

PINAL SANITARY DISTRICT & COBRE VALLEY SANITARY DISTRICT
Combined Board Meeting of Directors
Thursday, June 20, 2011

Meeting was called to order by President Zache at 5:05 p.m.

Present: R. Zache, M. Malkovich, W. Blake and R. Dixon of the Pinal Sanitary District. (Quorum)
M.A. Moreno, G.W. Asberry, K. Kenney and J. Yanez of the Cobre Valley Sanitary District. Also,
Leo Valdez (Financial Advisor), Jake Garrett (Gila County) and members of the public of
both Districts.

1. Adoption of Resolutions to merge the Districts and thereafter conduct the business of the newly formed District including the appointment of member of the new Board of Directors.

For Pinal Sanitary District – W. Blake moved adoption of the Resolution to merge the Districts, seconded by M. Malkovich and carried unanimously.

For Cobre Valley Sanitary District – G.W. Asberry moved adoption of the Resolution to merge the Districts, seconded by J. Yanez and carried unanimously.

2. Election / Appointment of Board of Directors of the newly formed Tri-City Regional Sanitary District:

The following slate was offered for consideration – R. Zache, R. Dixon, M. Malkovich, K. Kenney and M.A. Moreno. M.A. Moreno moved for the appointment of the above named individuals, seconded by M. Malkovich and carried.

R. Zache thanked Wayne Blake for his faithful years of service to the Pinal Sanitary District Board.

M.A. Moreno thanked J. Yanez, G.W. Asberry and J. Encizo for their willing participation on the Cobre Valley Sanitary District Board.

B. Clemmens noted that terms of office would have to be addressed but suggested tabling this until he has had a chance to meet with L. Eastlick to determine the best course of action.

Election of Officers – M.A. Moreno moved that R. Zache be elected President of the Tri-City Regional S.D., seconded by R. Dixon and approved unanimously.

M.A. Moreno was appointed as Secretary, with K. Kenney to assist. The Treasurer position will be filled at a later date.

R. Dixon requested an accounting of funds, expenditures and balances be made a part of each meeting once the Districts funds are merged.

3. / 7. Update on the Preliminary Engineering Report (PER) / Meeting with Town of Miami – The Town of Miami has been more cooperative with regard to fees and charges but continues to have concerns regarding the capacity of the plant with both Miami and Tri-City inflows approaching the design limits of the WWTP. At a meeting attended by R. Zache, M.A. Moreno, M. Malkovich, M. Worlton (AMEC), Bill Clemmens, R. Castañeda, Mayor, R. Hilgart (Town of Miami), J. Barnes, Miami Town Manager, their Town engineer and Public Works director these concerns were raised and discussed. These elements directly impact the costs to the Tri-City RSD residents and impact the PER and the rating matrix. Given that USDA is extremely reluctant to fund a project that includes another WWTP, the group has recommended an additional study element, to be conducted by AMEC to explore the possibility of expanding the existing WWTP at a future date when inflow dictate expansion, in order to finalize the costs outline in the PER. Tri-City Regional S.D. is being asked to fund 50% of this study. The impact to TCRSD would be \$8,258 but will yield a final document, more accurate cost estimates and solid rating matrix.

It was noted that the City of Globe has not responded.

M. A. Moreno moved the TCRSD fund their portion of this study, seconded by R. Dixon and carried following a lengthy discussion.

4. Update on RD Application and Funding Alternatives- L. Valdez identified a number of funding options available to the District besides USDA grant/loan funds. He will prepare a powerpoint presentation that will outline all the various alternatives for a future meeting.

A WIFA Grant has been approved for Design assistance. WIFA will fund approximately \$38,000 with the District responsible for roughly \$23,000. The funding is for 2012. L. Valdez and B. Clemmens will finalize the required documents.

5./ 6. Adoption of Various Resolutions reflecting the newly formed Tri-City Regional Sanitary District Resolution 002 – Approved by motion of M.A. Moreno, seconded by M. Malkovich.

Resolution 003 – Approved by motion of M. Malkovich, seconded by M.A.Moreno

Resolution 004 – Approved by motion of M.A.Moreno, seconded by M. Malkovich

Resolution 005 – Approved by motion of M. A. Moreno, seconded by M. Malkovich.

Resolution 006 – Approved by motion of M.A. Moreno, seconded by M. Malkovich with one typo noted. The correction will be made on the final document.

8. **Issues concerning transfer of projects and accounts to the Tri-City Regional S.D.** , i.e. P. O Box, merger of funds and establishment of a new bank account, etc. Approved by motion of M. Malkovich, seconded by R. Dixon. L. Valdez noted that USDA funding requires a tax I.D. number, a DUNS rating and a CCR. He, R. Zache and B. Clemmens will follow-up on this task. Authorization to proceed approved by motion of M. Malkovich, seconded by R. Dixon.
9. **Public awareness of the newly formed District** - All radio stations, newspapers have been added to the contact list for dissemination of the agenda. Interested citizens have been posting notices around the area. It was recommended that the District officers make presentations on the radio. Question arose regarding the timing of notices with respect to the Agenda and the attorney pointed out that the agenda isn't finalized until the last minute prior to the 24 hr. posting requirement because things tend to come up at the last minute that need to be added.
10. **Payment of Bills – Election Costs** – B. Zache met with L. Eastlick regarding questions that arose from the billings the district received for the merger election. She provided documentation and history, therefore R. Zache is asking for approval to pay the election costs for Pinal S.D. from the Pinal S.D. funds and the Cobre Valley S.D. from the Cobre Valley S.D. account prior to merging the Districts funds – Approved by motion of M. Malkovich, seconded by R. Dixon.
Approval to reimburse R. Zache for the cost of the P.O. Box in the amount of \$50 made by M. Malkovich, seconded by M.A.Moreno.
M.A. Moreno requested reimbursement for mileage to the meeting with Fred Rosenfeld on May 28. Approved by motion of M. Malkovich, seconded by R. Dixon.
11. **Next Meeting** – August 1, 2011 at the Cobre Valle Country Club at 5:00 p.m.
12. **Call to the Public** – J. Vezetti requested the Board entertain a motion to ask for a vote as to whether the public wants a sewer system. He states that he is not asking for the dissolution of the District. R. Zache stated that the question would be added to the August 1 agenda.
L. Pearce noted that she would be filing an article with the Arizona Silverbelt and would continue to publicize the actions of the District. She asked that outgoing Board members remain for a picture and that new Board members remain as well.

Meeting adjourned at 6:20 p.m.