

INSCRIPTION CANYON RANCH SANITARY DISTRICT

P.O. Box 215 Chino Valley, AZ 86323

~PUBLIC SESSION MINUTES~

September 11, 2014

Date: Thursday September 11, 2014

Time: 1:00 p.m.

Place: 5360 W Inscription Canyon Dr, Prescott, AZ 86305

1. CALL TO ORDER.

The Governing Board for the Inscription Canyon Ranch Sanitary District convened into public session at approximately 1:00 p.m.

2. ROLL CALL.

Present were Bob Hilb, Chairman; Al Poskanzer, Board Member; Bill Dickrell, Board Member; Bill Whittington, District Counsel; Bob Busch, District Manager and Isabel Yribe, District Clerk and the following audience members.

Bruce Eldredge David Barreira Eileen McGowan Dayne Taylor

3. CALL to the PUBLIC

- **Eileen McGowan** asked why there wasn't going to be an election this year regarding the open position on the board. *Mr. Hilb stated this item would be addressed at that item agenda during the meeting.*
- **Dayne Taylor** had several concerns one of which regarded the district website not being updated. Also, Mr. Taylor stated that District fees are not according to the Bylaws. Also, Mr. Taylor wanted to know how many phone lines were included in the contract with Cable One. He was also concerned about awarding work to AQuality Water, who he said doesn't have a license to do the work. He was concerned that the District would use Patton Electric when he admonished the District to check Patton's performance. Mr. Taylor had concerns about Resolution 2014-1 not being available on the district website. He wanted to know when Mr. Busch met with ADEQ, and wanted a summary of the meeting. Mr. Taylor also stated that per the meeting with ADEQ in January 2013, District maybe in violation of the operating permit, and that he was disappointed with this board for taking 20 months to get the permit corrected. Mr. Taylor also stated that he would like to have a discussion regarding the work that Santec would be doing for the District. *Mr. Hilb asked that Mr. Busch look into updating the website and that the rest of the concerns would be addressed at the appropriate agenda items during the meeting.*

4. **FINANCIAL REPORT from Bruce Eldredge.** This item was taken out of order as Mr. Eldredge had a time constraint that prevented him from reporting at the appropriate time in the meeting. Mr. Eldredge reported on the financial reports for May June and July of 2014. Mr. Eldredge went through his report line item by line item for each month. When the board members needed clarification or confirmation on a line item, Mr. Eldredge would answer at that time. There was nothing significant to report during his financial reports other than the day to day business for the district.

5. **Bob Hilb 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. Missing and unaccounted for records and documents, property of the District, that have not been produced by the previous District Board members.
- B. Attorney fees previously paid by the District in the Developer Lawsuit and possible action for reimbursement.
- C. Month to month agreement with Cable One for cable telephone services @ approx \$60.00 per month plus a one-time setup charge of approximately \$175, & termination of services with Table Top Telephone.
- D. Approval of a professional services contract with Lyon Engineering to review design documents prepared by Talking Rock/Harvard engineers for phases 11 of Talking Rock, and other phases as directed, in accordance with terms of the Amended and Restated Development Agreement. Cost is to be reimbursed by Talking Rock/Harvard.
- E. Authorization for District Manager to issue purchase order for a Carbtrol Odor Control Unit (175 cfm capacity- cost of approximately \$3,500.00 plus tax and shipping) and approval for AQuality Water Co. to install the unit at an estimated cost of \$2,000 as an extra to their contract. The expenditure could be considered a plant improvement and could be funded 1/2 from the Restricted Capital Account and 1/2 from developers per the Development Agreement. Page 2 of 4
- F. Consideration of proposals to perform a reserve study for the District from AssociationStudies.com, of Highland, CA at a cost of \$3,585 and a Facilities Advisors, Inc. (offices in Tempe, AZ) at a cost of \$2,195.
- G. Work order contract to Patton Electric, LLC, DBA EnviroTech Electrical Solutions to furnish and install Mission Cellular Alarm Systems at the Silent Moon and Double Adobe lift stations, and a dialing system and alarms at the ICRSD treatment plant. Total cost is \$7,653.4.
- H. Work order contract to Patton Electric, LLC, DBA EnviroTech Electrical Solutions, to furnish and install a 20hp Myers Pump in the Silent Moon Lift

Station at a cost of \$11,688.57, plus installation of \$600.00, not including possible upgrading of components to insure compatibility. This expenditure is for capital asset replacement, and would normally be funded from the Unrestricted Capital Account.

I. Approval to invoice Harvard Investments for electricity and repair costs at Silent Moon Lift Station from 3-1-2012 to date.

J. Professional Services Agreement with Santec Corporation to prepare an application for an amendment to APP #103119. The maximum cost for Santec is \$20,000 Total cost of the permit is estimated at approximately \$30,000.

K. Proposed Resolution 2014-2 - Cancellation of the November 2014 election

L. Proposed Resolution 2014-3 - Intergovernmental Agreement for Election Services

Mr. Poskanzer seconded the motion. The motion passed 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 1:27 p.m.

RECONVENE INTO PUBLIC SESSION 2:22 p.m.

4. REPORTS

Report from the District Manager

- **Status of Plant Operations/Plant treatment daily averages** *Mr. Busch stated that the average daily flow for June is 39,795 gallons per day, 39,902 for July and 41,706 gallons per day for August. Mr. Busch stated that 13 streets have been flushed in Talking Rock Ranch this year.*
- **Repairs** *Silent Moon repairs total \$1,155. The effluent lift station had repairs in the amount of \$3,733. And the VFD motor (Variable Frequency Drive) had repairs in the amount of \$1,218 due to a lightning strike. Mr. Busch stated that all those repairs have been completed. Mr. Busch also stated that the plant has received another years worth of supplies for on-site testing. There was also an invoice due on October 6, 2014 for the permit in the amount of approximately \$1,900.*
- **Status of Sludge Handling Pilot Project** *Mr. Busch stated that the plant is still on its first \$1,200 amount of bagging. To date, the plant has bagged about 40,000 gallons of sludge. Mr. Busch stated that the district has saved approximately \$12,000 to \$15,000 in costs by doing the bagging on site.*

Mr. Busch stated that record True-ups were done and several home transactions have occurred without the District being notified and also without the District receiving appropriate fees. A multifaceted approach was used to remedy the situation. Letters were sent to the Title companies in the Tri-City area notifying property owners that fees are due on ALL property transfers and were provided forms and contact information. Also, all County permits were checked for the past 18 months for new construction in the district and were compared to the District records. Field verifications were conducted on all properties with a pending status

against our files to verify connections. And also, all home sales within the past 24 months, within the district were checked against district records and compared with County ownership.

Mr. Busch also added that the electric bill for the Three Forks lift station was being paid by HOAMCO since at least 2012 in the amount of approximately \$25.00 per month. Mr. Busch stated that he transferred the bill to ICRSD effective 9/3/2014. Mr. Busch stated that the bill of sale for the Silent Moon lift station has been recorded, but he has not yet received the recorded document from the County. Mr. Hilb then asked if it was up on the website and Mr. Busch stated that he would do that. Mr. Busch stated that he received a state report on pooled collateral, of which he had copies for the board members, and that the amounts on it agreed with the bank balances for the District. Mr. Busch stated that items that were on the agenda would be discussed at the appropriate time in the meeting.

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

- Minutes of prior meetings
- Executive Session Minutes of June 16, 2014
- Minutes Public Meeting, Rate Hearing and Budget Hearing of June 16, 2014
- Reimbursement to District Manager for \$164.06 for:
 - Mileage to Phoenix to attend meeting with ADEQ to review status of APP (\$117.60).
 - Purchase of 2 flash drives for documents sent to Burch & Cracchiolo, P.C. law firm. (\$17.34)
 - Postage- letter to area title companies regarding transfer fees (\$14.08).
 - Office supplies- Wal-Mart (\$15.04).

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

7. OLD BUSINESS - DISCUSSION & POSSIBLE ACTION RE;

A. Missing and unaccounted for records and documents, property of the District, that have not been produced by the previous District Board members. Mr. Hilb stated that due to his resignation, a board member would have to take his place as he was the person conferring with counsel on this matter. By way of consensus, Mr. Poskanzer would take his place. Other than that, there was nothing to report on this matter at this time.

B. Setting a time and place for future meetings of the District Board. This item was deferred to the end of the meeting pending whether or not the board would have to have a special meeting regarding other agenda items discussed today.

C. Attorney fees previously paid by the District in the Developer Lawsuit and possible action for reimbursement. Page 3 of 4 There is nothing to report on this matter at this time.

D. Approval to invoice Harvard Investments for electricity and repair costs at Silent Moon Lift Station from 3-1-2012 to date. Mr. Hilb asked Counsel

Whittington to opine on this matter. Mr. Whittington stated that stated that he would need some time to think this over.

8. NEW BUSINESS – DISCUSSION & POSSIBLE ACTION RE;

- A. Selection of Board President and Clerk in accordance with ICRSD Bylaws Rules & Policies, Section II, Article 14** *Mr. Hilb made a motion to appoint Mr. Dickrell as Chairman of the Board and Mr. Poskanzer as Board Clerk effective immediately. Mr. Dickrell seconded the motion, the motion passed unanimously without discussion. Mr. Poskanzer then made a motion that Mr. Hilb conduct the rest of the meeting today. Mr. Hilb seconded the motion the motion passed unanimously without discussion.*
- B. Resolution 2014-2 for the approval to execute the Intergovernmental Agreement for Election Services with Yavapai County for handling future election of District Directors** *Mr. Hilb made a motion that the Chairman be authorized to sign Resolution 2014-2. Mr. Hilb stated that the District is required by state law to have its elections run by the County. The County is responsible for everything that the election entails. Mr. Poskanzer seconded the motion. The motion passed unanimously without discussion. Mr. Hilb then made a motion to approve this resolution with the amendment to include the correction that it is in fact Resolution 2014-3. Mr. Dickrell seconded this motion. The motion passed unanimously without further discussion.*
- C. Approval or resolution 2014-3 requesting the Yavapai County Board Of Supervisors cancel the election scheduled for November 2014, and that the Board of Supervisors appoint William Dickrell to the Board in accordance with ARS 48-2010A(3).** *Mr. Hilb made a motion that he be authorized to sign Resolution 2014-3. Mr. Poskanzer seconded the motion. There was a brief discussion by Mr. Busch questioning whether the proper Resolution was the one being voted on. There was a brief discussion to clarify this matter. It was discovered that Item number B above was done in error. Item B was then modified to contain the appropriate resolution number. Mr. Hilb subsequently made a new motion to approve Resolution 2014-2. Mr. Poskanzer seconded the motion. The motion passed unanimously without further discussion.*
- D. Approval of Financial Reports- May, June & July, 2014.** *Mr. Hilb made a motion to approve the financial reports for May, June and July 2014. Mr. Poskanzer seconded the motion. The motion passed unanimously without discussion.*
- E. Authorization for District Manager to electronically sign and execute month to month agreement with Cable One for cable local and long distance telephone services @ approximately \$60.00 per month plus a one time setup fee of approximately \$175, & termination of services with Table Top Telephone.** *Mr. Hilb made a motion that the District Manager be authorized to sign and execute this agreement and that Mr. Poskanzer work with the company to expedite this process. Mr. Busch then wanted to clarify that he could not sign electronically as the addendum could not be electronically sent along with the contract. Mr. Hilb mentioned that his motion included the termination of service with Table Top Telephone. Mr. Poskanzer seconded the motion. The following discussion ensued:*

- **Dayne Taylor** asked why the District was paying a premium. *Mr. Busch stated that the District was actually saving approximately \$55 a month switching to Cable One.*

The motion passed unanimously without further discussion.

- F. Professional Services Agreement with Santec Corporation to prepare an application for an amendment to APP #103119. The maximum cost for Santec is \$20,000. Total cost of the permit is estimated at approximately \$30,000. This item was deferred to a later meeting as there was a concern that perhaps the District could be out of compliance. Mr. Hilb also asked if there was out of compliance and whether once the application was submitted if the District would have to meet a time requirement of any kind. By matter of consensus it was decided that Mr. Busch researches this item further.**
- G. Authorization for District Manager to issue purchase order for a Carbtrol Odor Control Unit (175 cfm capacity- cost of approximately \$3,500.00 plus tax and shipping) and approval for AQuality Water Co. to install the unit at an estimated cost of \$2,000 as an extra to their contract. The expenditure could be considered a plant improvement and could be funded 1/2 from the Restricted Capital Account and 1/2 from developers per the Development Agreement. Mr. Hilb made a motion that the District Manager be authorized to issue this purchase order pending that the vendor has the proper licensing to fulfill these services and that Harvard be billed for half of the cost. Mr. Poskanzer seconded the motion. Mr. Busch mentioned that he also has a quote from the General Contractor but feels that A1 Quality Water can do the job. The motion passed unanimously without further discussion.**
- H. Approval of a professional services contract with Lyon Engineering to review design documents prepared by Talking Rock/Harvard engineers for phase 11 of Talking Rock Ranch and other phases as directed, in accordance with terms of the Amended and Restated Development Agreement. Cost is to be reimbursed by Talking Rock/Harvard. Mr. Hilb made a motion that Mr. Busch be authorized to sign and execute this contract provided that Harvard approves the cost of review. Also, to be included in this contract is the small business contract addendum provided by Counsel. Mr. Poskanzer seconded the motion. The motion passed unanimously without further discussion.**
- I. Work order contract to Patton Electric, LLC, DBA EnviroTech Electrical Solutions to furnish and install Mission Cellular Alarm Systems at the Silent Moon and Double Adobe lift stations, and a dialing system and alarms at the ICRSD treatment plant. Total cost is \$7,653.40. This expenditure is for capital assets, and would normally be funded from the Unrestricted Capital Account. Mr. Hilb made a motion that the District Manager be authorized to contract services from Patton Electric for a total cost of \$7,653.40 with the provision that the small business addendum be included in the contract. Mr. Poskanzer seconded the motion. There was a brief discussion regarding the transfer of funds to the appropriate account to cover this transaction. Since this item was not on the agenda, Counsel informed the board it would have to be tabled for a future agenda. Mr. Poskanzer also stated that a memo should be made for the District's files regarding the Manager's research for other bids were sought. The motion passed unanimously without further discussion.**

J. Consideration of proposals to perform a reserve study for the District from AssociationStudies.com., of Highland, CA at a cost of \$3,585 and a Facilities Advisors, Inc. (offices in Tempe, AZ) at a cost of \$2,195. *Mr. Poskanzer made a motion to approve the proposal to perform a reserve study for the District from Facilities Advisors, Inc. (offices in Tempe, AZ) at a cost of \$2,195. Mr. Hilb seconded the motion. There was a brief discussion regarding a difference in types of work the firm Facilities Advisors, Inc. was used to. Mr. Poskanzer stated that this work was a bargain at this price and he recommended they pursue it. The motion passed unanimously without further discussion. Mr. Hilb then made another motion that Mr. Busch be authorized to sign and execute the contract with Facilities Advisors, Inc. and that the contract includes the small business contract addendum. Mr. Dickrell seconded the motion. The motion passed without further discussion.*

K. Work order contract to Patton Electric, LLC, DBA EnviroTech Electrical Solutions, to furnish and install a 20hp Myers Pump in the Silent Moon Lift Station at a cost of \$11,688.57, plus installation of \$600.00, not including possible upgrading of components to insure compatibility. This expenditure is for capital asset replacement, and would normally be funded from the Unrestricted Capital Account. *Mr. Poskanzer made a motion to approve the contract with Patton Electric, LLC, DBA EnviroTech Electrical Solutions provided that 1. Mr. Busch be authorized to sign and execute the contract. 2. Mr. Busch research if an insurance claim can be filed regarding this matter and 3. Report back the cost of refurbishing the old pump so that it could be used as a spare part should it need be. Mr. Hilb seconded the motion. The motion passed unanimously without further discussion. Mr. Busch stated that he had attempted to contact the Myers plant to obtain a price for the pump or for a local distributor. Neither was available. By matter of consensus a note was to be filed in the District's records stating that fact.*

L. Acceptance of the resignation of Bob Hilb and the Appointment of a Director to fill his unexpired term (Application Attached for completion and submittal prior to the meeting) *Mr. Poskanzer made a motion to approve the resignation of Mr. Hilb and the Appointment of a Director to fill his unexpired term. Mr. Hilb seconded the motion. The motion passed unanimously without discussion.*

Mr. Dickrell made a motion that Mr. David Barreira be appointed as a District Board Member. Mr. Hilb seconded the motion. The following discussion ensued:

- **Elaine McGowan** asked that Mr. Barreira introduce himself and give a brief background as to his qualifications *Mr. Barreira introduced himself to the board and its audience.*

The motion passed unanimously without further discussion

9. ADJOURNMENT

Therefore the meeting was adjourned at 3:40 p.m.

Date

Board Clerk