

TRI-CITY REGIONAL SANITARY DISTRICT
Regular Board Meeting Minutes
July 20, 2026

- Item # 1** C. Callaway called the meeting to order at 5:15 p.m.
- Item # 2** M. Harper 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; J. Lentz, Hilltop Securities; W. Griffin, WAGIT
Zoom: D. Patton; J. Tomaszewski, AVIXOne; A. Vix, AVIXOne; D. Zimmerman;
Public: M. Warbington, F. Farester, S. Williams
- 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 June 15, 2026.
Public Hearing/Special Meeting Minutes of June 29, 2026.
- M. Buzan made a motion to approve the Regular Board Meeting Minutes from June 15, 2026, and Public Hearing/Special Meeting Minutes from June 29, 2026. C. Callaway seconded. Carried 3-0.
- Item # 6** **Financial Report:**
J. Stanneart reported that the Ad Valorem account had \$198,472.94 balance ending June 30, 2026.
- Item # 7** **Payment of Bills.**
J. Stanneart read the following bills. M. Buzan. made a motion to pay following bills.
C. Callaway seconded. Carried 3-0.

District Operations

Date	No.	Payee	Category	Total
Funding: Ad Valorem				
06/03/2026	452220	O'Rourke Media Group	Advertising/Legal Publications	492.05
06/30/2026	562026	Deborah Patton	Miscellaneous Contract Services	1,210.00
06/30/2026	2883	Avix Accounting, LLC	Recurring Accounting Fees	98.13
06/30/2026	82	IBEW	Rent, Parking, Utilities	300.00
06/30/2026	322637	NEXXUS CONSULTING	--Split--	5,646.71
06/30/2026	019	WAG IT Solutions LLC	Miscellaneous Contract Services	170.00
06/30/2026	012	WAG IT Solutions LLC	Miscellaneous Contract Services	500.00
07/01/2026	2851	Avix Accounting, LLC	Recurring Accounting Fees	5,793.94
07/07/2026	15514	HARPER LAW OFFICE	--Split--	14,687.90
7/11/2026	457065	O'Rourke Media Group	Advertising/Legal Publications	4,633.02
Total Operations Invoices				\$ 33,531.75

Capital Project

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Date	No.	Payee	Category	Total
Funding: Phase I Interim Loan - USDA (Payable)				
06/30/2026	App #12	CLOACINA	Phase I Construction	309,326.69
06/30/2026	12074	PACE Engineering	Phase I Engineering	161,001.08
06/30/2026	App #4	B4 Enterprises	Phase I Construction	725,434.80
				<u>\$ 1,195,762.57</u>
Funding: Phase I Interim Loan - USDA (Reimbursable)				
06/30/2026	199	The Stratton Law Firm	Phase I Representation	8,075.00
06/30/2026	200	The Stratton Law Firm	Phase I Representation	9,562.50
07/07/2026	15515	HARPER LAW OFFICE	Phase I Representation	7,779.08
07/07/2026	15516	HARPER LAW OFFICE	Easement & Right of Way Work	2,078.80
				<u>\$ 27,495.38</u>
Funding: 2024 EPA EC Grant				
				<u>\$ -</u>
Funding: Phase II				
6/30/2026	12071	PACE Engineering	Phase II Engineering	87,835.87
				<u>\$ 87,835.87</u>
Total Capital Project Invoices				<u>\$ 1,311,093.82</u>

Item # 8

Appointment of New Board of Directors Member:

Discussion and possible approval of the appointment of Steve Williams to fill the vacancy created by his prior resignation.

- New HR Manager at Gila County and internal discussions determined that there was not a conflict of interest.
- This decision has gone through all the proper County channels, i.e. County Attorney.
- This is filling the position left vacant when S. Williams resigned until December 31, 2026.

M. Buzan made a motion to appoint S. Williams to the Board to fill the vacancy that was created by S. Williams earlier resignation. C. Callaway seconded. Carried 3-0.

Steve Williams joined the Board at the table.

Item # 9

Review of Initial Deposit Letter from Arizona Water Company:

Review and possible approval of an initial deposit letter for the Treatment Facility project from Arizona Water.

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M. Krebs update:

- Arizona Water Company required two deposit letters for the project in order for the engineers to review the project plans
 - o \$7,500 – treatment plant
 - o \$4,000 – lift station (near the ball field in Claypool)
- In 18 months, the money will go toward the project costs

S. Williams made a motion to approve the deposit letter for \$7,500 for the treatment plant and the deposit letter for \$4,000 for the lift station. M. Buzan seconded. Carried 4-0.

Item # 10 Municipal Advisory Services Proposal:

Discussion and possible action with regard to Hilltop Securities Municipal Advisory Services Proposal.

- The Hilltop Securities Municipal Advisory Agreement was distributed by M. Harper.
- The proposal was presented at the meeting on May 18, 2026.
- Billed for hours worked – actual fee schedule is located in Appendix B of the agreement.

T. Stratton

- Has reviewed the agreement and it is equal to or below the previous consultant.
- Hilltop Securities has worked with the Board on two other complicated loans.
- Hilltop Securities has been working with M. Krebs and T. Stratton.

Item # 11 New District Agreement with AVIXOne for Accounting Services:

Discussion and possible action regarding a new agreement with AVIXOne for accounting services for the District.

M. Harper update:

- The District policy requires that we get three quotes and 6 requests were submitted and only one return via email.
- It is in the District's best interest to keep AVIXOne.
- It would be a very large job to switch accounting firms at this time.
- Received one response in an email and it was not even in-line with what we need.
- AVIXOne charges an hourly rate for what they do for the District.
- Budget and audit months – there would be more hours than normal.
- The contract is for one year.

S. Williams made a motion to accept the new agreement with AVIXOne for accounting services for the District. M. Buzan seconded. Carried 4-0.

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Item # 12 **BHP Easement Agreement for Phase II:**

Discussion and possible approval of an Easement Agreement with BHP relating to Phase II of the project.

M. Buzan made a motion to table this item until the next meeting. S. Williams seconded. Carried 4-0.

Item # 13 **Sewer Use & Discharge Policy:**

Discussion and possible action regarding a new Sewer Use & Discharge Policy for the District.

- The Board reviewed the policy.
- It lists what is acceptable and what is not acceptable.
- The Board will need to define the fees and penalties at a later date.

M. Buzan made a motion to adopt the Sewer Use & Discharge Policy for the District. S. Williams seconded. Carried 4-0.

Item # 14 **Administrative Policy:**

Discussion and possible action regarding a new Administrative Policy for the District.

S. Williams made a motion to table this. M. Buzan seconded. Carried 4-0.

Item # 15 **USDA Modified KE&G Amendment No. 1:**

Discussion and possible action relating to the potential approval of KE&G Contract Amendment No. 1, with included BABA detail, subject to USDA concurrence

- Added the verbiage required by BABA (Build America, Buy America)
- The dollar amount has not changed.
- The new funding required BABA requirements/standards.

S. Williams made a motion to approve the KE&G Contract Amendment No. 1, with included BABA detail, subject to USDA concurrence. M. Buzan seconded. Carried 4-0.

Item # 16 **KE&G Amendment No. 2:**

Discussion and possible action relating to the potential approval of KE&G Contract Amendment No. 2, adding 12" DIP pipe under the WRF slab for future expansion of WRF, subject to USDA concurrence.

- The pipe has to be put in before the slab is poured.

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S. Williams made a motion to approve the KE&G Contract Amendment No. 2, adding 12" DIP pipe under the WRF slab for future expansion of WRF, subject to USDA concurrence. C. Callaway seconded. Carried 4-0.

Item # 17 **PACE Amendment No. 6:**

Discussion and possible action relating to the potential approval of PACE Contract Amendment No. 6 pertaining to the main lift station control panel for the SCADA system, subject to USDA concurrence.

M. Krebs update:

- Need a control panel for the SCADA system (Supervisory Control and Data Acquisition)
- The panel will need to tie-in with the treatment plant.
- The bids that were sent out did not include this item.
- PACE will do this but it will not be proprietary.
- Need a panel with the proper controls.

S. Williams made a motion to table this item until the next meeting. M. Buzan seconded. Carried 4-0.

Item # 18 **2025/2026 Budget to Actual Expenses Report:**

Report relating to 2025/2026 Budget and Actual Expenses.

J. Tomaszewski update:

- Presented the preliminary unaudited budget to actual results.
- The figures are pretty accurate.

Item # 19 **Responses to Call to the Public:**

Questions posed at the June Board Meeting:

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?

Answered by M. Harper:

- o People need to slow down.
- o There are no funds that would allow reimbursement.
- o Handle this the same way as you do with any construction going on – turn it into your personal car insurance.

- I have a big yard and water trees and plants – will my sewer bill increase because of irrigation?

Answered by M. Krebs:

- o That is a possibility.
- o There will be a base rate and a sewer rate.
- o They look at the lowest water usage months – November/December/January.
- o It will depend on how the Board sets the rates and that has not been done yet.

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Item # 20 **Call to the Public:** The following questions were asked by the public:

H. Farester:

- How much does Phase I owe in loans?
- How many EDU's are in Phase I?

Item # 21 **Executive Session:** No Executive Session.

Item # 22 **Items Discussed in Executive Session:** No Executive Session.

Item # 23 **Announcements:** No Announcements.

Item # 24 **Schedule any Topic or Issue:** Next Regular Board Meeting will be Monday, August 17, 2026.

Item # 25 **Adjournment:** M. Buzan made a motion to adjourn the meeting at 6:50 p.m. S. Williams seconded. Carried 4-0.