

TRI-CITY REGIONAL SANITARY DISTRICT
Regular Board Meeting Minutes
May 19, 2025

Item # 1 M.A. Moreno called the meeting to order at 5:16 p.m.

Item # 2 C. Callaway led the Pledge of Allegiance.

Item # 3 **Roll Call:** M.A. Moreno; C. Callaway; M. Buzan; J. Stanneart; M. Harper, District Counsel; T. Stratton, Bond Counsel
Absent: S. Williams (excused)
Also: Mike Krebs, PACE (Z); D. Patton (Z); L. Valdez (Z); T. Beckley (Z)
Public: M. Warbington

Item # 4 **Approval of Meeting Minutes.**
Approval of Regular Board Meeting Minutes from April 21, 2025, and Special Board Meeting Minutes from May 5, 2025.

C. Callaway made a motion to approve the Regular Board Meeting Minutes from April 21, 2025, and the Special Board Meeting Minutes from May 5, 2025. M. Buzan seconded. Carried 4-0.

Item # 5 **Financial Report:** M.A. Moreno reported that the District has \$309,000 in the ad valorem account.

Item # 6 **Payment of Bills.** M. Buzan made a motion to approve payment of the following bills, C. Callaway seconded. Carried 4-0.

Name	Reason	Amount
DISTRICT OPERATIONS		
<i>Funding: Ad Valorem</i>		
AVIX Accounting, LLC	Recurring Accounting Fees	\$10,527.27
NEXXUS Consulting	Advocacy	\$5,000.00
IBEW Building Corp.	Room Rental, Parking, Utilities	\$100.00
Deborah Patton	Miscellaneous Contract Services	\$1,111.50
Harper Law Offices, PC	General Representation	\$6,367.37
	Total Operations Invoices	\$23,106.14
CAPITAL PROJECT		
<i>Funding: Phase I Interim Loan – USDA (Payable)</i>		
PACE Engineering	Construction in Progress	\$94,687.00
CLOACINA	Phase I	\$309,326.69
	Sub-Total	\$404,013.69
<i>Funding: Phase I Interim Loan – USDA (Reimbursable)</i>		
Central AZ Governments	Misc WFA/CoBank Reimbursable Fees	\$6,120.00
Michael Krebs	Misc WFA/CoBank Reimbursable Fees	\$1,388.85
ADEQ	Misc WFA/CoBank Reimbursable Fees	\$1,305.00
Arizona Republic	Misc WFA/CoBank Reimbursable Fees	\$6,396.00
The Stratton Law Firm	Phase I Representation	\$4,165.00

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Harper Law Offices, PC	Easement & Right of Way Work	\$427.45
Harper Law Offices, PC	Project Related Legal Fees	\$3,030.78
	Sub-Total	\$22,833.08
Funding: WCGF-WIFA		
N/A		
	Sub-Total	\$0.00
Funding: Phase II		
Harper Law Offices, PC	Phase II Representation - Easements	\$234.84
Harper Law Offices, PC	Phase II Representation	\$821.94
PACE Engineering	Phase II Engineering, Design & Bid	\$22,495.75
	Sub-Total	\$23,552.53
	Total Capital Project Invoices	\$450,399.30

Item # 7 **FY 25/26 Proposed Draft Budget:** There was discussion of the changes of moving money around that was different from the May 5, 2025, meeting, i.e. adding a new category called Consulting Services and moving money from Contingency to Consulting Services. The totals of the budget remained the same. M. Buzan made a motion to accept the Proposed Draft Budget, J. Stanneart seconded. Carried 4-0.

C. Callaway made a motion to publish the budget, M. Buzan seconded. Carried 4-0.

Item # 8 **Public Hearing on FY 25/26 Budget:** C. Callaway made a motion to schedule the public hearing for the FY 25/26 Budget for June 23, 2025, at 5:15 p.m. M. Buzan seconded. Carried 4-0.

Item # 9 **Raftelis – Additional Work Proposal:** T. Beckley went over the work that Raftelis has already completed:

- Meeting with M. Krebs to review background information including engineering plans, costs, and financing.
- Worked with District consultants to collect, review, and compile customer data from Arizona Water Company and Gila County.
- Developed financial plan to identify total revenue requirements to be recovered through user charges and property tax assessments.
- Discussed status of analysis and proposed course action with the Board at the public meeting on October 28, 2024.

T. Beckley went over the additional work proposal for a Rate Design Workshop with the Board members on June 23, 2025. The workshop would include:

- Discuss consideration for the user charges
 - Base and volume charges
 - Receive monthly/bi-monthly/quarterly

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- How are user charges determined
 - Flat rate, average water consumption, minimum charge
- Property assessment considerations
 - Minimum property size
 - Combining adjacent properties
 - Assessment of larger parcels
 - Maximum lot size to be counted as 1 EDU

C. Callaway made a motion to schedule the Rate Design Workshop for June 23, 2025, to immediately follow the budget presentation. M. Buzan seconded. Carried 4-0.

- Item # 10** **Review of Reports from AVIX One:** The Board reviewed the reports. M. Buzan made a motion to approve the District Communication to Governance 24 Report and Final District Single Audit Report for FY23/24. C. Callaway seconded. Carried 4-0.
- Item # 11** **District Subscription to Microsoft 365:** J. Stanneart discussed the need for the district to own a subscription to Microsoft 365. C. Callaway made a motion to authorize J. Stanneart to purchase a Microsoft 365 subscription for the District. M. Buzan seconded. Carried 4-0.
- Item # 12** **Upcoming Workshop:** Reminder that the third Workshop will be held on Thursday, May 22, 2025, from 5:00 p.m. to 7:00 p.m.
- Item # 13** **Pre-Bid Meeting:** M. Krebs went over the pre-bid meeting that was held at the Gila County Fairgrounds training facility and was attended by approximately 40 people. The bids are due by June 6, 2025. There were two bids that went out: 1) main sewer line and treatment plant site, and 2) main collection system/lift station.
- Item # 14** **Meeting Technology:** M. Harper discussed the need for the District to purchase a system to be used for each Board Meeting. Items needed would include a laptop, microphones (for table where board members sit and at the podium for speakers), and a speaker. M. Harper will get a quote from a computer business.
- Item # 15** **Responses to Call to the Public:** Questions in the agenda were previously before the Board at the Meeting held on March 17, 2025. The answers can be found on the TRSD website within the Meeting Minutes for March 17, 2025. No answers were provided at this meeting.
- Item # 16** **Call to the Public:**
None
- Item # 17** **Executive Session:**
No Executive Session was held.
- Item # 18** **Items Discussed in Executive Session:**
No Executive Session was held.

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- Item # 19** **Announcements:** The Workshop will be held May 22, 2025, from 5:00 p.m. to 7:00 p.m. and facilitated by D. Patton. T. Stratton gave an update on the WIFA loan that is ready to be distributed. It will be sent via DocuSign to T. Stratton, M.A. Moreno, and J. Stanneart. It is for \$5 million (\$3 million loan and \$2 million forgivable principal), with a 1.952% interest rate. The first payment is due July 1, 2028, and this is a 23-year loan. It should be paid off in one to two years.
- Item # 20** **Schedule any Topic or Issue:**
Next **Regular Board Meeting** will be **Monday, June 16, 2025**.
Public Hearing and Rate Design Workshop will be **Monday, June 23, 2025**.
- Item # 21** **Adjournment:** M. Buzan made a motion to adjourn the meeting at 6:54 p.m. C. Callaway seconded. Carried 4-0.