

TRI-CITY REGIONAL SANITARY DISTRICT

REGULAR MEETING MINUTES

June 14, 2021

The meeting was called to order by President Jacques at 5:34 p.m.

- Item # 1. Call to order: 5:34 p.m.
- Item # 2 Pledge of Allegiance was led by R.Jacques
- Item # 3 Roll Call - D.Buzan, M.Buzan(via Zoom), R.Jacques, M.A.Moreno, M.Harper, Counsel for the District
Others - M. Krebs, P.E., PACE, L.Valdez, Financial Advisor(via Zoom)
Public - D.Farester, H. Farester, T.Werner
- Item # 11 R.Jacques asked to modify the agenda to allow L.Valdez to present early in order to meet a family obligation. Approved by consensus
L.Valdez is working on the WIFA application, meeting weekly with WIFA staff and T.Stratton. Tomorrow a conference call with the Attorney for PACE, T.Stratton and M. Harper at 3:00 p.m. Arizona Time is scheduled to address a couple of final elements of the application
L.Valdez explained that, in answer to the question of the amount of the WIFA Loan, the loan is for \$5.5 million but pointed out that it actually works like a line of credit in that the amounts are loaned based on the immediate need, and that the entire amount may not actually be needed.
M. Krebs noted that this situation is caused by the rules that USDA requires the District to follow with respect to financing these projects.
- Item # 4 Call to the Public:
No Response
- Item # 5 **Minutes** of the May 10, 2021 Regular meeting were approved by motion of D.Buzan, seconded by R.Jacques (4-0)
- Item # 6 **Financial Reports** -Gila County reported \$344,823.26 in the District account as of May 31, 2021. K.Samuel submitted the Profit and Loss Statement for the month and year to date, the Balance Sheet and the budget spread sheet. M.A.Moreno moved the report and financial statements be accepted and filed, seconded by R. Jacques and carried 4 - 0
- Item # 7 **Payment of Bills:**
I.N.C. -submitted a bill in the amoun of \$955.00 for General Liability coverage. Approved for payment by motion of M.A.Moreno, seconded by D.Buzan. (4-0)
Ted Thayer submitted a bill for Website services for the month of May in the amount of \$75.00 Approved for payment by M.A.Moreno, seconded by D.Buzan
Henze Cook Murphy submitted a bill in the amount of \$9.842.00 for services associated with Procurement issues. Approved for payment by M.A.Moreno, seconded by D.Buzan
Harper Law submitted a bill for General Representation in the amount of \$7,989.45. Approved for payment by motion of M.A.Moreno, seconded by D.Buzan.
Harper Law submitted a bill for Project related services in the amount of \$10,972.08. Approved for payment by motion of M.A.Moreno, seconded by D.Buzan.
Robert Jacques submitted a Request for Reimbursement, with receipts, for Project related expenses in the amount of \$131.77 Approved for payment by motion of

TRI-CITY REGIONAL SANITARY DISTRICT

REGULAR MEETING MINUTES

June 14, 2021

D.Buzan, seconded by M.Buzan.

iBEW submitted an invoice in the amount of \$225.00 for 3 meetings. Approved for payment by motion of R.Jacques, seconded by D. Buxan.

- Item # 8 To approve the Proposed FY 2021/2022 Budget and Tax Levy in accordance with Arizona Revised Statutes 48.2026(c) and certify said figures for submittal to the Gila County Financial Officer and the Gila County Board of Supervisors. M.A. Moreno moved to approved the budget as published, seconded by D.Buzan and carried 4-0.
- Item # 9 **Update on status of Contract with PACE** -The TRSD Board had approved the contract at the last meeting contingent on approval of the USDA. M.Harper had made some changes to the agreement that made it more favorable to the District. Because the document didn't follow the USDA contract language it will need to be reviewed by the Office of the General Counsel of the federal government. M.Harper felt the District's interests needed to be protected and didn't feel the changes he recommended changed the material basis of the contract.
- Item # 10 General Liability Policy - the Policy ran out on June 5; the broker was ill so the renewal process was chaotic. The policy was renewed but it doesn't meet USDA requirements so R.Jacques is exploring other offerings that meet USDA guidelines.
- Item 12 **Responses to questions raised at the meeting on May 10:**
Possible financial obligations related to the PER - Response - The Heading of the Section refers to 'Existing Facilities" The District has no facilities at this time.
What portion of District will pay for the work in Phase 1? The work on the system for Phase 1 will be billed to those residents but the portion that will benefit the entire District will be allocated across the entire District.
Questions posed by Mr. Bradford regarding system design - No system can be totally dependent on gravity although that might be the ideal; it is never totally possible.
- Item # 13 Executive Committee Meeting
- Item # 14 Session not held
- Item #15 Announcements - The Board will be meeting with the Gila County Board of Supervisors on June 29 at 10 a.m. at the Board of Supervisor's Meeting Room.
- Item #16 Next Regular meeting - July 12, 2021, at 5:15 p.m. at the IBEW Hall
- Item # 17 D.Buzan moved the meeting be adjourned at 6:29 p.m, seconded by R.Jacques and carried.

TRI-CITY REGIONAL SANITARY DISTRICT
REGULAR MEETING MINUTES
June 14, 2021

Minutes of the Meeting of May 10, 2021 were approved by motion of __, seconded by __ (3-0)

Item # 5` **Call to the Public -**

Item # 6 Presentation of the proposed 2021-2022 Budget - R.Jacques discussed the elements of the proposed budget with respect to the assessed valuation of the District and the potential impact on individual taxpayers.
R.Jacques moved to publish the proposed budget in the Arizona SilverBelt, seconded by M.A.Moreno and carried. (3-0)

Item # 7 M.Harper and R.Jacques met with M.Krebs on April 26 to discuss the financial issues with respect to the Phase 1 scope of work and costs thereby associated for the design engineering. The proposed agreement has been sent to the Board, M.Harper and J.Hays of USDA-RD. They will review and comment.
The plan is to have the Board review, hold a special meeting on May 21 to comment on, review and possibly approve the contract

Item # 8 **Status of Bridge Loan Application - \$5.5 Million** covers the Design portion to take the project through to bid documents and the pre-construction. This loan will not add funds to the project but will be covered by the \$12 Million from USDA. L. Valdez reported the District had been approved on the Priority List, and is now eligible to apply for the Loan. L.Valdez will work on the check list for the application.

Item # 9. Status of Potential agreement with PACE related to the payment for TRSD Phase I Pre-engineering studies required to prepare the PER and receive the letter of conditions.

Item # 12` R.Jacques asked to combine Items # 9 and 12
Update on PACE claim for prior fees incurred - this is a separate issue than the contract previously discussed. PACE has claimed approximately \$950,000 is expenses for Phase I work performed - it has been reviewed by USDA and found reasonable. The District is in negotiations to address this issue.

Item # 10 Status of the Public Review and Comment Period -TRSD/Globe/Miami WQMP - Plans were provided and the comment period began on March 31. As of last week, no one has asked to review the documents. Review period ends on May 15. A Public hearing is scheduled for May 19 at Globe City Hall.

Item # 11 **Status of de-Annexation of Miami Gardens** - M.Harper's office has prepared the

**TRI-CITY REGIONAL SANITARY DISTRICT
REGULAR MEETING MINUTES**

June 14, 2021

petition and is working with Assessor's staff on the parcel numbers and boundaries.

Item # 13 Status of discussion with BHP on the location of the Wastewater Reclamation Facility
A meeting is scheduled with BHP staff on May 19 to move this issue forward.

Item #14/ 15 An Executive Session was not required.

Item # 16 Announcements - The Water Quality Management Plan Public Meeting on May 19 will be held at the Globe City Hall. Time will be published

Item # 17 Items for the future Regular Meeting Agenda:
Which portions of the District will be paying for the work in Phase I
Clarification regarding a reference to the financial obligations of the District in the PER

Next Meetings: Special Meeting May 21, Public Hearing on the Budget for 2021-2022 on June 2 and the Regular Meeting will take place on June 14.

Item # 18 M.A.Moreno moved to adjourn the meeting at 6:26 p.m., seconded by R.Jacques and carried, (3-0).