

TRI-CITY REGIONAL SANITARY DISTRICT
Regular Board Meeting Minutes
October 26, 2026

- Item # 1** C. Callaway called the meeting to order at 5:15 p.m.
- Item # 2** S. Williams led the Pledge of Allegiance.
- Item # 3** **Board Members Present:** M. Buzan, C. Callaway, J. Stanneart, S. Williams
Absent Board Member: M.A. Moreno
Counsel Present:
M. Harper, District – Harper Law Offices, PC
T. Stratton, Bond – Stratton Law Firm, PLLC
Consultants' Present:
W. Griffin – W.A.G. I.T. Solutions
M. Krebs, VP Environmental Water Div. (Z) – PACE Advanced Water Eng.
D. Patton (Z) – Deborah Patton and Associates, LLC
J. Tomaszewski – AVIX Accounting LLC
D. Zimmerman, Principal – Bayes Strategic
M. Zuza – Sonoran District Services
Public: M. Warbington, D. Lavery
- 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 September 14, 2026.

M. Buzan made a motion to approve the minutes from the Regular Board Meeting from September 14, 2026. S. Williams seconded. Carried 4-0.
- Item # 6** **Financial Report:**
J. Stanneart reported that the Ad Valorem account had \$340, 505.44 balance ending September 30, 2026.
- Item # 7** **Payment of Bills.**
J. Stanneart read the following bills. S. Williams made a motion to pay following bills. M. Buzan seconded. Carried 4-0.

Both PACE Engineering and AVIX Accounting are making that the construction invoices are verified before being sent to the Board for approval.

District Operations				
Date	No.	Payee	Category	Total
Funding: Ad Valorem				
09/15/2026	021	WAG IT Solutions LLC	Miscellaneous Contract Services	500.00
09/30/2026	9-2026	Deborah Patton	Miscellaneous Contract Services	1,191.85
09/30/2026	322733	NEXXUS CONSULTING	Outside Contract Sers:Advocacy	5,000.00
09/30/2026	BS-2026-0930-01	Tesseract Strategies	Miscellaneous Contract Services	2,888.89
10/01/2026	015	WAG IT Solutions LLC	Miscellaneous Contract Services	500.00
10/01/2026	3012	Avis Accounting, LLC	Recurring Accounting Fees	3,870.57
10/01/2026	86	IBEW	Rent, Parking, Utilities	200.00
10/5/2026	1002	Sonoran District Services	Miscellaneous Contract Services	5,000.00
10/07/2026	15705	HARPER LAW OFFICE	General Representation	9,557.89
10/15/2026	471281	O'Rourke Media Group	Advertising/Legal Publications	4,633.02

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Total Operations Invoices	\$ 33,342.22
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Capital Project				
Date	No.	Payee	Category	Total
<i>Funding: Phase I Interim Loan - USDA (Payable)</i>				
09/30/2026	App #7 (Basins 1,2,9)	B4 Enterprises	Phase I Construction	501,245.32
09/30/2026	App #1 (Basins 3,4,5)	B4 Enterprises	Phase I Construction	415,712.17
09/30/2026	12461	PACE Engineering	Phase I Construction	78,414.00
				\$ 995,371.49
<i>Funding: Phase I Interim Loan - USDA (Reimbursable)</i>				
09/22/2026	2647	Arizona Water Co.	Phase I Construction	8,639.00
10/02/2026	220	The Stratton Law Firm	Phase I Representation	8,500.00
10/02/2026	221	The Stratton Law Firm	Phase I Representation	9,222.50
10/07/2026	15706	HARPER LAW OFFICE	Phase I Representation	17,955.99
10/07/2026	15707	HARPER LAW OFFICE	Easement & Right of Way Work	2,534.06
10/08/2026	B493524	Arizona Water Co.	Phase I Construction	1,985.36
10/13/2026	0000456079X	ADEQ	Misc WFA/CoBank Reimbursable Fees	755.40
				\$ 49,592.31
<i>**Funding: 2024 EPA EC #1 & ED #2 (Forgivable Loans)</i>				
09/30/2026	App #8	KE&G Construction	Phase I Construction	730,788.92
				\$ 730,788.92
<i>Funding: Phase II</i>				
09/30/2026	12448	PACE Engineering	Phase II and III Representation	193,299.00
				\$ 193,299.00
				Total Capital Project Invoices \$ 1,969,051.72

Item # 8

Resolution 2026-009: Rights of Way:

Discussion and possible action regarding Resolution No. 2026-009 Designating Rights of Way for the Benefit of the District.

- This is expanding our right-of-way as the project grows.
- USDA-RD needs to know that we have the right-of-way for the project.
- S. Williams has recused himself and did not participate in the vote due to his position at Gila County Public Works.

J. Stanneart made motion to approve Resolution No. 2026-009 Designating Rights of Way for the Benefit of the District. M. Buzan seconded. Carried 3-0, 1 Abstention

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Item # 9 Master Service Agreement with Sonoran District Services:
Discussion and possible action relating to approving the Sonoran District Services, LLC, Master Service Agreement.

- The agreement is for \$5,000/month and for a period of 6 months.
- Agreement is effective September 16, 2026.

S. Williams made a motion to approve the Sonoran District Services, LLC, Master Service Agreement. M. Buzan seconded. Carried 4-0.

Item # 10 Arizona Water Company – Temporary Service Agreement
Discussion and approval of AZ Water Company's Temporary Service Agreement
M. Kreb:

- Temporary services at the baseball field in Claypool.
- Install one connection with meter to serve the lift station.
- Install temporary connection with meter to serve the ballfield.
- Relocate one connection with meter to serve the ballfield.

S. Williams made a motion to approve the Arizona Water Company's Temporary Service Agreement in the amount of \$8,639. M. Buzan seconded. Carried 4-0.

Item # 11 Position of Board President:
Discussion and consideration of next steps with regard to the Position of Board President.

- M.A. Moreno resigned as Board President as the September 14, 2026 Board Meeting.
- C. Callaway has been serving as interim President.
- C. Callaway has recused herself and did not participate in the vote.

S. Williams made a motion to appoint C. Callaway as TRSD Board President. J. Stanneart seconded. Carried 3-0, 1 Abstention.

Item # 12 New Signer on District Bank Account:
Discussion and possible action regarding adding a new signer onto the District's bank account.
J. Stanneart

- Concerned that J. Stanneart is the only signer on the TRSD bank account through Gila County and Enterprise.
- To add people to the account, the bank requires the minutes requesting the changes.

S. Williams made a motion to designate C. Callaway as a signer for both Enterprise Bank and Gila County accounts. M. Buzan seconded. Carried 4-0.

C. Callaway made a motion to designate M. Buzan as a signer for both Enterprise Bank and Gila County accounts. S. Williams seconded. Carried 4-0.

Item # 13 Resolution for Clean Water State Loan from WIFA:
Discussion, consideration and possible approval of Resolution 2026-010 for a Clean Water State Revolving Fund Loan from WIFA for the District.

T. Stratton:

- A loan of \$7.5 million of clean water funding available
- Do not know how much will be forgivable.
- Up to 50% could be forgivable.
- Could receive the funds in late December.

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M. Buzan made a motion to authorize an application for a clean water state revolving fund loan from the Water Infrastructure Finance Authority of Arizona. S. Williams seconded. Carried 4-0.

Item # 14 Evidence of Good Title SAC from EDA:

Discussion, consideration and possible approval of update to Section 3 of the Site Certificate form requested by EDA.

M. Krebs

- EDA requires a lot of forms, and this is one of them.
- First we were told that we did not need it.
- Related to the EDA funding.

S. Williams made a motion to approve and ratify the update to Section 3 of the Owner's Certification Regarding Eminent Domain form requested by EDA. M. Buzan seconded. Carried 4-0.

Item # 15 New District Policies:

Discussion, consideration and possible approval of the following policies:

1. Expenditure Authorization and Signature Authority
 2. Conflict of Interest (federal funding requires written standards while we're in construction)
-
1. Gives the General Manager approval for amounts for every day expenditures
 - There will be a corresponding SOP

S. Williams made a motion to approve the Expenditure Authorization and Signature Authority Policy with the dollar amounts inserted in Attachment A, as read by M. Haprer. M. Buzan seconded. Carried 4-0.

Dollar amounts as inserted in Attachment A (attached).

2. Updates the policy for consultants and contractors and adding the verbiage required for government contracts.

S. Williams made a motion to update the Conflict of Interest Policy. M. Buzan seconded. Carried 4-0.

Item # 16 WIFA 2022 Design Loan De-obligation:

Review, consideration and approval of signing of De-obligation page for the 2022 WIFA Design Loan.

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

Item # 17 Review of District Procurement Policy:

Review, discussion and possible approval of update to the District's Procurement Policy.

- Update the policy to include:
 - Added emergency amounts into the contract
 - Added verbiage required for government contract (BABA)

S. Williams made a motion to update the District's Procurement Policy. M. Buzan seconded. Carried 4-0.

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- Item # 18 Fiscal Year 27 Quarter 1 Budget to Actual Report:**
Review and discussion regarding the FY27 Q1 Budget to Actual Report from AVIX ONE. J. Tomaszewski
- Presented the FY26/27 Q1 report
 - Operating expenditures through Q1 were – \$56,718
 - Total project costs through September 30, 2026 were – \$22,734,330 and \$5.7 million of that was spent in Q1
 - There was not anything out of the ordinary that occurred during Q1
- S. Williams made a motion to accept the Q1 Report from AVIX Accounting. M. Buzan seconded. Carried 4-0.
- Item # 19 EDA – Agreement and Mortgage:**
Review, discussion and possible approval regarding the EDA Checklist and Agreement and Mortgage.
- S. Williams made a motion to table this item until the November board meeting. M. Buzan seconded. Carried 4-0.
- Item # 20 Central Arizona Governments – Amended Agreement for Professional Planning Services:**
Discussion and possible action regarding the amended Agreement for Professional Planning Services with Central Arizona Governments (CAGPD2027-01, amended September 26, 2026), including the scope of services. D. Zimmermann
- Updated sections 8 and 9 of the Central Arizona Government agreement
 - Included verbiage required for government contracts
- M. Buzan made a motion to approve the amended Agreement for Professional Planning Services with Central Arizona Governments (CAGPD2027-01, amended September 26, 2026), including the scope of services. S. Williams seconded. Carried 4-0.
- Item # 21 Responses to Call to the Public:**
No questions from the September board meeting.
- Item # 22 Call to the Public:**
D. Lavery
1. Which contractor or subcontractor was responsible for the equipment involved in the April 9, 2026 incident?
 2. Which company employed or controlled the operator of that equipment?
 3. What records does TRSD have identifying the equipment, operator, contractor, or subcontractor involved?
 4. What was the factual and legal basis for TRSD's denial of Charles Johnsen's claim?
 5. What investigation was conducted before the claim was denied?
 6. After the denial, was the claim forwarded to any contractor, subcontractor, insurer, or attorney? If so, to whom and on what date?
 7. If TRSD is denying responsibility, which contractor does TRSD believe is responsible for the April 9, 2026 damage?
 8. Can TRSD provide the correct legal names, mailing addresses, registered-agent information, and insurance information for the contractors and subcontractors involved?
 9. Has any insurance carrier been notified of the claim? If so, which carrier, and is there a claim number?

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10. Is there any additional documentation Charles needs to provide to TRSD, its attorney, a contractor, or an insurer?
11. What is the next step Charles should take ow that TRSD has denied the claim?
12. Will Charles Johnsen's April 9, 2026 property damage claim be placed on the November 16, 2026 agenda for formal discussion?

Item # 23 **Executive Session:** No Executive Session.

Item # 24 **Items Discussed in Executive Session:** No Executive Session.

Item # 25 **Announcements:**
S. Williams thanked everyone that worked on the ribbon cutting ceremony.
C. Callaway stated that the City of Globe's First Friday will be November 6, 2026.

Item # 26 **Schedule any Topic or Issue:** Next Regular Board Meeting will be Monday, November 16, 2026.

Item # 27 **Adjournment:** S. Williams made a motion to adjourn the meeting at 7:09pm. M. Buzan seconded. Carried 4-0.

DRAFT