

TRI-CITY REGIONAL SANITARY DISTRICT
Regular Board Meeting Minutes
December 16, 2024

- Item # 1 M.A. Moreno called the meeting to order at 5:15 pm
- Item # 2 M.A. Moreno led the Pledge of Allegiance
- Item # 3 **Roll Call:** M. Buzan (Absent); C. Calloway; R .Jacques (Absent); M.A. Moreno; S. Williams; M. Harper, District Counsel; Tim Stratton, Bond Counsel
Also: L. Valdez (Z), D. Patton (Z); M. Krebs (Z)
Public: J.L. Stanneart, D. Hayes, H. Farester, T. Cook, S. Howe, T. Werner
- Item #4 **Administration of the Oath of Office:** M. Harper administered the Oath of Office to recently elected members of the TRSD Board of Directors, Mary Anne Moreno and JoLee Stanneart.
- Item # 5 **Approval of Meeting Minutes:** C. Calloway moved to approve the Regular Board Meeting Minutes from November 25, 2024. S. Williams seconded. Carried, 3-0. M.A. Moreno moved to approve the Executive Session Minutes of November 25, 2024. S. Williams seconded. Carried, 3-0.
- Item # 6 **Financial Report:** M.A. Moreno reported she had received no current report from the Gila County Treasurer, but that the Gila County Treasurer’s last statement reported roughly \$500,000.00 in the TRSD account.
- Item #7 **Payment of Bills:**

Name	Reason	Amount
NON-CoBANK REIMBURSABLE		
Mary Anne Moreno	Travel and Reimburse Printing & Copying	\$1,065.57
Gila County Recorder	Other Costs	\$2,342.55
Harper Law Offices, PC	General Legal	\$3,738.90
IBEW Building Corp.	Room Rental, Parking, Utilities	\$200.00
Deborah Patton	Outside Contract Services	\$1,966.50
Deborah Patton	Outside Contract Services	\$229.50
NEXXUS Consulting	Advocacy	\$5,000.00
Raftelis	Rate Study Services	\$555.00
CoBANK REIMBURSABLE		
Harper Law Offices, PC	Project Representation	\$3,334.40
Harper Law Offices, PC	Rights of Way/Easements Legal	\$4,725.13
ADEQ	Misc WFA/CoBank Reimbursable Legal Fees	\$450.00
The Stratton Law Firm	Phase I Representation	\$2,635.00
CoBANK EXPENSES PAYABLE UNDER INTERIM LOAN		
PACE Engineering	Construction in Progress	\$55,105.00

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C. Calloway moved to approve payment of the above bills and file them for audit, seconded by S. Williams. Carried, 3-0.

Item # 8 **Duplicate of 4**

Item # 9 **Water Supply Development Grant and/or Loan from WIFA:** T. Stratton presented proposed Resolution 2024-007 which would authorize TRSD to apply for a grant/loan package from WIFA. The package would involve a \$3 million loan coupled with a \$2 million grant. If awarded, this package would be utilized for Phase II design and engineering. It was explained that this loan would not increase the overall indebtedness of the project as it would be paid by the permanent financing through RD. It was also explained that this Resolution would only authorize the application for the loan/grant package. If the application was approved, the matter would come back to the Board to consider whether the District wishes to accept the package. C. Calloway asked what the rate would be. T. Stratton indicated that he did not know at this time. S. Williams moved to approve the execution of Resolution 2024-007, seconded by C. Calloway. Carried, 3-0.

Item # 10 **Raftelis Rate-Study Agreement:** T. Beckley of Raftelis presented a proposal for possible additional work to be performed by Raftelis. He stated that during initial conversations with the District’s professionals it was discussed that Raftelis would prepare proposed rates to be presented to the Board. However, after the project commenced, it became clear that all the information necessary to calculate rates is not yet available. He provided the example of salary information. He also indicated that information provided today was unlikely to be accurate a year from now. He discussed a proposed amendment to the current proposal which would add, among other things, a workshop to be conducted with the Board regarding rate-setting questions. This workshop would discuss setting EDUs for the District and would address the issue of how larger properties would be categorized. Mr. Beckley stressed that there is not a right or wrong answer to these questions, but that the Board would need to address them. S. Williams asked about the amount of land that constituted “larger property,” and Mr. Beckley stated that there are a number of parcels in Phase I that are not single family residential. For these parcels, a number of EDUs needs to be assigned. This can only happen once and cannot be changed. C. Calloway commented that this is not a “cookie cutter” issue and it needed to be addressed correctly. T. Beckley indicated that the appropriate time to set rates is approximately four months until it is time to send out the first bill. M.A. Moreno asked if it was possible to remove items for work at this time. T. Beckley said that that was of course possible. C. Calloway requested a formal contract with Raftelis to be considered and suggested that the matter be tabled until the next meeting. C. Calloway made a motion to table the discussion until the next meeting of the Board. S. Williams seconded. Carried, 3-0.

Item #11 **Respond to Questions from Call to the Public:**

- Questions from J. L. Stanneart: (1) how can minutes be corrected? M. Harper stated that the Board could take action to correct any minutes.
- (2) Board conduct with public. M. Harper stated that it was difficult to respond to this topic without more specific information;

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- (3) whether September 16 meeting video was recorded. M. Harper reported that the video for that meeting was recorded.
- (4) whether definitions posted on website are TRSD's definitions. M. Harper reported that the Board would have to take action to adopt specific definitions as TRSD's formal definitions.
- How many loans does the District currently have and in what amounts? T. Stratton reported that there is a single loan with Co-Bank and the approximate current balance is \$5.145 million.
- Does the Board have a proposal of costs and tasks from Raftelis for Amendment #1? This item had been discussed earlier in the agenda.

Item # 12 **Meeting with Heinfeld-Meech:** M.A. Moreno reported on an upcoming Conference on Governmental Management and Finance. C. Calloway moved to authorize to send a member of the Board to the conference. S. Williams seconded. Carried, 3-0.

Item #13 **Termination Agreement:** M. Harper presented regarding possible authorization to terminate TRSD's Social Media Manager contract. The form of proposed Termination Agreement having been considered by the Board, a motion was made by S. Williams to authorize the Board to enter into the Agreement. C. Calloway seconded. Carried, 3-0

Item # 14 **Call to the Public.** The following questions were asked:

1. Harley Farester - How much has been paid to Raftelis?
2. JoLee Stanneart - Request for Open Meeting Law training involving the public.
3. JoLee Stanneart commented regarding prior meetings and the interaction with the Board and the public.
4. JoLee Stanneart on the issue of definitions, JoLee Stanneart requested a definition of the term encumbrance.

Item # 15 **Executive Session** – S. Williams moved to enter into Executive Session at 6:15 p.m. and re-convene in Regular Session at the conclusion of the Executive Session, seconded by C. Calloway. Carried, 3-0.

Item # 16 **Items Discussed in Executive Session:** N/A.

Item # 17 **Announcements:** There were no announcements.

Item # 18 **Next Regular Meeting will be Monday, January 21, 2025, at 5:15 p.m.:** If anyone has an item they wish to add to the Agenda, please submit an e-mail to mjh@harperazlaw.com no later than 10 a.m. on the 4th day prior to the scheduled meeting day.

Item # 19 **Adjournment** S. Williams moved to adjourn the meeting., seconded by C. Calloway. Carried, 3-0.