

TRI-CITY REGIONAL SANITARY DISTRICT
Regular Board Meeting Minutes
June 15, 2026

- Item # 1** C. Callaway called the meeting to order at 5:15 p.m.
- Item # 2** M. Buzan led the Pledge of Allegiance.
- Item # 3** **Roll Call:** M. Buzan, C. Callaway, J. Stanneart
Absent: M.A. Moreno
Also: M. Harper, District Counsel; T. Stratton, Bond Counsel; M. Krebs, PACE;
D. Patton (Z); J. Tomaszewski, AVIXOne (Z); M. Miller
Public: W. Griffin, M. Warbington, F. Farester,
- Item # 4** **Reminder to the Public to Utilize Sign-in Sheet**
C. Callaway reminded the public to sign-in.
- Item # 5** **Approval of Meeting Minutes.**
Approval of Regular Board Meeting Minutes from May 18, 2026.

M. Buzan made a motion to approve the Regular Board Meeting Minutes from May 18, 2026. C. Callaway seconded. Carried 3-0.
- Item # 6** **Financial Report:**
J. Stanneart reported that the Ad Valorem report last month was incorrect as the numbers received were as of the middle of May. The Ad Valorem account ending balance as of April 30, 2026, was \$249,556.08 and the ending balance as of May 31, 2026, was \$244,842.76.
- Item # 7** **Payment of Bills.**
J. Stanneart read the following bills. J. Stanneart made a motion to pay the following bills. C. Callaway seconded. Carried 3-0.

District Operations				
Date	No.	Payee	Category	Total
Funding: Ad Valorem				
05/31/2026	5.2026	Deborah Patton	Miscellaneous Contract Services	1,109.35
05/31/2026	322606	NEXXUS CONSULTING	Advocacy	5,000.00
06/01/2026	2822	Avix Accounting, LLC	Recurring Accounting Fees	6,974.19
06/01/2026	011	WAG IT Solutions LLC	Miscellaneous Contract Services	500.00
06/01/2026	15453	HARPER LAW OFFICE	General Representation	6,225.11
06/01/2026	81	IBEW	Rent, Parking, Utilities	100.00
06/11/2026	453136	O'Rourke Media Group	Advertising/Legal Publications	33.40
			Total Operations Invoices	\$ 19,942.05

Capital Project				
Date	No.	Payee	Category	Total

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Funding: Phase I Interim Loan - USDA (Payable)

05/31/2026	11924	PACE Engineering	Phase I Engineering	65,716.08
05/31/2026	App #3	B4 Enterprises	Phase I Construction	380,566.10
05/31/2026	App #11	CLOACINA	Phase I Construction	309,326.69
				\$ 755,608.87

Funding: Phase I Interim Loan - USDA (Reimbursable)

05/30/2026	193	The Stratton Law Firm	Phase I Representation	3,952.50
05/30/2026	194	The Stratton Law Firm	Phase I Representation	11,135.00
06/04/2026	15454	HARPER LAW OFFICE	Phase I Representation	18,609.01
06/04/2026	15455	HARPER LAW OFFICE	Easement & Right of Way Work	977.99
				\$ 34,674.50

Funding: WCGF-WIFA 75% - Phase I Interim Loan - USDA Payable 25%

05/31/2026	App #4	KE&G Construction	Phase I Construction	1,226,383.09
06/11/2026	***App #5	KE&G Construction	Phase I Construction	1,204,801.00
				\$ 2,431,184.09

Funding: 2024 EPA EC Grant

06/11/2026	***App #5	KE&G Construction	Phase I Construction	40,541.48
				\$ 40,541.48

Funding: Phase II

**various	**various	HARPER LAW OFFICE	Phase II Representation	333.72
				\$ 333.72

Total Capital Project Invoices	\$ 3,221,801.18
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Item # 10

New District Agreement with AVIXOne for Accounting Services:

Discussion and possible action regarding a new agreement for accounting services for the District effective July 1, 2026.

T. Stratton introduced J. Lentz from Hilltop Securities.

Aaron Vix gave an update on the new agreement.

- The current agreement expires on June 30, 2026.
- The hourly rates stay the same.
- Explanation of services which now include some expanding services as we are now in the construction phase of the project.
- AVIXOne is now doing some items that were done in the past by PACE, such as WIFA and USDA fund tracking.

M. Buzan made a motion to table this item until the next Board meeting on June 29, 2026. C. Callaway seconded. Carried 3-0.

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Item # 8

Amendment No. 5 to PACE Engineer Agreement:

Review and possible action to approve Amendment No. 5 to PACE's Engineer Agreement, contingent upon the USDA's concurrence.

M. Krebs reported on the additional scope that has been added.

- Rebid service – the contract was too large for just one contractor, and the bids were remodified into ten (10) bid packages.
- Private Easement Acquisitions – working with owners, owner's attorney, and Gila County to get the private easements that are needed.
- Residential Right-of-Entry (ROE) Acquisition - working with owners, owner's attorney, and Gila County to develop a ROE form.
- AZDOT Trenching Acknowledgement - working with owners, owner's attorney, and Gila County to identify and obtain the required ADOT notarized letters for open cutting driveways along eastside of Hwy 188.
- Additional Funding Assistance – still need additional funding for Basins 6, 7, & 8 for Phase I.
- Also went over S. Flinn time and work that he is doing in the area for PACE.
- The amendment amount is \$267,329.00.

M. Buzan made a motion to accept Amendment No. 5 to PACE's Engineer Agreement, contingent upon the USDA's concurrence. C. Callaway seconded. Carried 3-0.

Item # 9

Update on Assessment Process: Update regarding TRSD assessment process.

T. Stratton gave an update on the assessment process.

- Held series of meetings with Raftelis, M. Krebs, and T. Stratton.
- Currently going through the final phase of rates.
- The final recommendations will go to the Board and then to a public hearing.
- Currently working with Raftelis on the larger properties.
- C. Callaway suggested having Raftelis at the next meeting to explain the methodology that was passed by the Board.

Item # 11

Project Update: Update regarding current status of construction, coordination and funding.

M. Krebs gave update on the progress to-date.

Funding update:

- WCFG of \$3.75 million needed consumption by June 30, 2026, will be accomplished
 - WIFA gave a 2-week extension for receipt of the final invoice
 - Final invoice to be approved at the June 15, 2026, Regular Board Meeting
- Next funding to be utilized – EPA EC #1 funding is \$2,068 million
 - No deadline required for this funding
- EDA approved the WRF Procurement – EDA funding will pay for a portion of the WRF
- Submitted \$4+ million to USACOE LOI for funding

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- USDA 2026 pooling money currently in progress and hoping to obtain funding for Basins 6, 7 & 8

Project Construction Update WRF & SM Project

- WRF Inspection of manufacturing test has been witnessed & approved
 - Delivery scheduled for end of June and set up by contractor in August
 - Start-up in 3-4 months following setting of WRF
 - Showed pictures of the inspection
- WRF site work moving along
 - Showed photos of the area
- Sewer main in progress

Project Construction Update – Claypool Collection System

- Installing sewer line in the areas of Broadway, Mapleleaf, and Starview Drive
- Main lift station construction to start the end of June

Non-Construction Activity

- Communication with DMV and Tri-City Fire for connection to the sewer
- Working on easements

Design/Bid Activity

- Phase 2 N – working on easements and driveways
 - Prepare for bidding in the late summer or fall – EDA funding
- Identifying easements needed
- Need to bid the following items
 - Residential connection for Basins 1, 2 & 9 and 3, 4, & 5
 - Phase 1 N

Item # 12 **Budget:** Review of proposed Fiscal Year 2026/2027 Budget.

J. Tomaszewski presented the budget and explained that nothing has changed since the meeting on May 18, 2026. There will be a Special Meeting on June 29, 2026, addressing this item.

Item # 13 **Damage Policy:** Discussion and possible action regarding a new Damage Policy for the District.

The Board reviewed the policy.

M. Buzan made a motion to adopt the Damage Policy for the District. C. Callaway seconded. Carried 3-0.

Item # 14 **Inspection of Facilities Policy:** Discussion and possible action regarding a new Inspection of Facilities Policy for the District.

The Board reviewed the policy.

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M. Buzan made a motion to adopt the Inspection of Facilities Policy for the District. C. Callaway seconded. Carried 3-0.

Item # 15 **Responses to Call to the Public:** Combined from questions posted at February and March Board Meetings.

There was an error on the Agenda and the questions are actually from the April and May Board Meetings.

M. Warbington

- What is the cost per month for residents and commercial?
Answered by T. Stratton:
 - The consultant is still working on this and it has not been finalized .
- Thank you for the article that was recently put in the paper.
M. Krebs acknowledged and thanked M. Warbington for the comment.

H. Farester

- I would like to review the lawyers' unredacted itemized statements for what they have been charging the District for the past two months.
Answered by M. Harper and T. Stratton:
 - All billing statements are redacted to preserve attorney/client privilege and confidential communications.
Statement by C. Callaway – the Board members do see all unredacted invoices/statements before each meeting.
- Assessments – retired versus working residents should pay the same.
Not answered as a statement rather than a question.

T. Werner

- An IGA with Globe has been mentioned, we are in the TRSD boundary, hook-up all residents 100%, the plant 100% first, we don't need more costs or delays.
Answered by M. Harper:
 - TRSD already has an IGA with the City for the purpose of serving homes in the district and in the City.
 - There won't be costs or delays.
- When a business is hooked up, how will they be billed? Will the money go to the construction account?
Answered by T. Stratton:
 - Businesses will be billed in the same manner, not costs, as the residents.
 - The TRSD board has not decided this yet.
- Are the businesses that were annexed by Globe to be hooked up to TRSD paying TRSD property tax assessment?
Answered by M. Harper:
 - Yes.

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- Are Bechtel Tract residents being charged Miami fees?

Answered by M. Harper:

- TRSD is not aware of what is in the arrangement between the Town of Miami/Bechtel Tract and BHP.

- Assessment rates are to pay the loan?

Answered by T. Stratton:

- Yes, assessments are to pay back the loan.

- Will every resident hooked up to the sewer be charged the same rate, no reduced rates?

Answered by T. Stratton:

- No.
- Will depend on the size of the property and the type of use.
- Raftelis is still working on the rates and it has not been approved or finalized by the Board.
- There will be assessments and there will be monthly rates.

- When a vacant lot is developed, will they be charged the same rates?

Answered by T. Stratton:

- It can be.
- TRSD could and may charge an impact fee.
- This is a decision that the Board will need to make.

- When a property is sold, will the new owner assume the balance of the remaining assessment?

Answered by T. Stratton:

- This can depend on the agreement between the buyer and seller of the property.
- New owner could agree to pay the assessment or ask the seller to.
- The assessment runs with the land and selling the property would effectively include selling the assessment along with it.
- If nothing is done, new owners would be responsible for the assessment.

Item # 16 **Call to the Public:** The following questions were asked by the public:

H. Farester:

- Since there is a lot of construction going on in the Claypool area and a lot of gravel in the area – who will pay for the damages to windshields that get cracked?
- I have a big yard and water trees and plants – will my sewer bill increase because of irrigation?

Item # 17 **Executive Session:** No Executive Session.

Item # 18 **Items Discussed in Executive Session:** No Executive Session.

Item # 19 **Announcements:** There will be a Public Hearing and Special Meeting on June 29, 2026

Item # 20 **Schedule any Topic or Issue:** Next Regular Board Meeting will be Monday, July 20, 2026.

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Item # 21 **Adjournment:** M. Buzan made a motion to adjourn the meeting at 6:20 p.m.
J. Stanneart seconded. Carried 3-0.

DRAFT