

INSCRIPTION CANYON RANCH SANITARY DISTRICT

P.O. Box 215 Chino Valley, AZ 86323

~PUBLIC SESSION MINUTES~

Approved June 14, 2016

April 27, 2016

Date: Wednesday April 27, 2016

Time: 1:30 p.m.

Place: The meeting was held in the Conference Room at 5360 W. Inscription Canyon Drive Prescott AZ

1. CALL TO ORDER.

The Governing Board for the Inscription Canyon Ranch Sanitary District convened into public session at approximately 1:30 p.m.

2. ROLL CALL.

Present were Bill Dickrell, Chairman; Al Poskanzer, Chairman; Bill Whittington, District Counsel; Bob Busch, District Manager and the following audience members.

- Derek Scott - A Quality Water Co.
- Bruce Eldredge - MDI Financial Services
- Jim Binick - Granite Basin Engineering
- Tyson Glock - Sunrise Engineering, Inc.

3. Reports

- **Financial Report** *Mr. Bruce Eldredge reported on the financial and budget statuses for the months of February and March of 2016. There was nothing extraordinary to report for the month of February. Mr. Eldredge provided financial information for the month of March and clarified any questions that the board had. Mr. Busch noted that the Budget vs Actual Reports for February and March provided to the Board showed that revenues and expenses were within budget for the year. There was nothing extraordinary to report for the month of March.*
- **Manager's Report** *Mr. Busch stated that the average flows for the months of February and March averaged at about 45,000 gallons per day. He also stated that A Quality Water had pump sludge to a tanker because the new bag did not arrive in time and that next time, it would have to be ordered earlier*

4. Old Business

- A. Claim against PurSolar & Electric for damages to the Silent Moon Lift Station, including Registrar of Contractors complaint and possible court action.** *No action is needed at this time.*
- B. Contract terms to be included in proposed contract with Sunrise Engineering for design of improvements to wastewater treatment plant.** *Tyson Glock Project Manager of Sunrise Engineering spoke regarding the price increase of the Plant Expansion Project. He stated that the proposed price increase was due to the proposed phasing of the project. If the building and generator are installed prior to a plant expansion, exact sizing required for the plant expansion*

would not be known, so some upsizing would need to be made to insure that there would be sufficient capacity when the expansion takes place. He also indicated that there were additional items such as incorporating a SCADA system and sludge thickening that were not initially planned. Mr. Glock stated that adding, modifying or deleting any aspects of the plan that was proposed would change the costs. There was a brief discussion regarding different approaches that would benefit the district in the expansion project for the plant.

It was the consensus of the Board that the project continue as proposed. The District Manager and legal counsel will continue working on a contract with Sunrise Engineering and present it to the Board for approval & execution.

- C. **Setting a time and place for future meetings of the District Board.** Mr. Busch will contact the board and set a future meeting time and place according to the availability of all its members.

5. CONSENT AGENDA (Routine items that may be approved by one motion)

Minutes of Meetings

Minutes of Public Meeting of March 28, 2016

Executive Session Minutes of March 28, 2016

Mr. Dickrell made a motion to approve the consent agenda. Mr. Poskanzer seconded the motion. The motion passed unanimously without discussion.

6. **Bill Dickrell made a motion to VOTE TO GO INTO EXECUTIVE SESSION FOR: discussion or consultation for legal advice with the attorneys of the Inscription Canyon Ranch Sanitary District pursuant to A.R.S. Section 38-431.03. (A)(3) and discussion or consultation with the attorneys of the Inscription Canyon Ranch Sanitary District in order to consider its position and instruct its attorneys regarding the District's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation or in settlement discussions conducted in order to avoid or resolve litigation pursuant to A.R.S. Section 38-431.03. (A) (4) re:**

A. Claim against PurSolar & Electric for damages to the Silent Moon Lift Station, including Registrar of Contractors complaint and possible court action.

B. Contract terms to be included in proposed contract with Sunrise Engineering for design of improvements to wastewater treatment plant.

C. District Land Use Issues. *During the Executive Session, the public will be asked to leave the Board meeting room until the public session is re-convened.*

Executive session began at approximately 3:00 p.m.

RECONVENE INTO PUBLIC SESSION at approximately 3:45 p.m.

7. NEW BUSINESS

A. Approval of financial reports for February and March 2016. *Mr. Dickrell made a motion to approve the financial reports for February and March 2016. Mr. Poskanzer seconded the motion. The motion passed unanimously without discussion.*

B. Review of line break and repairs on Double Adobe and possible steps to avoid similar future incidents. *Mr. Dickrell commented that following the recent plug in the line on Double Adobe, it is appropriate to discuss any possible actions to minimize the impact or eliminate the potential for these situations in the future. Mr. Scott commented that original infrastructure construction was*

flawed as it did not incorporate bends or sweeps in the lines, but rather only tees, making it almost impossible to use jettors. At Double Adobe, he attempted to clear the line several times by flushing back and forth. Finally, it was necessary to call in a jetter service. Since there are no sweeps in the line, the street had to be opened, the line exposed and cut in order to insert a jetter. He said he believed that problem originates with the home construction. Debris is flushed down the drain and into the collection system where it sets up and hardens. He suggested that the sewer valve not be opened until after construction is completed and inspected by A Quality Water. By consensus, Mr. Derek Scott was asked to speak with Clint Poteet of Talking Rock to notify him of the Board's decision that the sewer valve will be shut off by the District and turned on by the District only so as to prevent contractors or others from flushing debris down the drain and causing the lines to clog.

C. District Land Use Issues. *No action needed at this time.*

D. Approval of Rates and Fees Definitions for 2016-17 fiscal year. *Mr. Al Poskanzer made a motion to approve the proposed Rates and Fees Definitions for 2016-17 fiscal year. Mr. Dickrell seconded the motion. The motion passed unanimously.*

E. Approval to publish proposed annual budget and proposed rates and fees for 2016-17 in advance of budget and rate hearing(s). *Mr. Dickrell made a motion to approve the publishing of the proposed annual budget and proposed rates and fees for 2016-17 in advance of budget and rate hearings with the following amendments: add \$6000 for lab analysis, reduce \$100,000 in reimbursement revenue and add \$46,600 set aside for reserve for replacements. Mr. Poskanzer seconded the motion. The motion passed without any further discussion.*

F. Approval to engage Alyx Cohan, CPA to prepare Financial Review for fiscal year ending June 30, 2016, and approval to sign engagement letter dated April 13, 2016. Cost not expected to exceed \$3,700. *Mr. Poskanzer made a motion to engage Alyx Cohan, CPA to prepare Financial Review for fiscal year ending June 30, 2016, and approval to sign engagement letter dated April 13, 2016. Mr. Dickrell seconded the motion. The motion passed unanimously without further discussion.*

G. Transfer of funds from District Operating Account to the Unrestricted Capital Fund in the Yavapai County Accounts. *Mr. Dickrell made a motion to transfer funds in the amount of 139,317.06 from the District Operating Account into the Unrestricted Capital Fund in the Yavapai County Accounts. Mr. Poskanzer seconded the motion. The motion passed unanimously without discussion.*

H. Approval to issue Records Destruction Certificate for Accounts Payable and Receivable Records Invoices from 2007-2010 *Mr. Dickrell made a motion to approve the issuance of the Records Destruction for Accounts Payable and Receivable Records- Invoices from 2007-2010. Mr. Poskanzer seconded the motion. The motion passed unanimously without discussion.*

8. ADJOURNMENT

Therefore, the meeting was adjourned at 4:20 p.m.

Date

Board Clerk