding whenever possible and USDA-RD local staff fought hard to secure the level of funding TRSD received." Please reference the USDA-RD Executive Project Summary online at <http://trsdwastewater.org/documentation/> In short, TRSD has pushed numerous times to ensure we are getting the best grant package possible and the answer has been consistently the same in reference to this grant funding. The local USDA-RD office successfully pushed the National Office to a higher grant than they had wanted to award.

Miami's 80% grant was made during a previous period when the ARRA funding was in place for 'shovel ready' projects. Conditions today are different and it is our understanding that the nearly 60% Grant is better than most projects are receiving.

Ralph Harris – where is the plant going to be?

**TRI-CITY REGIONAL SANITARY DISTRICT**  
**REGULAR MEETING MINUTES**  
**January 29, 2019**

The actual plant location is to be determined, but the general location is between the hospital and the Solitude tailings west of Russell Road. See the answer above for more details.

Clay Mills – have you driven / seen my street?

Yes, but please understand that detailed, final engineering work remains to be completed.  
Specific issues will be addressed.

- Item # 11 Update list of addresses for e-mail notices of meetings and agendas – please make sure Roxie has your e-mail address
- Item # 12 **Date, Time and Location of the next meeting – Monday, February 11, 2019 at 5:15 p.m. at the IBEW Hall**
- Item # 13 Consideration and Motion to adjourn the regular meeting to a Work Study Session – deferred until the next meeting to give Board members the opportunity to review the material more thoroughly.
- Item # 14 Meeting adjourned by motion of S.Palmer, seconded by B.Tower and carried at 6:01 p.m.

DRAFT