

INSCRIPTION CANYON RANCH SANITARY DISTRICT

P.O. Box 215 Chino Valley, AZ 86323

~PUBLIC SESSION MINUTES~

March 30, 2018

Approved May 1, 2018

Date: Friday March 30, 2018

Time: 2:00 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 2:00 p.m.

2. ROLL CALL.

Present were David Barreira, Board Chairman, Al Poskanzer, Board Member; Bill Dickrell, Board Member. Also present were; Bill Whittington, legal counsel; Bob Busch, District Manager and Isabel Yribe, Clerk. Audience members included Bob Hilb, Derek Scott, Clint Poteet and Davin Benner.

3. CALL TO THE PUBLIC

Mr. Hilb wanted to know what the board's interpretation was regarding the need for a new permit from ADEQ for future plant expansion. Mr. Hilb stated that ADEQ only required that the district have the finances and plans to be able to move forward in provide capacity. Mr. Hilb also stated that ADEQ did not like when plant expansions were built before getting 85% to 90% from capacity. Mr. Barreira stated that the district's position on the matter was what legal counsel had advised them to take. Mr. Whittington stated that the matter could be discussed during the executive session. Mr. Hilb stated that if the district would stand by its own interpretation, he was going to write ADEQ and ask if that interpretation was correct. Mr. Barreira asked if Mr. Hilb was representing Talking Rock Ranch. Mr. Hilb stated that he did not represent Talking Rock Ranch but was a resident of the district and did not want his taxes to go up. Mr. Hilb also mentioned that having residents who were going to use capacity be the ones to pay for it. Mr. Whittington suggested that the conversation continue during the agenda item designated for this matter.

4. Mr. Poskanzer moved that the board 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. Possible changes to the Amended & Restated Development Agreement, concerning but not limited to Sections 7 & 8; financing and repayment issues and repayment options for WWTP replacement and expansion.**
- B. Purchase Order for a backup generator for Phase 1 of Improvements to the WWTP.**
- C. Contract with Enviro Tech Electrical Solutions for electrical work for Phase 1 Improvements at the WWTP. for \$53,327.50.**
- D. Contract with Chino Heating and Air for HVAC work for Phase I Improvements at the WWTP not to exceed \$12,599.55.**
- E. Approval of Capacity Assurance Forms for Sterling Ranch at Talking Rock and Talking Rock Phase 13(amended).**
- F. Consulting Contract with Z Consulting for work in connection with upgrades to the existing WWTP.**
- G. Status of Contract for Design Work for Phase 2 Improvements/Replacement of the WWTP.**

Mr. Dickrell seconds the motion. The motion is passed unanimously without discussion.

During the Executive Session, the public will be asked to leave the Board meeting room until the general session is re-convened

CONVENE into Executive Session at 2:11 p.m.

RECONVENE from Executive Session at approximately 3:30 p.m. 5. REPORTS

5. Report from District Manager

- Status of Plant Operations and Bidding for phase 1 of WWTP Improvements** *Mr. Busch stated that there were several bids for this agenda item. Mr. Busch said that those would be discussed at the designated time in the meeting for that agenda item.*
- Plant treatment daily averages** *Mr. Busch reported that he daily treatment averages for January were at 39,692 gpd. Mr. Busch attributed the low numbers to one of the lift stations needing repairs. The averages rose to 47,600 gpd for the month of February.*
- Status of lift station repairs** *Mr. Busch stated that the lift station repairs were all made.*
- GoDaddy Email conversion** *Mr. Busch stated that the district's email service was transitioning to Office 365. He suggested that the board members call the help line for any assistance.*

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

Minutes of Meetings

Minutes of Public Meeting of February 13, 2018

Executive Session Minutes of February 13, 2018

Reimbursement to District Manager - \$483.17

(GoDaddy- Email service renewal-Office 365 (\$483.17))

Mr. Barreira moved that the consent agenda be approved. Mr. Poskanzer seconds the motion. The motion passed unanimously without further discussion.

7. OLD BUSINESS - DISCUSSION & POSSIBLE ACTION RE:

- A. Possible changes to the Amended & Restated Development Agreement, concerning but not limited to Sections 7 & 8; financing and repayment issues and repayment options for WWTP replacement and expansion.** *Mr. Poskanzer moved that legal counsel proceed as directed in executive session. Mr. Dickrell seconds the motion. The motion passed unanimously without further discussion.*

Mr. Barreira would like the record to show that items 4B, C, D, and G were not discussed in the executive session.

- B. Setting a time and place for future meetings of the District Board.** *Mr. Barreira deferred action on this item.*

- C. Purchase Order for a backup generator for Phase 1 of Improvements to the WWTP.**

Mr. Whittington stated that the preamble be added to this contract. Mr. Barreira moved that the board award the contract to Cummins for \$45,654.99 and that Mr. Busch be authorized to execute that purchase order. Mr. Dickrell seconded the motion. The motion passed unanimously without further discussion.

- D. Approval of Capacity Assurance Forms for Sterling Ranch at Talking Rock and Talking Rock Phase 13(amended).** *Mr. Barreira asked if any board members had any comments on this agenda item. He also stated that there were no forms for Sterling Ranch at Talking Rock and Talking Rock Phase 13 (amended). Mr. Davin Benner said that he could print them from his telephone if needed. Mr. Benner also mentioned that the original requested Capacity Assurance Forms were reduced from 115 connections down to 45 connections. Mr. Hilb wanted to know if it was still the board's position to believe that capacity had to be achieved to approve the Capacity Assurance Forms. Mr. Barreira stated that the board had not changed its position on this matter. He also stated that the board had consulted with legal counsel Whittington and Lynch and maintained its position on capacity requirements as advised by legal counsel. Mr. Hilb said that he would be communicating with ADEQ regarding this matter.*

Mr. Dickrell moved that the board proceed as advised in executive session by legal counsel. Mr. Poskanzer seconds the motion. The motion passed unanimously. Mr. Hilb stated that the motion did not satisfy the requirements of the Open Meeting Laws without the board saying what they were doing. Mr. Poteet then asked if the board was signing the documents or not. Mr. Barreira stated that they would not be signed at this time. Mr. Benner asked to be apprised of the situation regularly so that he could relay that information to his clients. Mr. Poskanzer then proceeded to explain the boards position and Mr. Barreira asked Mr. Poskanzer not to elaborate any further. Mr. Derek Scott stated that it was his belief that Mr. Poteet would be taking this matter to his attorney the following Monday morning. Mr. Poskanzer then suggested that one of the board members go to Mr. Poteet and try to alleviate the dilemma. Mr. Barreira again stated that the discussion regarding the matter was closed. Mr. Poskanzer again

suggested that someone console Mr. Poteet because it was obvious that he left the meeting angrily. The discussion continued until the clerk, Ms. Yribe told the board members that the information that was discussed in executive session should not be discussed in public session. The discussion subsequently ended.

Mr. Barreira moved that legal counsel proceed as directed in executive session. Mr. Poskanzer seconded the motion. The motion passed unanimously. Mr. Whittington then said that this item was not addressed under A (4). It was discussed under A (3) and therefore did not need a motion to authorize legal counsel to proceed as directed in executive session. Mr. Whittington recommended that Mr. Barreira amend his motion to authorize legal counsel to proceed as recommended under A (3). Mr. Barreira amended the motion to proceed as recommended under A (3). Mr. Poskanzer seconded the motion. The motion passed unanimously without further discussion.

8. NEW BUSINESS - DISCUSSION & POSSIBLE ACTION RE:

- A. Approval of Financial Reports for January 2018.** Mr. Barreira moved that the financial reports for January 2018 be approved. Mr. Poskanzer seconded the motion. The motion passed without further discussion.
- B. Contract with Enviro Tech Electrical Solutions for electrical work for Phase 1 Improvements at the WWTP for \$53,327.50.** Mr. Barreira moved that the contract with Enviro Tech Electrical Solutions for electrical work for Phase 1 Improvements at the WWTP for \$53,327.50 be approved and the District Manager authorized to sign. Mr. Dickrell seconded the motion. The motion passed unanimously without discussion.
- C. Contract with Chino Heating and Air for HVAC work for Phase I Improvements at the WWTP not to exceed \$12,599.55.** Mr. Barreira moved that the contract with Chino Heating and Air for HVAC work for Phase I Improvements at the WWTP not to exceed \$12,599.55 be approved and the District Manager be authorized to sign. Mr. Barreira seconded the motion. The motion passed unanimously without discussion.
- D. Engagement Letter with Alyx Cohan, CPA for a financial review for FYE June 2018. The work is not expected to exceed 4,000.** Mr. Dickrell moved that the Engagement Letter with Alyx Cohan, CPA for a financial review for FYE June 2018 be approved. Mr. Poskanzer seconded the motion. The motion passed unanimously without discussion.
- E. Status of Contract for Design Work for Phase 2 Improvements/Replacement of the WWTP.** Mr. Barreira moves that design work on Phase 2 be kept on hold. Mr. Poskanzer seconded the motion. The motion passed unanimously without discussion.
- F. Consulting Contract with Z Consulting for work in connection with upgrades to the existing WWTP.** Mr. Barreira commented that there were some inconsistencies in the proposal that need to be clarified. Mr. Barreira moved that no action be taken on this item at this time. Mr. Poskanzer seconded. Motion was carried unanimously.

9. ADJOURNMENT

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

Date

Board Clerk