

INSCRIPTION CANYON RANCH SANITARY DISTRICT

P.O. Box 215 Chino Valley, AZ 86323

~RATE/BUDGET HEARING AND PUBLIC SESSION MINUTES~

June 28, 2017

Approved September 1, 2017

Date: Wednesday June 28, 2017

Time: 8:30 a.m.

Place: The meeting was at 5360 W. Inscription Canyon Dr.

1. CALL TO ORDER.

The Governing Board for the Inscription Canyon Ranch Sanitary District convened into public session at approximately 8:40 a.m.

2. ROLL CALL.

Present were Dave Barreira, Chairman, Bill Dickrell, Board Member; Al Poskanzer, Board Member, Bill Whittington, District Counsel (at approximately 9:00am); Bob Busch, District Manager; and the following audience members.

- Bob Summers
- Janet Summers
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3. CONVENE FEE HEARING 8:40 am

There were no comments from the public.

ADJOURN Fee Schedule Hearing 8:40 a.m.

4. CONVENE BUDGET HEARING at 8:40 a.m.

There were no comments from the public.

ADJOURN Budget Hearing at 8:40 a.m.

CONVENE into Public Meeting at 8:40 a.m.

5. CALL TO ORDER

Chairman Barreira changed the order of the agenda to await the arrival of Bill Whittington, District Counsel. He called for Item 5 on the Agenda " Reports"

REPORTS

Report from District Manager

- **Status of Plant Operations** *M. Busch reported that the daily average flow for May was 44,607 gallons per day. There were four days in May with a flow of over 50,000 gallons. He reported that the cost of repairs for the work on Cloe Drive was \$2752 for contractor work and \$420 for the reimbursement of the two property owners who had a vendor checkout their grinder pumps. He reported that Derek Scott called this morning to advise that the effluent lift station is malfunctioning. Two steel valves has corroded and failed in need to be replaced (with PVC). He has a vendor on the way to make repairs. Meanwhile the effluent is being pumped into the concrete basins and will be pumped back into the system when the repair is complete.*

The 100% completed drawings and specifications were received from Sunrise Engineering. The revised construction estimate for the modified scope is now at just under \$211,000. He stated that he gave approval to Sunrise Engineering to reallocate \$3,300 of unused contract allowances to cover the redesign work due to the removal of the building from the project.

Mr. Busch reported that he completed the review of developer lot fees received in the last year or so and found that there were two sales, one in March, 2017 and one in May, 2017 where a developer lot fee was collect from Edmunds Talking Rock, LLC. Neither involved a sale from Talking Rock Land, and should be refunded. He will make arrangements to refund the \$6,500. Bill Dickrell asked if we have a record of lots that have paid fees. Mr. Busch responded that MDI maintains the information in the CORE billing/record system.

Al Poskanzer commented that he has had conversations with MDI regarding the request for records involving salary data. Mr. Whittington (who had recently joined the meeting) advised that the matter is not on the agenda and should be deferred until it is agendized.

Dave Barreira made a motion 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. Discussion and consideration of the employment agreement and status of the District Manager, including term of employment.**
- B. Possible financing and repayment options for WWTP replacement and expansion.**
- C. WWTP expansion project construction bidding and contract requirements.**
- D Possible approval of an offer to ICR Water Users Assn in connection with the use of its building near the WWTP in exchange for an access easement across District property.**

Bill Dickrell seconds the motion. The motion passes unanimously without discussion.

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 9:00 a.m.

RECONVENE INTO PUBLIC SESSION at approximately 10:05 a.m.

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

Minutes of Meetings

Minutes of Public Meeting of May 26, 2017

Executive Session Minutes of May 26, 2017

Reimbursement to District Manager for \$187.04

Office Supplies - Walmart (\$10.64)

Publication of Notice of Rate & Budget Hearing- Prescott Courier (\$176.40)

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

7. Old Business

A. Possible financing and repayment options for WWTP replacement and expansion.

Mr. Busch commented that as of July 1, applications for the WIFA grant for up to \$35,000 for engineering fees will be available. It was the consensus of the Board that Mr. Busch should obtain and file the application for the grant.

B. Discussion and consideration of changes to the employment agreement with the District Manager.

Mr. Barreira advised Mr. Busch that the Board has instructed Counsel to prepare and employment contract that would classify the District Manager as a non-exempt employee. Once the draft is complete, Mr. Whittington is

instructed to provide Mr. Busch with the draft for comment and input toward completing an agreement..

C. Setting a time and place for future meetings of the District Board.

The Board instructed Mr. Busch to coordinate scheduling a meeting when the bid package is ready for discussion and approval.

D. Possible approval of an offer to ICR Water Users Assn in connection with the use of its building near the WWTP in exchange for an access easement across District property.

Mr. Poskanzer moved to table this item. Mr. Dickrell seconded. Motion passed unanimously.

8. NEW BUSINESS - DISCUSSION & POSSIBLE ACTION RE:

A. Approval of financial reports for April & May, 2017.

Mr. Busch reviewed the financial reports. He commented on the May P&L Report. All expenses were ordinary and expected for the month. He called the Board' attention to Account 1800 "Treatment Plant Upgrade in Progress". The current balance of \$60,595 reflects engineering charges to date for the Upgrade and Expansion Project. He indicated that with the present construction estimate of about \$211,000, the total cost of the project will be about \$270,000. According to the Development Agreement, the Developers are to pay 50% of the cost of upgrades to a maximum of \$150,000. They have already contributed about \$50,000 toward other upgrades, leaving about \$100,000. Mr. Barreira commented that he has discussed the matter with Clint Poteet of Talking Rock and they are expecting to pay the required amount.

Mr. Busch referred the Board to the Budget vs Actual Report for May, commenting on several accounts.

Mr. Poskanzer moved to approve the financial reports for April and May, 2017. Bill Dickrell seconded. Motion carried unanimously.

B. Approval and adoption of Rates and Fees for 2017-18 fiscal year.

Mr. Barreira moved to adopt the Rates and Fees presented for 2017-2018. Mr. Poskanzer seconded. Motion passed unanimously.

C. Approval and adoption of District Budget for fiscal 2017-18 and setting and certifying the tax levy amount for fiscal 2017-18.

Mr. Barreira moved to approve and adopt the proposed District Budget for fiscal 2017-2018 and certify the tax levy at \$266, 820. Mr. Poskanzer seconded. Motion passed unanimously.

D Transfer of funds from District Operating Account to the Unrestricted Capital Fund in the Yavapai County Accounts for capital reserve in the amount of \$46,600.

Mr. Dickrell moved to approve the transfer of \$46,600 from the General Fund to the Unrestricted Capital Fund. Mr. Poskanzer seconded. Motion carried unanimously.

E. Approval to proceed with the construction of Phase I of Improvements and Upgrades to the Water Treatment Plant, including obtaining of bids for constructions and possible retaining of Sunrise Engineering for construction oversight.

After some discussion about the manner in which to proceed, Mr. Poskanzer moved to authorize the District Manager to proceed with preparation of a bid package for construction of the improvements under phase I of the project and to bring the bid package and a list of potential bidders to the Board for approval prior to release. Mr. Dickrell seconded. Motion carried unanimously.

By consensus the Board instructed Mr. Busch to utilize Sunrise Engineering in the preparation of the Bid Package.

9. ADJOURNMENT

Therefore, the meeting was adjourned at 10:45 a.m.

Date

Board Clerk