

**TRI-CITY REGIONAL SANITARY DISTRICT
REGULAR MEETING
FRIDAY, March 24, 2023**

1. **President Jacques** called the meeting to order at 5:15 p.m.
2. The **Pledge of Allegiance** was led by Timothy Stratton
3. **Roll Call:** M. Buzan (Z); R. Jacques; C. Farr (Z); M. Harper, District Counsel; Tim Stratton, Bond Counsel

Public: H. Farester, T. Werner, J.L. Stannert

4. **Approval of Minutes** – Regular Meeting Minutes of February 21, 2023, were approved by M. Buzan, seconded by C. Farr – 3-0
Executive Session Meeting Minutes of January 17, 2023, were tabled until next meeting
5. **Financial Report.** R. Jacques conveyed that the Gila County Treasurer’s Office reported the balance of the District’s account at the end of February, 2023, as \$421,413.81.
6. **Payment of Bills.** The follow bills were presented for potential approval:

Name	Reason	Amount
Robert Jacques	Travel, printing and conference	\$1,091.55
AVIX Accounting, LLC	One-Time Accounting Fees	\$4,248.00
AVIX Accounting, LLC	Recurring Accounting Fees	\$828.00
Harper Law Offices, PC	General Legal	\$3,386.13
Harper Law Offices, PC	Project Legal	\$5,587.75
Harper Law Offices, PC	Rights of Way/Easements Legal	\$3,677.10
Harper Law Offices, PC	Phases II/III Project Legal	\$108.15
Stratton Law Firm	Phase I	\$12,792.50
Stratton Law Firm	General	\$5,227.50
IBEW Building Corp.	Room Rental	\$300.00
HeinfeldMeech	Audit Fees	\$6,250.00
Cameron Farr	Website Fees	\$273.33

Motion to approve payment of bills by C. Farr. Seconded by M. Buzan. Vote passed 3-0.

7. **Board Member Duane Buzan.** R. Jacques reported that D. Buzan took his oath of office on March 23, 2023, at Fernando Shipley’s State Farm office. The Oath of Office has been delivered to the Gila County Elections Dept.
8. **TRSD Conflict of Interest Policy.** R. Jacques noted that he wished to discuss a modification to the recently approved Conflict of Interest Policy and a possible division of that Policy into two separate policies: One policy that relates to conflicts of interests

regarding employment, and a second that relates to vendors and compensation for board members and employees. The second policy would be required to be re-examined every 12 months. R. Jacques stated he would also like to address issues relating to minor favors regarding minor purchases. M. Buzan questioned whether the issue has been run by Board counsel. M. Harper reported that it is easy to split the policies. When it is brought back before the Board, M. Harper indicated that the applicable statute will have to be reviewed to determine compliance. M. Buzan indicated that a policy with clear divisions may be preferential. R. Jacques indicated that this matter will be brought back before the Board for the next Board meeting. No action was taken.

- 9. WIFA Phases II and III Loan Applications.** R. Jacques provided an update regarding the status of the WIFA Phase II and Phase III Design Loans. The loan application for Phase II is in the amount of \$3,800,000.00 and Phase III is \$4,000,000.00. R. Jacques reported that he and T. Stratton attended the WIFA meeting in Tucson on the previous Friday. The WIFA Board approved both loans. T. Stratton reported that he was informed that loan documents will be delivered on Monday. Possible approval will be presented to the Board on the April meeting and this item will need to be placed on the agenda. T. Stratton reported that there were positive comments from WIFA Staff and the new WIFA Board. There were no questions and the applications were approved based upon their own strength and staff recommendation. R. Jacques stated that there was appreciation from staff re TRSD's attendance. R. Jacques noted that funding cannot be accessed until USDA-RD has issued its Letter of Conditions (LOC). M. Buzan asked what timeline is on the LOC. R. Jacques responded that Loretta Orona is working on the last parts of the LOC package. There was a late-requested submission re finances, which was responded to. He is hoping the underwriting will be done next week. The package first goes to Michael Dean for review then works its way to the national office. R. Jacques reported that he is hoping for an answer by the end of April or the beginning of May.
- 10. Engineering Contract between TRSD and PACE for Phases II and III.** M. Harper explained that he has reviewed both contracts with PACE and requested some changes. He explained that the contract was very similar to the Phase I contract, which had already been thoroughly reviewed and approved. Harper reported that formal approval of this document is not immediately required, as the District is awaiting approval of the Phases II and III LOC. As such, the matter will be brought back before the Board at a future meeting.
- 11. Consideration of WIFA Pay Requisition #15.** R. Jacques reported that the pay requisition is in the amount of \$91,721.89. The breakdown of this amount is as follows: \$26,170.24 to PACE for current work on Phase I engineering; \$945.00 is a credit to WIFA based upon Harper Law Offices Invoices from August 21, 2022. The auditors identified \$945.00 in Phases II and III charges which were billed towards Phase I. These costs will be tracked and recorded when Phase II funding is received. \$64,606.65 are Harper Law Offices reimbursable amounts coming back to TRSD for work done on Phase I and easement

acquisition for Phase I. M. Buzan moves to approve Pay Requisition #15. C. Farr seconds. Vote passed 3-0.

12. Consideration of Potential Agreement with Debra Patton re Phase I Services. R. Jacques reported that there was a typo in the agreement circulated to the members of the Board and that the TRSD address on the agreement should be changed to its post office box. He noted that the agreement addresses efforts to be provided regarding private easement acquisitions, an upcoming renewal of TRSD's SAM account, the development of a written procedure to update the SAM account, and a vulnerability assessment and emergency response plan for the system. R. Jacques noted that the fees are spelled out in the agreement. C. Farr moved to approve. M. Buzan seconded. Vote passed 3-0.

13. Consideration of Possible Agreement with PACE re TRSD Website. R. Jacques indicated that he would like to table the matter to the next meeting. R. Jacques inquired as to the status of website key information to be transferred to PACE. C. Farr indicated that it was in his possession. R. Jacques stated that he would like M. Harper to review the contract at issue. C. Farr indicated that he had no comments regarding the agreement and stated that he believes that PACE is the best suited to manage this. C. Farr stated that the District may want to consider a vendor who can manage payments as well. R. Jacques stated that PACE has raised the same issue. R. Jacques stated his belief that the site needs to be in place now. The matter was tabled until the next meeting. R. Jacques encouraged C. Farr to continue to raise his concerns regarding the matter.

14. TRSD Public Officials Management and Employment Practices Liability Insurance. R. Jacques reported that he started the process of renewing the policy or locating a potential new provider approximately 90 days ago. He received a quote for the next calendar year of \$5,760.62 from the current provider. This amount went up from the prior year because the District made more money and the rates increased. R. Jacques also reached out for a quote from Selective Insurance, the provider of the District's automotive coverage. The bid for the E&O coverage from Selective was only \$527.00. As such, R. Jacques directed Selective to bind the coverage. R. Jacques indicated that the District's automotive coverage does not expire until June. The charge to cover the E&O insurance in the meantime is approximately \$110.00. Jacques asked for a motion to approve binding of public officials E&O with Selective Insurance. C. Farr moved to approve. M. Buzan seconded. The vote passed 3-0.

15. Respond to Call to Public raised at 2/21 Board Meeting and Question Receive by E-mail.

i. **What will expected assessments and O&M costs be for Phase I?** R. Jacques reported that this information will be provided as soon as it is subject to computation. The District is currently in the process of working with USDA-RD and preparing to go out with a construction contract and a procurement package for the WRF process unit. To do so, the District is required to comply with the LOC –

approximately 12 items, one of which is to develop current O&M development and assessment costs. This will play into final charges. H. Farrester asked if the loan is fixed. R. Jacques responded that it is fixed at 12 million. Jacques reported that EDUs are then needed to evaluate the amount of the loan payment. R. Jacques indicated that this item was addressed at the January meeting.

- ii. **When will office be available to access records?** R. Jacques explained that a policy will be presented regarding public records requests later in the meeting. He also explained that the forms for such requests are available on the District's website. The presence/absence of an office does not prohibit requests for records. M. Harper explained that any in-person inspection of records requested in accordance with the TRSD PPR Policy would be scheduled in advance at a location to be determined.
- iii. **Will the site be disclosed at the next meeting?** R. Jacques responded that issues relating to site location could not be disclosed due to a non-disclosure agreement. H. Farrester expressed his concern that the site could be close to his house. R. Jacques again indicated that NDA requirements unfortunately preclude discussion at this time.
- iv. **Who can stay for executive sessions?** M. Harper cited and read from ARS 38-431(2) and, in particular, the language pertaining to ability of persons who are necessary to the Board to attend executive sessions.

16. Consideration of PRR Request Policy. R. Jacques confirmed with all Board Members that the policy was received. R. Jacques stated his only question was on page 2, relating to review of records at the District's office. M. Harper indicated that, until such time as the District has an office, the requested records could be reviewed in person at a location to be determined. M. Buzan moved to approve the policy. C. Farr seconded. The vote passed 3-0.

17. Call to Public.

- a. JoLee Stannert noted that the time of the meeting had changed so that Duane Buzan could attend. Asked:
 - i. If there is there a policy in place regarding how many meetings Board Members are required to attend?
 - ii. Why does the District need a new website?
 - iii. Requested the oaths of office for all five members.
- b. Harley Farrester asked the following questions:
 - i. Are the Arizona Statutes the same for everyone?
 - ii. Why are we not using the office?
 - iii. Where is the office going to be?
 - iv. Where are records being kept?
- c. Tom Werner asked:
 - i. Is PACE running the website a conflict of interest?
 - ii. What will PACE charge?

18. Executive Session. No executive session was held.

19. Items discussed in executive session. None.

20. Announcements. C. Farr announced that there would be a Wings of Hope Car Show the day following the meeting. Vehicles will arrive at 7:00 a.m. and the show will go into the afternoon.

21. Schedule any Topic. R. Jacques reported that the next meeting will be April 21, 2023, at the IBEW hall at 7:00 p.m. T. Stratton indicated that the WIFA resolutions should be on the agenda for that meeting.

22. Adjournment. M. Buzan moved to adjourn. C. Farr seconded. Vote passed 3-0.