

October 15, 2008

Regular Session

Additional information

Item #12

Requested by Norma Garrison

NOTICE OF MEETING
of the
CAMP VERDE SANITARY DISTRICT

The Board of Directors of the Camp Verde Sanitary District met in special session on Wednesday, September 24, 2008 at 5:00 p.m. in room 206/207 in the Town Hall Complex, Camp Verde, AZ. The public was invited to attend.

The Board may vote to hold an executive session for the purpose of obtaining legal advice from the Board's attorney on any matter listed on the agenda, in person or by telephone, pursuant to A.R.S. 38-431.03(A)(3).

I. OPENING

a. Roll call

Gregg Freeman called the meeting to order at 5:04 pm. All members present with the exception of Ben Bueler who arrived during the Call. Attorney, Brett Rigg was also present.

II. CALL TO PUBLIC

This is the time for the public to speak to the governing board on any issue including agenda items. Members of the Board may not discuss or take legal action on matters raised during an open call to the public. The only allowable responses a Board member may make are: 1) Board member may respond if there is direct criticism of the Board member; 2) Board member may direct staff to look in to a matter; or 3) Board member can ask to have this item placed on a future agenda A.R.S. 38-431.01(G)

a. Public comment (2 minute time limit per speaker.)

Gregg noted that the purpose of the Board meeting is for the Board of Directors to meet and transact the business of the District. In the past they have allowed discussions between the Board and the audience to take place during the conducting of Board business. The public will now be given the opportunity to ask questions on an agenda item before it is voted on. Gregg asked the members to hold their question and comments until they are asked. This will ensure that the Board is not violating any open meeting laws.

Joann Cathcart Brashears asked three questions regarding the WIFA loan. Gregg told her we would answer those during that agenda item. Ben made a motion to move item VII to this point to. Seconded by Dick. Motion carried unanimously. Item VII was heard at this time. The item is reported below.

III. CONSENT AGENDA ITEMS – All these items may be enacted upon by one motion and approved as Consent Agenda items. Any item may be removed from the Consent Agenda and considered as a separate item on a Board members request.

a. Approval of the minutes:

1. Aug 14, 2008 – Regular Meeting
2. Aug 21, 2008 – Special Session

b. Approval of Financial Reports:

1. Aug Financial Condition Report
2. Aug 14 – Sep 10 Warrants
3. Aug Project Funds Report

Carol made a motion to approve the Consent Agenda items. Seconded by Dick. The motion carried unanimously. Suzy Burnside asked if the funds in the State LGIP would be better put into the County Fund. Gregg directed Jan to look into that and report at the next regular meeting.

IV. Discussion, consideration and possible direction to Chairman relating to proposal to the Town of Camp Verde on 15 acre parcel of land per the IGA.

Dick made a motion to permit the Chairperson to sign the letter as presented. Seconded by Ben. Charlie German will present the letter to the Council and report back to the Board. Chip Norton asked if there would be any asphalt mixing in this agreement as that could be detrimental. The Board agreed that they could make that part of the final agreement. Bob Burnside noted that there is a limitation on the access into the District property as it is owned by the Forest Service. If the Town wants to make this a public access into their new park it could hinder access into the plant. Dick stated that the Town is looking into developing a separate access road into their park. Motion carried unanimously.

V. Discussion, consideration and possible approval of Fee Schedule.

A Public Hearing on the Fee Schedule was held last week with a presentation from Dan Jackson. Dick made a motion to approve the Fee Schedule eliminating the Reconnection Fee and the Minimum \$9. Seconded by Carol. Motion carried unanimously.

VI. Report by Richard Rynearson on walkthrough with SJL for Contract #1.

Representatives from Rural Development, the Ditch Board, SJL, CWC, Dick and Marshall were present. They identified a few issues that will be corrected. In general he was very pleased.

VII. Discussion, consideration and possible action on WIFA loan approval.

We have been notified by WIFA that our loan package has been approved by the full WIFA Board. Now all we need to move forward is for the members of the public to approve the loans at the November election. Seeing no objection Gregg read the following questions asked by Ms. Brashears and the Board answered them.

1. **What will happen if the additional funds the District is asking the voters to approve is unsuccessful?** The purpose of this loan package was to correct a situation that the Board had when they opened bids for the wastewater treatment plant and found that the engineers estimate was grossly understated and the actual cost was nearly twice as much. There wasn't time to rebid or go back to WIFA for additional funds. In order to expedite the building of the treatment plant the Board decided to obtain a loan in the open market. They borrowed funds at a higher interest rate. The purpose of the election is to refinance the higher interest rate loan with a lower interest rate loan from WIFA. If these loans are not approved by the voters we will have to go out to the open market again and borrow additional funds to enable us to finish the plant and fix the Main Street Pump Station as we are required by ADEQ to do. The current loans will still be payable at the current interest rates.
2. **Will the additional funds, if approved, be reimbursed to the District by the responsible parties for all the cost overruns?** Theoretically yes, however the reality is that there will probably be items that will have to go to arbitration. Their insurance companies will want to pay as little as possible. We will exhaust every legal means we have to recover all of the money.
3. **If the additional funds are not approved will the District still be responsible for the payments and how will they be funded?** No matter what happens in November the members of the District will be required to repay the loans. If the loans are approved then we will owe less money. If they are not approved the costs to the District members will end up being much higher.

Gregg asked the Board members if they are for or against the loans. The members agreed that we don't have much choice. We must get these loans approved. Bob asked why we aren't vigorously pursuing the contractors to share the responsibility of the failures so this doesn't all fall on the members of the District. He wants the public to know that we are working for their interests and not just sitting around doing nothing. Gregg stated that this will be discussed during the Executive Session as there are law suits involved.

VIII. Chairman's Report

Gregg reported he directed our operator to address the issue of Capacity Forms. Ron has asked ADEQ for their opinion. ADEQ has asked for a little time to look in to this as it is becoming an issue in other areas as well. It appears that the Town Manager required these forms when they felt the Town takeover was imminent. Since that isn't going to happen now this is no longer necessary. The town will accept our letters as always.

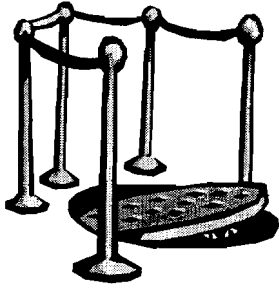
IX. Discussion, consideration and possible action on tank repair settlement offer.

The Board plans to hold an Executive Session to hear this item pursuant to A.R.S. 38-431.03(A)(3) for legal advice.

Ben made a motion to move into Executive Session. Seconded by Bob. Motion carried unanimously.

X. Adjournment.

Seeing no objection the meeting stood adjourned.



Camp Verde Sanitary District
P.O. Box 1205
Camp Verde, AZ 86322
Phone: 928-567-6794 Fax: 928-567-8832
Email: cvsd2@swiftwireless.com

September 24, 2008

Mayor & Town Council
Town of Camp Verde
Via: Sewer District Liaison
Town Manager

Subj: Proposal of Sewer District 15 acres as per IGA; location and stipulations

Dear Mayor and Council,

Please find attached the general map with location of IGA proposal of 15 acres of property delineated in red borders. This proposal is submitted for your approval in accordance with the provision of the IGA and understandings listed below:

The Town of Camp Verde would provide the official survey and legal description for the proposed 15 acres. The survey would commence at the south east juncture of the Sewer District west edge roadway and the Boundary of the Forest Service Boundary on the south. The survey would include the area identified as Area **A** on the attached map and the survey would continue north and west to include the balance of the 15 acres from the area being identified on the attached map as **Area B**.

The Sewer District would be willing to grant access to APS electrical availability if capacity was sufficient above the needs of the Sewer District and as verified by APS. This would provide the Town the opportunity to set up their own electrical service for future town buildings/offices.

The Sewer District would request courtesy copies of any proposals of approved buildings and other improvements embarked upon by the Town of Camp Verde.

All costs of improvements made by the town will be at the Town's expense unless both parties (Town of Camp Verde Council and Sewer District Board) agree in writing to specifically modify any future component of this proposal after being approved by both Parties.

This proposal comes as the result of direction from the Sewer District Board authorized during a duly convened public meeting.

Gregg Freeman, Chairperson
Camp Verde Sanitary District