

# INSCRIPTION CANYON RANCH SANITARY DISTRICT

P.O. Box 215 Chino Valley, AZ 86323

~ PUBLIC SESSION MINUTES ~

March 27, 2019

Approved April 4, 2019

**Date:** Wednesday, March 27, 2019

**Time:** 11:00 a.m.

**Place:** The meeting was held in the Board Room at the Chino Valley School District, 650 E. Center Street, Chino Valley, AZ

## 1. CALL TO ORDER.

The Governing Board for the Inscription Canyon Ranch Sanitary District convened the Meeting at 11:00 a.m and the roll call of the Board Members was taken.

## 2. ROLL CALL.

Present were: David Barreira, Board Chairman; Bob Hilb, Board Member; Bob Summers, Board Member; Robert Busch, District Manager; Stephen Polk, Legal Counsel; and Jeannine Yeager, Clerk.

Members of the Public: Jeanette Summers, John Terwilliger, Alan Cockerell, R.S. Damesek, Clint Poteet.

## 3. CALL TO THE PUBLIC

*Mr. Barreira asked if anyone from the Public wished to speak and no one spoke.*

## 4. POSSIBLE VOTE TO GO INTO EXECUTIVE SESSION

*Mr. Barreira made a motion to proceed into the 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. Status of insurance company response to District concerning coverage.
- B. Possible response to settlement proposal from Peter Burger of Symmetry Companies
- C. Capacity Assurance Forms for Talking Rock, Phase 6, and possible modification(s) to the forms.
- D. Questions and legal advice concerning portions of the Amended and Restated Development Agreement.

*Mr. Hilb seconded motion and all Board Members stated aye. Mr. Polk gave the admonishment and reminded all members of the Executive Session about confidentiality. The Board went into Executive Session at 11:03 a.m.*

*During the Executive Session, the public was asked to leave the Board meeting room until the general session was re-convened*

## **RECONVENE INTO PUBLIC SESSION AT 12:12 P.M.**

### **5. REPORTS**

*Mr. Barreira asked Derrick Scott, the System Operator from the wastewater facility, to give a report on the current status and operation of the treatment plant. Mr. Scott asked the Board if they had received the copy of the report that was sent out and the Board stated that they had not. Mr. Scott stated that everything is functioning as it has been. Mr. Scott had received a call from the District Manager regarding home service valves that are being covered over. This issue has been addressed and it is being taken care of because they are not allowed to do that. Mr. Busch has sent Mr. Scott a list of pending new services and Mr. Scott is going around and verifying if they are connected or not and will give an accurate count to Mr. Busch regarding how many are actually active.*

*Mr. Scott stated that the cutover at the treatment plant was done yesterday for the new transformer and that APS came and replaced the transformer and the new one is now on line. Mr. Busch stated that the generator company will be out on Monday, April 1<sup>st</sup> at 8 a.m. to do the startup and Mr. Scott stated that they needed to bring a battery because there was no battery.*

*Mr. Scott stated that he just did his quarterlies and that everything is functioning acceptably. He is still taking heroic measures to keep the plant functioning within normal parameters. Mr. Barreira asked if Mr. Scott was still having extreme difficulties and Mr. Scott stated that it is becoming more and more difficult to operate the plant within the guidelines. Mr. Scott stated that they all knew this three or four years ago and it is becoming harder to operate the plant. Mr. Scott stated that Civiltec used the measurements that were indicative of the time. When they first started, the BOD was at 220 mg/liter and now it is 350-400mg/liter so Mr. Scott has to use some creative jockeying by using more chlorine and sometimes more methanol and sometimes he has to use the old plant as a tank to hold some of the overflow and reprocess it.*

*Mr. Busch asked if they had any very high days in March because he hasn't received the data for March yet. Mr. Scott replied that they had a couple of 70,000 gallon days. The blowers are operational and Mr. Scott stated that he is doing the best that he can and that the District cannot afford to not upgrade the plant. Mr. Scott stated that they are reaching the point where they will have more and more samples not passing and be in violation.*

*Mr. Busch asked Mr. Scott if Civiltec had contacted him in connection with the application. Mr. Scott stated that they had contacted him and that they had discussed with him the*

*decommissioning of the old plant and shutting it down and also a cost analysis. Mr. Barreira stated that the District has to show money in their account for decommissioning the plant or the ADEQ will not issue the permit. Mr. Scott stated that he told Civiltec to contact Santec and to talk with Dwight Zemp because he has also decommissioned plants and he would have a better idea of what the actual costs would be to do this process. Discussion ensued about the decommissioning process.*

*Mr. Scott reported that a flow EQ pump failed and he had to replace it and that there is another pump getting ready to fail and that will need to be replaced soon.*

## **6. CONSENT AGENDA**

*Mr. Barreira read the items on the Consent agenda regarding the approval of the meeting minutes and the Executive Session minutes from March 14, 2019 and March 18, 2019 and also the reimbursement amounts to the District Manager for the meeting room at Springhill Suites for the March 18, 2019 meeting (\$357.00) and for a purchase of card stock at Walmart (\$10.91). Mr. Hilb made the motion to approve the Consent Agenda, Mr. Summers seconded and all Board members stated aye.*

## **7. OLD BUSINESS**

### **A. Setting a date and time for future ICRSD Board Meeting.**

*Mr. Barreira asked Mr. Busch to come up with this and inform the Board.*

### **B. Claim by Talking Rock Land, LLC**

### **C. Communications with insurance company re: possible involvement in settlement efforts with Talking Rocking Land, LLC**

### **D. Possible response to settlement proposal from Peter Burger of Symmetry Companies.**

*Items B, C and D: Mr. Barreira requested that Mr. Polk address these issues with the Public. Mr. Polk stated that the Insurance Company had assigned an attorney, Sean Healy with Louis Brisbois, and that they would be going forward with filing a Notice of Appeal. They are in communications with the Insurance Company to get approval for settlement negotiations.*

### **E. Discussion and possible approval to mail to District property owners, newsletter(s) including responses to comments and emails from Talking Rock.**

*Mr. Barreira stated that the Board would table this item for a future discussion and possible edits of the newsletter.*

### **F. Develop/approve ethics rules for Board Members.**

*Mr. Barreira stated that this was Mr. Summers' item and Mr. Summers replied that he will be getting started on this soon and he will confer with Mr. Polk about this item.*

## **8. NEW BUSINESS**

### **A. Possible approval of Capacity Assurance forms for Talking Rock, Phase 6, and possible modification(s) to the forms.**

*Mr. Hilb made a motion to authorize the Chairman to sign the forms when the two engineering companies agree to certain technical information. Mr. Barreira seconded the motion. Mr. Polk asked Mr. Hilb if there will be an attached letter to the forms regarding*

*this technical information. Mr. Barreira stated that there is a letter and Mr. Hilb stated that they had not discussed the letter. Mr. Hilb changed his motion and included the attached letter and Mr. Barreira seconded and asked for any discussion. A discussion ensued regarding Point 8 of the agreement and the advice given by Counsel to approve the forms and for the Board to do their due diligence. Mr. Polk stated that Mr. Whittington asked to be called back and be included in this discussion. So Mr. Barreira called Mr. Whittington on the conference line. Mr. Summers discussed that he felt it was unnecessary to vote on this because of the service agreement and that the forms should be signed and that they should go ahead. Mr. Barreira stated that they have received legal counsel advice.*

*Mr. Hilb stated that he had just read the attachment letter and he wanted to change his motion. Mr. Barreira stated that Mr. Hilb needed to withdraw his motion and Mr. Barreira would need to withdraw his second, which they proceeded to do. Then Mr. Hilb made a new motion to approve that the Chairman be authorized to sign the forms upon the agreement of the technical issue from the engineers and with the attached letter having the second to the last paragraph removed.*

*The Board members read the attachment letter and discussed the removal of that paragraph. There was no second so the motion failed. Then Mr. Barreira made a motion to approve upon the agreement of the engineers and that the Chairman can sign the forms and also send the letter with the forms. Mr. Summers seconded pending discussion. Mr. Hilb stated that he felt that the paragraph has been overcome by the discussions about the expansion and even though it might take 18 months to approve the amendment, they can still have the construction done and be operating before the 18 months. Mr. Barreira asked if all were in favor of the motion. Mr. Barreira stated aye, Mr. Summers stated aye and Mr. Hilb stated nay. Motion passed.*

Meeting was adjourned at 12:39 p.m.

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Clerk of the Board

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Date