

**TRI-CITY REGIONAL SANITARY DISTRICT
SPECIAL MEETING
MONDAY, August 26, 2021**

President Jacques called the meeting to order at 7:02 p.m.

The **Pledge of Allegiance** was led by President Jacques

Roll Call: D. Buzan (absent), M. Buzan (present by telephone); R. Jacques (present); Cameron Farr (present); M.A. Moreno (absent)

Present: In Person - M. Harper, District Counsel, H. Farester, T. Werner, M. Krebs, PACE, T. Stratton

Via Zoom – L. Valdez

1. **Status of WIFA re TRSD Phase I Engineering.** Robert Jacques called the point to order. Tim Stratton reported that WIFA had its Board meeting regarding the District's loan application and there was unanimous board approval for the loan. There were very positive comments from the Board members regarding the need and the impact of the project. Loan documents were reported to be coming in soon. Leo Valdez commented that the loan was for \$5.5 million with 1 percent interest. Robert Jacques commented that there was strong support from the chairman of the WIFA board, who is also the chair of ADEQ. Robert Jacques also reported that there had been substantial support from Fernando Shipley, another WIFA board member and the former mayor of Globe.

2. **Phase II and III.** Mike Harper presented a proposed contract amendment to the District board which would combine the Phase III PER work with the existing contract between PACE and the District for the Phase II PER work. Mike Krebs reported that only Phase III was added to the contract. Mike Krebs explained that the timing is right with USDA, which had suggested the combination of the two phases. Robert Jacques asked when the work would be completed. Mike Krebs estimated that work would likely be completed by mid-October. The documents would then be referred to USDA for review. Mike Krebs estimated that the USDA approval timeframe would be likely three to four weeks. Robert Jacques suggested that a possible estimate would be approved by mid-November and Mike Krebs agreed and explained that, once approved, there would be a letter of conditions issued by USDA. Leo Valdez indicated that the letter of conditions requires USDA to obligate the funding. Question was asked from the public whether this work would be completed by 2021. Robert Jacques explained that the documents will be submitted to USDA in 2021. Leo Valdez also indicated that there may be Colonia grant monies available for the work. Robert Jacques asked when the letter of conditions might be issued. Leo Valdez indicated that he would anticipate a letter of conditions in early 2022. It was pointed out that USDA will likely have questions

regarding the project and Mike Krebs will need to be able to answer those questions. Harley Farester asked if the ratio of the loan to grant monies would be the same. Robert Jacques indicated that the board did not have that information yet. Leo Valdez indicated that this would be driven by the median household income in the area and that there are many formulas that will be utilized. Mike Krebs concurred that there are many factors which play into this issue.

A motion was made to enter into the contract amendment by Cameron Farr. Malissa Buzan seconded. Robert Jacques called for the vote. The Motion carried 3-0.

- 3. Status of Phase I Engineering Services.** Mike Krebs provided a presentation of the status of the Phase I Engineering. He reported that, starting Monday, the survey company is setting targets for the aerial. This process takes approximately 4-6 weeks to take the data and convert it into drawings that can be utilized. After the survey of targets, they will then turn to gas and water company information. This process will involve updating information where there may be conflicts. Geotech is under contract and they will be on site, but PACE does not have that precise date at this time. Mike Krebs indicated that they have met with the railroad company, water company and gas company. These entities are going to be forwarding NDA agreements to be reviewed. The gas and water companies offered to make themselves available if needed. Mike Krebs also reported that they met with the County regarding a number of issues, including on-site issues. Mike Krebs reported that they will be meeting with BHP as well. There will be a list generated of local businesses in Phase I to reach out regarding what will be going on with the project. He also reported that an article has been placed in the Arizona Silver Belt. T. Werner asked where the project will start. Mike Krebs clarified where the project would begin and end. Robert Jacques asked when the District might have construction ready bid documents. Mike Krebs stated September of 2022.

Mary Ann Moreno arrived at the meeting.

- 4. Scheduling any Issue Relating to Next Meeting.** It was reported that the next meeting is September 7th, the Tuesday after Labor Day.
- 5. Adjournment** M. Moreno moved to adjourn the meeting. The motion was seconded by Cameron Farr. The motion passed 4-0.