

**Minutes
of the
Regular Meeting of Board of Directors of
The Industrial Development Authority of the County of Gila
(the “IDA”)**

Date: Thursday, March 10, 2022 at 2:00 pm.

Location: Gila County Courthouse, 1400 E Ash Street, Globe, AZ 85501
Payson Complex, 610 E. Highway 260, Payson, AZ 85541
Zoom meeting link provided on Agenda

Presiding: Mac Feezor

Present: Mac Feezor, Cliff Potts, Tim Grier, Bob Pastor, Stan Gibson, Lisa Brazil, Udon McSpadden

Absent: Jill Wilson

Administrative Manager: Sandy Palmer

Guest Present: Mike Harper, TRSD Attorney
Robert Jacques, TRSD President
Tim Humphrey, District 2 Supervisor
Sammy Gonzales, Mayor, Town of Miami
Micah Gaudet, Manager, Town of Miami
Fred Barcon, Citizen
Ed Forester, Citizen
Tom Werner, Citizen
David Sowders, Journalist, Silver Belt
David Abbott, Journalist, Globe-Miami Times

ITEMS FOR INFORMATION/DISCUSSION/ACTION

- I. INFORMATION/DISCUSSION/ACTION regarding Mr. Stanley Gibson’s retirement from the IDA Board and appointment of an IDA Member to fulfill the remainder of Mr. Gibson’s term as Secretary/Treasurer.

Bob Pastor recognized Mayor Gibson for his contribution to the community through his decades-long service and leadership within the community. Stan Gibson has been a role

model for those interested in community service and leadership, he accomplished many significant projects during his tenure in office. We honor you for your service and all you have accomplished.

Supervisor Humphrey expressed his gratitude for Stan Gibson's service.

Stan Gibson thanked the Board for their support and expressed his pleasure serving on the IDA Board.

On motion made by Lisa Brazil and seconded by Udon McSpadden, motion to nominate Bob Pastor as Secretary/Treasurer to fulfill the remainder of Stan Gibson's term. Motion passed by a vote of (7-0).

II. INFORMATION/DISCUSSION/ACTION update regarding the status of the TRSD project and subcommittee efforts. Lisa Brazil and Bob Pastor.

Lisa Brazil provided an update on the TRSD project by sharing that the steering committee had considered all of the actions taken for the past several years to get answers from TRSD and USDA regarding their claim that the district needs a third wastewater treatment plant. The steering committee determined the best course of action would be to write a letter to USDA asking for information and insight as to why the project is moving forward in its current form- with a third plant. There are critical questions regarding the affordability of the project that TRSD has not answered.

Lisa Brazil continued that quality of life for the residents of TRSD should be the district's top concern. Why aren't they looking at all the options- partnership with the Town of Miami is a viable, cost-effective option. After eleven years pushing a third wastewater treatment plant with no results, there needs to be questions answered.

Tim Grier reminded that the steering committee is a subcommittee of the IDA. The steering committee is to report back to the IDA Board for a board motion. The steering committee is to abide by Open Meeting Law and post agendas, keeps minutes, and bring action items back to the IDA Board for a motion.

Bob Pastor expressed that 'steering committee' may not be the best term to describe the group. The committee is not fully formed or formalized, it's a group of concerned citizens discussing a topic that the IDA has been discussing for years. To Tim's point, when the group is fully formed, the formal steering committee will appoint members, post agendas, etc.

Bob Pastor continued, as concerned tax payers living in the district, we are attempting to get answers.

Tim Grier said if it's a sub-committee of the IDA, then we need to abide by Open Meeting Law.

Lisa Brazil clarified the use of the term committee and the purpose of the steering group.

Mac Feezor clarified that the steering committee was to report back to the IDA Board, and not act independently of the IDA Board.

Lisa Brazil stated that residents posed these questions to the TRSD Board and staff numerous times over the past several years, asking for answers. We were trying to gather information so we can report back to the residents and the IDA Board.

Mac Feezor said the IDA Board needs to clarify that the letter that went out on IDA letterhead did not represent the entire IDA Board. It was a letter issued by private citizens.

Cliff Potts asked what the IDA's role was in the TRSD project. He understood that the IDA might be able to serve a role to help facilitate discussions to help bring clarity and positive solutions to the project. Cliff Potts continued; the IDA doesn't not want to play the central role in this project. He said he was hoping get a report back on what the IDA could do and reading through the letter, it's full of recommendations and conclusions that appear to be directed by the IDA Board. Cliff Potts said he would have appreciated an opportunity to discuss this within the IDA Board before issuing a letter with this level of tenor.

Lisa Brazil stated that the IDA Board has been discussing, and concerned about, this wastewater project for years. The TRSD Board has been trying to push the third plant for seven-years. TRSD started their project eleven-years ago, and they're still at the same stage that they were eleven-years ago. IDA Board's mission is to promote economic development and improve quality of life in the region. This project, if the third plant is included, would place an astronomical debt on impoverished population.

Lisa Brazil continued, it's about transparency. The issue isn't that we're overstepping our bounds, the problem is that TRSD is operating in secrecy and residents have never received honest answers to very real, legitimate questions.

Tim Grier said that the IDA Board operates as an entire Board and any action taken needs to follow protocol and abide by Open Meeting Law.

Bob Pastor asked if it would be beneficial to state on public record that the IDA Board did not authorize the letter. The letter was from concerned residents and mistakenly issued on IDA letterhead. The letter does not represent the views of the entire IDA Board.

Cliff Potts said we need resolution regarding this project as a committee, as a whole, from the Board of Directors. We need to reference that the draft letter was from Lisa and Bob as independent individuals. This is not because I don't support your efforts on a project that seems to be languishing. I was hoping to hear a report from the committee before any action was taken.

On motion made by Cliff Potts and seconded by Tim Grier, motion to issue the retraction letter in the agenda packet to the USDA Director passed by a vote of (5-1) with Lisa Brazil opposed.

- III. INFORMATION/DISCUSSION/ACTION regarding the task list and current project update.

Sandy Palmer provided the IDA Board with an update on the current projects.

No action was taken.

ADMINISTRATIVE REPORTS

- IV. Approval of the minutes of the Regular Meeting of December 17, 2021.

On motion to approve the minutes made by Bob Pastor and seconded by Cliff Potts, motion passed by a vote of (6-0).

- V. Approval of the Treasurer's Report for fourth quarter 2021.

On motion made by Bob Pastor and seconded by Lisa Brazil, motion passed by a vote of (6-0).

COMMUNICATION TO AND FROM THE BOARD

- VI. CURRENT EVENTS

Bob Pastor recognized that IDA Board Member, Bill Marshall, passed away in December 2021. Bob honored Bill's service and contribution to the community during his lifetime.

Mac Feezor mentioned that the redistricting has been completed. The college selected and approved the maps. Mac commending the good work by all concerned.

VII. CALL TO THE PUBLIC

Mike Harper, TRSD Attorney, thanked the overall IDA board on the approval of the TRSD retraction letter and mentioned that the letter should go to all the others who received the original TRSD letter.

Mike Harper said the letter issued to by the steering committee contains false statements of facts. He questioned why the steering committee did not ask the TRSD Board and staff these questions.

Mike Harper said the allegations are that TRSD has violated USDA guidelines, yet USDA's engineers are involved with the project.

Robert Jacques, TRSD President, highlighted his background as an engineer and said the TRSD project is currently in the engineering phase for Phase I, with construction bids expected by the end of 2022. Robert Jacques concluded that by no means is the TRSD project languishing.

Robert Jacques continued that EPA must approve the water quality management plan. If EPA doesn't formally approve the document, after 30 days the plan is presumed approved. The treatment plant discharge does not need to be potable.

Robert Jacques said he thinks the letter to USDA is appealing and contains misrepresentations. He said it would have been appropriate for TRSD to make a presentation.

Robert Jacques stated the Town of Miami and the City of Globe have do not have adequate capacity, therefore TRSD must build a treatment plant. He corrected himself to state that he does not know if the Town of Miami has capacity, but he's certain the City of Globe does not have enough capacity. He continued that interest rates on the \$35-million loan will not exceed 2.35%.

Robert Jacques stated that claiming the residents will be required to pay district fees is false.

Jacques continued that Green Valley is an example of how TRSD plans to use the effluent. A permit that allows the district to discharge. He stated the during the BOS meeting, the engineer said the that effluent is being utilized, by releasing it down Russel Gulch.

Robert Jacques said TRSD is not required to file an annual audited financial report because they are not in operation.

Cliff Potts said he appreciates the information offered by all, but the IDA needs to limit comments to 2-3 minutes to allow time for everyone.

Fred Barcon said he would like to address the comments made by the TRSD Attorney and Presidents. Fred Barcon said he disagrees with the comments made by Robert Jacques. He has personally attended numerous meetings prior to Mr. Jacques joining the TRSD Board.

Fred Barcon continued that engineer, Mike Krebs mentioned needing the MHI survey in 2009 as a requirement to establish the debt ceiling of what the residents could afford. TRSD still has not conducted the MHI survey.

The DMAs were finally approved in December 2021 and several proposed areas have been removed, meaning the district is smaller than anticipated in 2009. Fred continued that there's absolutely no way to know what the residents can afford.

Fred Barcon said he attended several TRSD meetings where the TRSD attorney advised the TRSD Board not to talk to residents before, during or after meetings. Is that the action of a transparent Board?

Micha Gaudet, Town of Miami Manager, stated that the Town's treatment plant processes 140 gallons per day, with a 600 gallons per day limit. The Town of Miami's treatment plant is operating at 22% capacity.

Tim Humphrey, District 2 Supervisor, discussed the packet mailed to USDA and other officials prior to being approved by the IDA Board, and said he was disappointed by the actions taken by the steering committee. Supervisor Humphrey asked Lisa Brail to resign from the IDA Board.

Ed Farester, concerned resident of TRSD, stated that he has been attending TRSD meetings for several years. He said while he has been allowed to speak during Call to the Public at TRSD meetings, the TRSD Board will only allow residents to ask select questions. He stated the population count should be included in the PER to determine

what the residents can afford. Ed stated that the TRSD residents are not allowed to know what's going on with the project, the TRSD Board does not discuss pertinent and relevant topics during public meetings.

Tom Werner, concerned resident of TRSD, stated that he has attended TRSD meetings for years, and he concurred with Ed Farester's statements.

Sammy Gonzales, Mayor of the Town of Miami, said that we cannot lose sight of what's best for the resident of the community. He continued, there's a lot of information regarding the TRSD project that is not readily available. The Town of Miami has excess capacity. The new data needs to promote that Miami has capacity to service TRSD, and it will cost less to tie in to the Town of Miami's system.

On motion made and duly seconded, the Regular Meeting of the IDA Board adjourned at 3:31 pm.

VIII. ADJOURNMENT

For further information, contact Sandy Palmer at (480) 330-9037. If any disabled person needs any accommodation, please notify at least 12 hours before the scheduled meeting time.

DATED AND POSTED this 8^h day of March, 2022.

Sandy Palmer, Director

