

AGENDA



**SPECIAL SESSION
MAYOR and COMMON COUNCIL
of the
TOWN OF CAMP VERDE
COUNCIL CHAMBERS
473 S. Main Street #106
WEDNESDAY, AUGUST 15, 2012
5:30 p.m.**

Note: Council member(s) may attend Council Sessions either in person or by telephone, video or internet conferencing.

- 1. Call to Order**
- 2. Roll Call**
- 3. Discussion, consideration, and possible direction to staff to prepare the correct paperwork in cooperation with the Camp Verde Sanitary District (District) to enable the question to be placed on the ballot, "Shall the Town of Camp Verde accept trusteeship of the District?" Staff Resource: Russ Martin**
- 4. Adjournment**

Posted by:

Virginia Lopez

Date/Time:

8-9-2012

9:30 a.m.

Note: Pursuant to A.R.S. §38-431.03.A.2 and A.3, the Council may vote to go into Executive Session for purposes of consultation for legal advice with the Town Attorney on any matter listed on the Agenda, or discussion of records exempt by law from public inspection associated with an agenda item.

The Town of Camp Verde Council Chambers is accessible to the handicapped. Those with special accessibility or accommodation needs, such as large typeface print, may request these at the Office of the Town Clerk.



Town of Camp Verde

Meeting Date: August 15, 2012

- Consent Agenda
 Decision Agenda
 Executive Session Requested
 Presentation Only
 Action/Presentation

Requesting Department: Administration

Staff Resource/Contact Person: Russ Martin

Agenda Title (be exact): Discussion and consideration and possible direction to staff to prepare the correct paperwork in cooperation with the Camp Verde Sanitary District (District) to enable the question to be placed on the ballot, "Shall the Town of Camp Verde accept trusteeship of the District?"

List Attached Documents:

Minutes from previous council meetings on the subject from approx. 2005-2009

(Summary, minutes available upon request or online)

Draft Resolution

Sanitary District Budget and Loan Schedule amounts

Estimated Presentation Time: 10 minutes

Estimated Discussion Time: 15 minutes

Reviews Completed by:

- Department Head: Russ Martin** (comments included in report)
- Town Attorney Comments:** Will be available via Telephone for questions.
- Finance Department**

Fiscal Impact: Sanitation District will remain a separate budget within the Town's if this were to move forward.

Budget Code: N/A **Amount Remaining:** N/A

Comments: Per ARS 48-2029 D "... Indebtedness and obligations of or issued by or on behalf of the district shall not thereby become indebtedness or obligations of such city or town, except that such city or town shall be responsible as trustees to insure that all obligations and debts of the district shall be paid when due from funds available to the trustees from the district..." and also ARS 48-2029 J (6) "If there is any bonded indebtedness of the district, the board of supervisors of the county shall provide for the continued collection

of taxes or assessments...” Both of these mean that transfer to the Town should not encumber the Town’s general fund and that collection of the current assessments and taxes would continue for those who had them prior to transfer. Frankly, we currently have approximately \$120,000 that goes from our General Fund to assist in the payments the Sanitary District has for its current plant debt, this does not appear that it will change transferred or not to the Town.

Background Information:

The Town and District have been discussing this possibility for many years but relieved each other of the obligation to move this forward in any specific time frame. Staff had felt that this must go on a November ballot as debt/taxes may be of issue; however we have recently found out that to not be the case, therefore not requiring a November election. Yes, there still is taxes/debt that would transfer to the Town for those currently in the district, especially the possibility of transferring an operation tax not associated with the debt; however, the debt assessment/taxes would not transfer onto others not currently in the district, therefore a November election is not required. A November election would be necessary to pass on this operation tax (General Tax Levy) to all electorate (currently generating \$150,000). Staff does not believe that this would be acceptable to the voters and would/could end in defeat. More time would be necessary to attempt to work to find a way to eliminate this operations tax before we take it to the voters for an approval. As for the debt, until it expires we would only be trustees and nothing there would transfer in either case.

Compounding the difficulties in timing is the County deadline of August 10th for ballot language which they were willing to wait until August 16th for this issue; however, the confusion would still exist for voters as well as a potential for a tax to cover the \$150,000 approximate operational deficit. Additionally, if we do not need to have a special election in which the Town is not already carrying out then we can schedule it when we are to save approximately \$15,000 and combine with a future election, staff is suggesting waiting until at least March 2013 (Primary for Council Elections) or until it is possible to eliminate the operational deficit currently covered by a tax

It appears to staff that it would be best to wait until at least spring to avoid the misperception that this is a tax issue (getting the voter’s proper attention to this fact may hinder a potential successful outcome anyway) as well as an opportunity to save when we can.

Recommended Action (Motion): Approve the following:

Direct staff to work with the Sanitary District staff to prepare for a spring election in connection with the March Primary Election including all necessary steps arrange for this election including working to eliminate the General Levy Tax. This includes the development of a voter information pamphlet outlining the reasons for this election, (as well as any other items Council would like to see included.)

Instructions to the Clerk: None at this time.

March 7, 2007

- Voted to go into Executive Session regarding the possible dissolution of the Camp Verde Sanitary District, the acquisition of the Sanitary District's assets by the Town, the funding options for the construction of new Sanitary District Facilities, and an intergovernmental agreement with The Camp Verde Sanitary District.

April 4, 2007 – Regular Session

- Council voted to amend the past direction to staff and design an Intergovernmental Agreement with the Sanitary District, to be brought back to Council for approval which will include stipulations that the Town would be given protections comparable to that given to the Sanitary District lenders so that the Town's money would be the last in for capital uses and the last in for operational uses. The Town agrees to schedule the vote of dissolution of the District and acquisition by the Town in November 2008, with the stipulation that the Town would be given lender protections. Staff is hereby directed to negotiate the Intergovernmental Agreement to administratively implement the legislative pledge of \$135,000 per year in sales tax revenue that was authorized April 4, 2007.
- Council voted to go into Executive Session regarding the Camp Verde Sanitary District.

April 25, 2007

- Approved the intergovernmental agreement with the Camp Verde Sanitary District dated April 25, 2007 received at 5:59 p.m. with the final revisions as reviewed by Town Attorney Sims.

November 1, 2007 – Special Session

- Voted to go into Executive Session for discussion with the Town Attorney for legal advice concerning the Intergovernmental Agreement between the Town and the Camp Verde Sanitary District.

November 1, 2007 – Joint Work Session with Camp Verde Sanitary District

- Discussion with the Sanitary District regarding a possible amendment to the terms of the Intergovernmental Agreement that was approved on April 25, 2007 and ratified and affirmed on May 16, 2007 by Resolution 2007-726 and/or the drafting of an Operational Agreement to include, but not limited to, the status of District employees and the Town and District coordination.

November 7, 2007 Regular Session

- Manager Scannell reported on the meeting with the Sanitary District Board last week; work is continuing on reaching an amicable resolution of the challenges that lie ahead. Attorney Sims said he is encouraged and believes there will be a way worked out to solve and address the concerns. Sims suggested that an item be agendaized for discussion, action and Executive Session next week for a further report and to get directions from the Council. Sims believes he will be able to report favorably a week from tonight based on the latest discussions with the Sanitary District.

November 14, 2007

- Executive Session regarding legal advice concerning the IGA between the Town and the Camp Verde Sanitary District.

December 5, 2007

- Voted to go into Executive Session for legal advice concerning the Intergovernmental Agreement between the Camp Verde Sanitary District.

January 9, 2008 – Special Session

- Voted to go into executive session, pursuant to ARS §38-431.03(A)(3) for discussion or consultation with the attorney for legal advice and §38-431.03(A)(4) for discussion or consultation with the attorney in order to

consider Council's position regarding contracts that are the subject of negotiation. No Action was taken regarding the Sanitary District.

January 9, 2008 – Work Session

- Mayor Gioia will prepare a letter inviting representatives from the Camp Verde Sanitary District and the Arizona Department of Environmental Quality to attend a council meeting to update Council and citizens of Camp Verde on the status of the sewer expansion projects.

January 16, 2008 – Regular Session

- Council went into Executive Session for discussion, consideration and possible direction to staff and/or discussion or consultation with the Town Attorney for legal advice concerning the Intergovernmental Agreement between the Town and the Camp Verde Sanitary District.

February 6, 2008

- Voted to go into Executive Session regarding the Intergovernmental Agreement with the Camp Verde Sanitary District

February 7, 2008 – Joint Work Session with Camp Verde Sanitary District Board

- Update by the Sanitary District Board on the sewer extension projects followed by discussion with Jodi Filardo as facilitator.
- Directed Town Manager to provide sample job descriptions for a 'plant manager' to both the Council and the District Board members.

February 21, 2008 – Joint Work Session with Camp Verde Sanitary District

- Agreed to move forward with researching the hiring of an administrator the Camp Verde Sanitary, District with costs to be shared and report within two weeks.

March 5, 2008 – Special Session

- Council voted to go into Executive Session for legal advice concerning the Intergovernmental Agreement between the Town and the Camp Verde Sanitary District.

March 19, 2008 – Special Session

- Voted to go into Executive Session for discussion with the Town Attorney for legal advice concerning the Intergovernmental Agreement between the Town and Camp Verde Sanitary District. Council directed the Mayor to prepare a letter to Camp Verde Sanitary District outlining the Town's desires to move forward with the IGA and to include a closing date for a response.

March 19, 2008 – Regular Session

- Greg Freeman, Sanitary District Board member, stated the Sanitary District Board members are beginning to prioritize the several issues facing them, including the IGA entered into between the Town and the Board in 2007; they are working to rectify the breach that the District may have created in connection with the draw requests, and trusts that the Town will likewise take steps to close the breaches that may have been created by the Town.

April 16, 2008 – Regular Session

- Voted to officially oppose the Special Election this coming November and vote accordingly. In response to a public comment, German clarified the motion to explain that under the current IGA there is no question about going to ballot; the Council by going to a vote under the current IGA will be voting to oppose taking over the project. It is hoped that because of tonight's action the Town will be able to meet with the Sanitary District to rewrite that particular portion of the IGA.

June 25, 2008 – Special Session

- Council discussed withdrawing the requirements of an election from the Sanitary District from the IGA, , and it was suggested that if Greg Freeman has support of his Sanitary District Board to withdraw that requirement from the IGA, then he can request the Council to agendize that change for the July 2nd meeting, and, furthermore, that Freeman understands from the discussion what is required from his Board in order to notify the Council by Monday afternoon to agendize the item for the July 2nd Council meeting.

July 2, 2008 – Special Session

- Council voted unanimously to authorize the Mayor to sign a letter waiving the requirement for the Camp Verde Sanitary District to hold a November 2008 election as set forth in the May 11, 2007 IGA, Section 1.1, between the Town of Camp Verde and the Sanitary District.

July 2, 2008

- Council voted unanimously to authorize the Mayor to sign a letter waiving the requirement for the Camp Verde Sanitary District to hold a November 2008 election as set forth in the May 11, 2007 IGA, Section 1.1, between the Town of Camp Verde and the Sanitary District.

July 16, 2008 – Regular Session

- Council directed that a formal notice be prepared to advise the Sanitary District that any of their requests must be agendized, acted upon and communicated to the Town in writing; and all actions taken by the Council be relayed to the Sanitary District in writing; any public information discussed with the Sanitary District will be clearly identified as information only.
- Manager Scannell reported the State budget was adopted; the Town's estimates of anticipated funding were very close to what was approved. Notice was received from Arizona Municipal Risk Pool that a dividend would be received for slightly more than \$20,000 in the form of a reduced premium because of current risk management practices limiting exposure to liability. Scannell sent a letter to the Sanitary District on behalf of the Council asking for their acknowledgment that the Town is interested in the 15 acres as noted in the IGA. Much interest has been shown through the bidding on the proposal for the Park consultant; the pre-bid conference was held last week. Letters have been sent out to community members who have expressed interest in serving on the Technical Advisory Committee to select a consultant. Following up the last report on the budget, fuel prices are having an impact on travel and related sales tax revenues from motels and hotels; he will be monitoring that issue very closely and giving updates and estimates for future income. Scannell has been working with the Rio Verde Plaza tenants who have indicated problems with maintenance issues that need to be addressed; a report will be forthcoming at the next meeting.

September 3, 2008 – Regular Session

- Directed the Town Engineer and staff, working with Liaison German to approach the Sanitary District and start discussion, move the discussion forward as quickly as possible; if an agreement is possible, arrange a Joint Session or Special Session if necessary, and brief Council on the findings beforehand.

September 17, 2008 – Regular Session

- Approved funding \$55,000 for upgrading the planned reconstruction of roads disturbed by the Sanitary District's sewer expansion project in Fort River Caves, Reddell Ranch Acres, and Tres Rios.

NOTICE OF PROPOSED BUDGET

The Camp Verde Sanitary District Board of Directors will hold a Public Hearing on the proposed FY 2012/2013 Budget and Certification of Levy on June 26, 2012 at 6:00 p.m., at the District Office, 155 Montezuma Castle Hwy #11, Camp Verde, AZ 86322. Interested parties are invited to attend and present their comments. The proposed budget is available at the District Office for Public review.

**TENTATIVE FY 2012/2013 BUDGET OF THE CAMP VERDE SANITARY DISTRICT
INCLUDING AMOUNT TO BE CERTIFIED.**

(Amount to be Certified: General Levy \$0.599 per \$100 and
Debt Reduction Levy of \$2.33 per \$100 of Net Assessed Value of \$25,578,129.)

	<u>2012-2013 BUDGET</u>	
	<u>Revenue</u>	<u>Expenditures</u>
User Fees	624,260.00	
Septage/WAS/POP	84,000.00	
Connection & Inspection Fees	10,250.00	
Interest Income	2,000.00	
Other Income	5,000.00	
Allowance for Bad Debt	-30,000.00	
General Tax Levy	153,240.00	
Total Revenue	848,750.00	
Salaries and Wages		265,400.00
Benefits/Payroll Expenses		116,600.00
Utilities/Rent/Insurance		137,050.00
Operations and Maintenance		245,000.00
Professional Services		21,500.00
License/Education/ Office		33,200.00
Capital Improvements		30,000.00
Total Expenditures		848,750.00
<u>Debt Service Levy</u>		
Bond Assessments	12,000.00	
WIFA - Land	43,000.00	
WIFA - WWTP	171,200.00	
WIFA - Refl	370,000.00	
Total Debt Service Levy	\$596,200.00	
<u>Debt Service</u>		
Bond Assessment 1989 (537)		12,000.00
WIFA - Land		43,000.00
WIFA - WWTP		171,200.00
WIFA - Refl		370,000.00
Total Debt Service		596,200.00

	YTD Actual	% of Budget YTD	2011-2012 Budget	Budgeted Amount Remaining	Average Monthly Amount	Projected Year-End	Projected vs Budgeted	Proposed 2012-2013 Budget
EXPENSES								
Wages	#REF!	#REF!						\$265,400.00
Emp Ben - Dental/Med	64,432.00	99.13%	\$65,000.00	568.00	6,443.20	77,318.40	12,318.40	\$80,000.00
Emp Ben - Worker's Comp	8,182.00	131.97%	\$6,200.00	Over	818.20	9,818.40	3,618.40	\$8,000.00
Emp Ben - Payroll Taxes	18,903.00	75.61%	\$25,000.00	6,097.00	1,890.30	22,683.60	-2,316.40	\$20,000.00
Emp Ben - Retirement Plan	6,513.00	81.44%	\$10,800.00	4,087.00	651.30	7,815.60	-2,784.40	\$10,800.00
Benefits/Payroll Expenses	98,030.00	91.79%	\$106,800.00	10,752.00	9,803.00	117,636.00	10,836.00	\$116,600.00
Utilities - Office	2,244.00	74.80%	\$3,000.00	756.00	224.40	2,692.80	-307.20	\$3,000.00
Utilities - Collection System	24,965.00	78.02%	\$32,000.00	7,035.00	2,496.50	29,958.00	-2,042.00	\$30,000.00
Utilities - Plant	58,627.00	97.71%	\$60,000.00	1,373.00	5,862.70	70,352.40	10,352.40	\$63,000.00
Internet - Office	928.00	92.80%	\$1,000.00	72.00	92.80	1,113.60	113.60	\$850.00
Internet - Plant	1,088.00	197.82%	\$550.00	-538.00	108.80	1,305.60	755.60	\$1,000.00
Internet - Collection System	468.00	85.09%	\$550.00	82.00	46.80	561.60	11.60	\$550.00
Telephone - Office	671.00	74.58%	\$900.00	229.00	67.10	805.20	-94.80	\$800.00
Telephones - Plant	3,610.00	150.42%	\$2,400.00	-1,210.00	361.00	4,332.00	1,932.00	\$3,000.00
Telephone - Collections System	568.00	87.38%	\$650.00	82.00	56.80	681.60	31.60	\$650.00
Rent - Office	12,650.00	87.24%	\$14,500.00	1,850.00	1,265.00	15,180.00	680.00	\$6,900.00
Insurance - Liability & Auto	27,016.00	100.06%	\$27,000.00	-16.00	2,701.60	32,419.20	5,419.20	\$27,500.00
Total Utilities/Rent/Insurance	132,836.00	93.18%	\$142,550.00	9,716.00	13,283.50	169,402.00	16,862.00	\$137,050.00
Laboratory Equipment	1,414.00	28.28%	\$5,000.00	3,586.00	141.40	1,696.80	-3,303.20	\$2,000.00
Laboratory Services	21,205.00	70.68%	\$30,000.00	8,795.00	2,120.50	25,446.00	-4,554.00	\$24,000.00
Laboratory Supplies	4,578.00	83.20%	\$5,500.00	924.00	457.60	5,491.20	-8.80	\$5,500.00
O & M - Collections	22,907.00	35.24%	\$65,000.00	42,093.00	2,290.70	27,488.40	-37,511.60	\$35,000.00
O & M - Plant	138,644.00	95.62%	\$145,000.00	6,356.00	13,864.40	166,372.80	21,372.80	\$135,000.00
O & M - Mosquito Control	9,214.00	92.14%	\$10,000.00	786.00	921.40	11,056.80	1,056.80	\$6,000.00
O & M - Outside Services	17,280.00	69.12%	\$25,000.00	7,720.00	1,728.00	20,736.00	-4,264.00	\$19,000.00
O & M - Sludge Removal	97.00	0.13%	\$75,000.00	74,903.00	9.70	116.40	-74,883.60	\$500.00
Vehicle & Equipment Fuel	7,981.00	66.51%	\$12,000.00	4,019.00	798.10	9,577.20	-2,422.80	\$12,000.00
Vehicle & Equipment Repair & Service	6,119.00	76.49%	\$8,000.00	1,881.00	611.90	7,342.80	-657.20	\$6,000.00
Total Oper. & Maint.	229,437.00	60.30%	\$380,500.00	151,063.00	22,943.70	275,324.40	-105,175.60	\$245,000.00
Accounting	13,190.00	82.44%	\$16,000.00	2,810.00		13,190.00	-2,810.00	\$13,500.00
Legal	2,897.00	32.19%	\$9,000.00	6,103.00	289.70	3,476.40	-5,523.60	\$3,000.00
Professional Services	4,920.00	246.00%	\$2,000.00	Over	492.00	5,904.00	3,904.00	\$5,000.00
Total Professional Svc	21,007.00	77.80%	\$27,000.00	8,913.00	781.70	22,570.40	-4,429.60	\$21,500.00
Licenses & Permits	14,397.00	169.38%	\$8,500.00	Over	1,439.70	14,397.00	5,897.00	\$16,000.00
Education & Training	2,562.00	46.58%	\$5,500.00	2,938.00	256.20	3,074.40	-2,425.60	\$3,000.00
Travel	750.00	37.50%	\$2,000.00	1,250.00	75.00	900.00	-1,100.00	\$1,000.00
Bank Service Charge	1,256.00	1256.00%	\$100.00	-1,156.00	125.60	1,507.20	1,407.20	\$1,000.00
Board Expense	136.00	27.20%	\$500.00	364.00	13.60	163.20	-336.80	\$200.00
Dues & Subscriptions	2,898.00	161.00%	\$1,800.00	-1,098.00	289.80	3,477.60	1,677.60	\$1,500.00
O & M - Office	7,157.00	71.57%	\$10,000.00	2,843.00	715.70	8,588.40	-1,411.60	\$6,000.00
Postage & Delivery	3,315.00	78.93%	\$4,200.00	885.00	331.50	3,978.00	-222.00	\$4,000.00
Public Notification	419.00	83.80%	\$500.00	81.00	41.90	502.80	2.80	\$500.00
Total License & Office	32,890.00	99.37%	\$33,100.00	6,107.00	3,289.00	36,586.60	3,486.60	\$33,200.00
Capital Improvements	0.00	0.00%	\$30,000.00	30,000.00	0.00	0.00	-30,000.00	\$30,000.00
Vehicles & Equipment	0.00			0.00		0.00	0.00	
Total Capital Improvements	0.00	0.00%	\$30,000.00	30,000.00	0.00	0.00	-30,000.00	\$30,000.00
Total Expenses	#REF!	#REF!	719,950.00	216,550.00	50,100.90	611,521.40	-108,428.60	848,750.00

	YTD Actual	% of Budget YTD	2011-2012 Budget	Projected Year-End	Proposed 2012 - 2013 Budget		
Extraordinary Revenues							
RD Improvement Bond 1990 92-02- 537	378,138.00	105.92%	\$12,000.00		\$12,000.00		
RD Series 1 92-07 - 537 (Special Assmnt	" "			\$345,000.00		\$265,000.00	Special Assessment
RD Series 2 92-09 - 537 (Special Assmnt	" "			" "		\$50,000.00	
WIFA Bond/Loan Land #910071-05	515,482.00	94.58%	\$45,000.00		\$43,000.00		
WIFA Bond/Loan Project #910088-06	" "		\$400,000.00		\$350,000.00		
WIFA - Refi #910105-09	" "		\$100,000.00		\$370,000.00		last year we choose to use excess funds
					-\$178,800.00		Using the Restitution acct to subsidize
Total Extraordinary Rev.	893,620.00	160.43%	\$557,000.00		\$596,200.00	\$315,000.00	Special Assessment
Extraordinary Expenses							
1990 Bond payment (537)	10,928.00	91.07%	\$12,000.00		\$12,000.00		
RD Series 1 92-07 - 537 (Special Assmnt	72,363.00			\$345,000.00		\$265,000.00	
RD Series 2 92-09 - 537 (Special Assmnt	10,548.00			" "		\$50,000.00	
WIFA Bond/Loan Land #910071-05	6,815.00	1.21%	\$45,000.00		\$43,000.00		
WIFA Bond/Loan Project #910088-06	58,494.00	14.62%	\$400,000.00		\$350,000.00		
WIFA - Refi #910105-09	79,256.00		\$100,000.00		\$370,000.00		
Total Extraordinary Exp.	236,204.00	42.77%	\$557,000.00	345,000.00	\$775,000.00	\$315,000.00	Special Assessment
					-\$178,800.00		Using the Restitution acct to subsidize
					\$596,200.00		
		FY 09-10	FY 10-11	FY 11-12	FY 12-13		
District Value		39,372,225.00	37,643,989.00	31,854,816.00	26,578,129.00		
Debt Reduction Levy		1.500	1.500	1.75	\$2.33		
Home Value	Assessed Value					Increase/(Decrease)	
100,000.00	10,000.00	150.00	\$150.00	\$175.00	\$233.00	\$58.00	
200,000.00	20,000.00	300.00	\$300.00	\$350.00	\$466.00	\$116.00	

Camp Verde Sanitary District
Account Listing
August 8, 2012
Camp Verde Sanitary District

Account	Balance Total 6/30/2012	Maturity date July	Interest Rate
26000 · Special Assmnt Bond RD 92-02	\$21,048.00	2014	6.000%
WIFA Land Lease	\$394,854.86	2024	3.136%
25000 · Project Sources of Funds:25400 · WIFA Loan 4.5 mill	\$3,315,789.78	2026	3.293%
25000 · Project Sources of Funds:25600 · WIFA Loan 1.9 Mil	\$1,727,455.16	2032	3.338%
25000 · Project Sources of Funds:25100 · USDA/RD Loan	\$3,889,321.69	2032	4.125%
25000 · Project Sources of Funds:25500 · WIFA Loan 5.6 mil	\$4,124,953.76	2032	3.690%



SAMPLE RESOLUTION 2012-xxx

**A RESOLUTION OF THE MAYOR AND COMMON COUNCIL
OF THE TOWN OF CAMP VERDE (TOWN), YAVAPAI COUNTY, ARIZONA,
ACCEPTING TRUSTEESHIP OF
THE CAMP VERDE SANITARY DISTRICT (DISTRICT)
AND INSURING THAT ALL OBLIGATIONS AND DEBTS OF THE
DISTRICT SHALL BE PAID WHEN DUE FROM FUNDS AVAILABLE
TO THE TRUSTEES FROM THE DISTRICT
AND SETTING THE MATTER FOR VOTER CONSIDERATION IN THE
MARCH 2013 PRIMARY ELECTION**

WHEREAS, the Camp Verde Sanitary District has approved, by resolution, the transfer of all assets, property, and powers, duties and responsibilities of the Board, its officers and employees of the District to the Town of Camp Verde; and

WHEREAS, pursuant to ARS §48-2029(A)(D)(E), a sanitary district, the territory of which is wholly or partially included within the corporate limits of the Town, may be dissolved provided the dissolution is approved by a resolution or ordinance passed by the board of directors of the sanitary district and by the Town Council; and

WHEREAS, if the District has a bonded indebtedness or legal indebtedness following approval of dissolution, the District must be administered by the Town Pending dissolution, the administration of District affairs vests in trust in the Town Council. Members of the Town Council become trustees of the District for all purposes of the District and have the powers and duties prescribed for the board of directors of the District, including, without limitation, operating the facilities of the District and (if necessary) issuing and selling bonds previously authorized for improvements prior to dissolution of the District. Such indebtedness and obligations of the District is not and shall not be indebtedness or obligations of the Town, except that the Town Council shall be responsible as trustees to insure that all obligations and debts of the district shall be paid when due from funds available to the trustees solely from the district and not from the Town; and

WHEREAS, until dissolution, nothing shall preclude the district from continuing to carry on its activities and transacting its business, or from entering into contracts and agreements otherwise authorized or from transferring any property of the district to the Town; and

WHEREAS, members of the District board of directors, if the terms of such members have not expired, shall serve as an advisory board to the members of the Town Council sitting as trustees of the District until the dissolution of the District and shall serve as an advisory board to the Town Council following dissolution of the District until expiration of their respective terms or earlier vacancy of office; and

WHEREAS, the Town of Camp Verde agrees to the dissolution of the District and the acceptance of trusteeship of the Camp Verde Sanitary District; and

WHEREAS, upon approval by the voters, shall assume the assets which are located within the unincorporated area of the county within the District; assume the operation and maintenance of the entire sanitary sewage collection,

treatment and effluent disposal system external to its boundaries pursuant to Title 9, Chapter 5; provide sewer service within the unincorporated area including the construction and installation of new sewers and related facilities.

NOW THEREFORE, the Mayor and Common Council of the Town of Camp Verde resolve, pursuant to ARS §48-2029, to accept responsibility as trusteeship of the Camp Verde Sanitary District and set this matter for election in March 2013.

PASSED AND ADOPTED:

Bob Burnside, Mayor

Attest:

Approved as to form:

Deborah Barber, Town Clerk

William Sims, Town Attorney



TOWN OF CAMP VERDE

473 S. Main Street ♦ Camp Verde, Arizona 86322 ♦ (928) 567-6631 FAX 567-9061

Marshal 567-6621 ♦ Parks & Recreation 567-0535 ♦ Community Development 567-8513 ♦ www.campverde-az.gov

Copied Council and Staff OAS
7-3-08 MS
CJB

July 3, 2008

Gregg Freeman, Chairman
Camp Verde Sanitary District
P.O. Box 1205
Camp Verde, AZ 86322

Re: Waiver as it relates to Section 1.1 of the Intergovernmental Agreement between the Town of Camp Verde and the Camp Verde Sanitary District dated May 11, 2007

Dear Chairman Freeman:

The Common Council of the Town of Camp Verde sincerely appreciates your vote on the evening of June 30, 2008 wherein your Board waived the requirement that the Town of Camp Verde convene an election in November 2008 as per the requirements set forth in section 1.1 of the above captioned Intergovernmental Agreement.

By way of this letter, please be advised that on the evening of July 2, 2008, the Common Council of the Town of Camp Verde voted affirmatively to waive the requirement set forth in section 1.1 of the above captioned Intergovernmental Agreement relative to the Camp Verde Sanitary District being required to hold an election of the electors of the district on the question of the dissolution of the district.

We look forward to working with you on issues of mutual interest.

Sincerely,

Tony Giola, Mayor
Town of Camp Verde

cc: Members of the Town Council
Michael K. Scannell, Town Manager
Debbie Barber, Town Clerk





Camp Verde Sanitary District

P.O. Box 1205

Camp Verde, AZ 86322

Phone: 928-567-6794 Fax: 928-567-8832

Email: cvs_d2@swiftwireless.com

07-01-08P03:04 RCVD

June 30, 2008

Town of Camp Verde
Town Manager, Mike Scannell
Camp Verde Sanitary District
P. O. Box 1205
Camp Verde, Arizona 86322

Re: November 2008 Election

Dear Town of Camp Verde and Town Manager, Mike Scannell:

By public action, the Camp Verde Sanitary District has voted to release the Town from its obligation to hold a special election in reference to the Sanitary District with the only condition being that the Town Council of the Town of Camp Verde votes to release the Sanitary District from their obligation to hold a special election, pursuant to paragraph 1.2 of the Intergovernmental Agreement, as executed on May 11, 2007, between the Town and the District. As evidence of the Town of Camp Verde's agreement to this provision we would like to see a resolution voted on by the council that mutually releases both the town and the district from this provision of the IGA.

This release has no effect on any other provisions in the IGA and the District has not waived any other terms or obligations owed by the Town, under the IGA. If there is any disagreement, please provide it to the District in writing, and we will address it pursuant to the IGA.

Respectfully submitted,

Gregg Freeman
Chairman of the Camp Verde Sanitary District Board



Camp Verde Sanitary District

P.O. Box 1205
Camp Verde, AZ 86322-1205
Phone (928) 567-6794 Fax (928) 567-8833
Email arc_cvsd@swiftwireless.com

The Undersigned acknowledges receipt of the Letter To release the town of obligation to hold a special election in Camp Verde.

I am in receipt of the SD letter
Tony Lewis

Sign

Date *7/1/08*

When recorded, return to:

Town of Camp Verde
PO Box 710
Camp Verde, AZ 86322



B-4512 P-54
Page: 1 of 12
RESL 4143020



B-4522 P-578
Page: 2 of 14
CORR 4154823

Caption Heading: Resolution 2007-726 and IGA with Camp Verde Sanitary District

FEE
\$ 0
\$ 0
\$ 0
\$ 0
\$ 0
\$ 0



RESOLUTION 2007-726

**A RESOLUTION OF THE MAYOR AND COMMON COUNCIL
OF THE TOWN OF CAMP VERDE, YAVAPAI COUNTY, ARIZONA,
PERTAINING TO THE INTERGOVERNMENTAL AGREEMENT WITH THE
CAMP VERDE SANITARY DISTRICT ADOPTED AND APPROVED ON APRIL 25, 2007**

Whereas, on April 25, 2007, this Mayor and Council approved and authorized the execution of an Intergovernmental Agreement (the "IGA") between the Town of Camp Verde and the Camp Verde Sanitary District (the "District"), and the pledge by the Town of \$135,000 per year to the District to be used in connection with the construction of a wastewater treatment plant (the "Treatment Plant Project"), such pledge to be payable solely from and secured by a pledge of Excise Taxes and State Shared Revenues, each as provided in the IGA; and

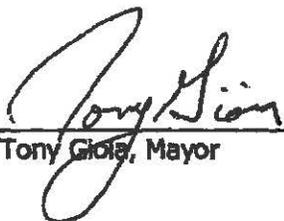
Whereas, this Mayor and Council now wishes to elaborate on such approval and authorization by articulating two specific findings with respect to the IGA and the Treatment Plant Project, each of which the Mayor and Council considered in granting the approval and authorization of the IGA.

Now Therefore, the Mayor and Common Council of the Town of Camp Verde hereby find and determine as follows:

1. Pursuant to Section 9-500.11, Arizona Revised Statutes, the Town's participation in the Treatment Plant Project, as described in the IGA, will assist in the creation or retention of jobs or will otherwise improve or enhance the economic welfare of the inhabitants of the Town.
2. The completion of the Treatment Plant Project will provide the Town and the District with additional wastewater treatment capacity which will serve present citizens of the Town and will enable the continued growth and development of the Town.

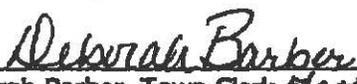
The Mayor and Council's approval and authorization of the IGA on April 25, 2007, is hereby ratified and affirmed as of said date in all respects.

PASSED AND ADOPTED by the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona on the 16th day of May 2007.

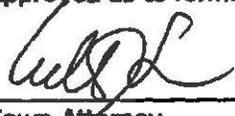


Tony Gioia, Mayor

Date: 5/17/07

Attest:


Deborah Barber, Town Clerk 5/25/07

Approved as to form:


Town Attorney



WHEN RECORDED RETURN TO:



Town of Camp Verde
473 South Main Street
Camp Verde, Arizona 86322
Attn: Town Clerk

INTERGOVERNMENTAL AGREEMENT
Between
THE TOWN OF CAMP VERDE
and
THE CAMP VERDE SANITARY DISTRICT

THIS INTERGOVERNMENTAL AGREEMENT ("**Agreement**") is made and entered into by and between the TOWN OF CAMP VERDE, a municipal corporation of the State of Arizona (the "**Town**") and the CAMP VERDE SANITARY DISTRICT, a tax-levying public improvement district of the State of Arizona (the "**District**") and is dated as of May 12, 2007 ("**Effective Date**").

A. WHEREAS, the Town and the District are authorized, pursuant to A.R.S § 11-952, to enter into agreements for joint or cooperative action; and

B. WHEREAS, the Town and the District desire to upgrade and expand the wastewater treatment facilities currently owned and operated by the District; and

C. WHEREAS, the Town desires to make funds available to the District in order to assist the District in financing the upgrade of the District's wastewater treatment facilities (the "**Project**").

NOW, THEREFORE, in consideration of the mutual promises contained herein, the Town and the District agree as follows:

1. Dissolution of District.

1.1 District Election. The District shall approve a resolution to dissolve the District and initiate action to cause a vote of the property owners ("**District Property Owner Vote**") within the District on the dissolution of the District pursuant to A.R.S. § 48-2029 at the November 4, 2008 election.

1.2 Town Election. The Town shall call a special election ("**Town Special Vote**") on the question of whether to assume trusteeship of the District pursuant to A.R.S. § 48-2029 to be held at the November 4, 2008 election.

1.3 Transfer of District Property. Upon affirmative District and Town elections pursuant to Sections 1.1 and 1.2 of this Agreement, the Town will assume trusteeship of the District pursuant to A.R.S. § 48-2029; subject, however, to any outstanding leases, including ground leases and lease-purchase agreements (i.e., lease and leaseback transactions) entered into by the District prior to the elections.

2. Town Assistance.

2.1 Town Pledge.

2.1.1 The Town hereby agrees to pledge to the District



Excise Taxes to be used in connection with the construction by the District of a wastewater treatment plant ("Treatment Plant Project"), pursuant to A.R.S. § 9-500.11(A), in the amount of \$135,000 per year ("Town Pledge"), until the three hundredth (300th) Pledge Payment shall have been made ("Pledge Payments").

All such Pledge Payments shall be made to a trustee to be named by the Town for payment to the Owners of certificates of participation related to one or more lease and leaseback transactions. The Town Pledge will be payable in monthly amounts of \$11,250, ("Monthly Sales Tax Payment").

For purposes of this Agreement the term "Excise Taxes" shall mean:

"Excise Taxes" means the unrestricted transaction privilege (sales) tax, business license and franchise fees, parks and recreation fees and permits and fines and forfeitures which the Town imposes; provided that the Mayor and Council of the Town may impose other transaction privilege taxes in the future, the uses of revenue from which will be restricted, at the discretion of such Council and which, if so restricted, will not be deemed Excise Taxes for purposes of this Agreement.

For purposes of this Agreement the term "Parity Lien Obligations" shall mean:

"Parity Lien Obligations" mean any later obligations that the Town is permitted to incur pursuant to Section 2.1.6 hereof and pursuant to the existing loan repayment agreement between the Town and GADA (the "GADA Loan") that are coequal as to the pledge of and lien on the Excise Taxes and the State Shared Revenues with the Pledge Payments and the GADA Loan and which share ratably, without preference, priority or distinction, as to the source or method of payment from the revenues from the Excise Taxes and the State Shared Revenues with the Pledge Payments, the GADA Loan and any other Parity Lien Obligations hereafter issued or incurred by the Town.

For purposes of this Agreement the term "State Shared Revenues" shall mean:

"State Share Revenues" means any amounts of excise taxes, transaction privilege (sales) taxes and income taxes imposed by the State of Arizona or any agency thereof and returned, allocated or apportioned to the Town, except the Town's share of any such taxes which by State law, rule or regulation must be expended for other purposes, such as motor vehicle fuel taxes.

2.1.2 Limited Unconditional Obligation.

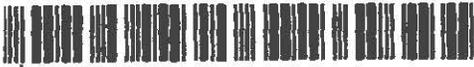
(a) The obligation of the Town to make Pledge Payments shall be limited to payment from the revenues from the Excise Taxes and the State



Shared Revenues which are by this Agreement pledged to the Pledge Payments. The obligation of the Town to make the Pledge Payments from the Excise Taxes and the State Shared Revenues and to perform and observe the other agreements contained herein shall be absolute and unconditional and shall not be subject to any defense or any right of set-off, abatement, counterclaim, or recoupment arising out of any breach by the District of any obligation to the Town or otherwise, or out of indebtedness or liability at any time owing to the Town by the District. Until such time as all Pledge Payments shall have been fully paid or provided for, the Town (i) shall not suspend or discontinue any Pledge Payments, (ii) shall perform and observe all other agreements contained in this Agreement, and (iii) shall not terminate the term of this Agreement for any cause, including, without limiting the generality of the foregoing, failure of the District to complete, as applicable, the acquisition, construction and installation of the Treatment Plant Project, the occurrence of any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the Treatment Plant Project, the taking by eminent domain of title to or temporary use of any or all of the Treatment Plant Project, commercial frustration of purpose, abandonment of the Treatment Plant Project by the District, any change in the tax or other laws of the United States of America or of the State or any political subdivision of either or any failure of the District to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Agreement. Notwithstanding the foregoing sentence, the District shall be required to give the Town ninety (90) days' notice of any intent to abandon the Treatment Plant Project and shall, at the Town's option, permit the Town to negotiate the assignment of any and all contracts related to the Treatment Plant Project to the Town for the purpose of avoiding abandonment of the Treatment Plant Project. Nothing contained herein shall be construed to release the District from the performance of any of the agreements on its part herein contained and in the event the District shall fail to perform any such agreements on its part, the Town may institute such action against the District as the Town may deem necessary to compel performance so long as such action does not abrogate the obligations of the Town herein.

(b) The Town shall pay all Pledge Payments by wire transfer in immediately available funds to the Trustee to be named by the District pursuant to Section 2.2.1.

2.1.3 Pledge. The Town hereby irrevocably pledges for the payment of the Pledge Payments the revenues from the Excise Taxes and the State Shared Revenues. The Town intends that this pledge shall be a first lien pledge upon such amounts of the revenues from the Excise Taxes and the State Shared Revenues as will be sufficient to make the Pledge Payments pursuant hereto when due subject to the Parity Lien Obligations. The Town agrees and covenants to make said Pledge Payments from the revenues from the Excise Taxes and the State Shared Revenues, except to the extent it chooses to make the Pledge Payments from other funds pursuant to Section 2.1.5. Said pledge of, and said lien on, the revenues from the Excise Taxes and the State Shared Revenues is hereby irrevocably made and created for the prompt and punctual



payment of the amounts due hereunder according to the terms hereof as hereinafter specified in this Agreement. All of the Pledge Payments hereunder are coequal as to the pledge of and lien on the revenues from the Excise Taxes and the State Shared Revenues pledged for the payment thereof and share ratably, without preference, priority or distinction, as to the source or method of payment from the revenues from the Excise Taxes and the State Shared Revenues or security therefore on a parity with the existing loan repayment agreement between the Town and the Greater Arizona Development Authority of Arizona ("GADA") and any other Parity Lien Obligations as hereinafter defined. Except as otherwise limited by the GADA Loan or any other Parity Lien Obligations, the rights of the Town to payment from the revenues from the Excise Taxes and the State Shared Revenues are on a parity with the rights to payment from the revenues from the Excise Taxes and the State Shared Revenues of any obligations hereafter issued on a parity with this Agreement as permitted hereto. The obligation of the Town to make Pledge Payments of any amounts due under this Agreement, including amounts due after default or termination hereof, is limited to payment from the revenues from the Excise Taxes and the State Shared Revenues and shall under no circumstances constitute a general obligation or a pledge of the full faith and credit of the Town, the State, or any of its political subdivisions, or require the levy of, or be payable from the proceeds of, any ad valorem taxes.

2.1.4 Excess Revenues. The revenues from the Excise Taxes and the State Shared Revenues in excess of amounts, if any, required to be paid under this Agreement, the GADA Loan and the Parity Lien Obligations, shall constitute surplus revenues and may be used by the Town for any lawful purpose for the benefit of the Town, including the payment of obligations to which the revenues from the Excise Taxes and the State Shared Revenues may from time to time be pledged on a basis subordinate to this Agreement, the GADA Loan and the Parity Lien Obligations. If at any time the Excise Taxes held for Pledge Payments are not sufficient to make the required Pledge Payments, any such deficiency shall be made up from the first moneys thereafter received and available for such Pledge Payments under the terms of this Agreement, and the payment of the Pledge Payments in arrears as may be necessary to make up any such deficiency shall be in addition to the then-current Pledge Payments required to be made pursuant thereto.

2.1.5 Use of Other Funds at the Option of the Town. The Town may, at the sole option of the Town, make such Pledge Payments from its other funds as permitted by law and as the Town shall determine from time to time, but the District acknowledges that it has no claim hereunder to such other funds. No part of the Pledge Payments payable pursuant to this Agreement shall be payable out of any ad valorem taxes imposed by the Town or from bonds or other obligations, the payment of which the Town's general taxing authority is pledged, unless (i) the same shall have been duly budgeted by the Town according to law, (ii) such payment or payments shall be within the budget limitations of the statutes of the State, and (iii) any such bonded indebtedness or other obligation is within the debt limitations of the Constitution of the State.



2.1.6 Parity Lien Obligations. So long as any amounts due hereunder remain unpaid or unprovided for, the Town shall not further encumber the revenues from the Excise Taxes and the State Shared Revenues on a basis equal to the pledge hereunder unless the revenues from the Excise Taxes plus the State Shared Revenues, when combined mathematically for such purpose only, in the most recently completed fiscal year of the Town, shall have amounted to at least two (2) times the highest combined interest and principal requirements for any succeeding fiscal year of the Town for this Agreement, the GADA Loan and any Parity Lien Obligations secured or so proposed to be secured by such pledge of the revenues from the Excise Taxes and the State Shared Revenues on a parity of lien therewith. For purposes of this Section, any variable rate indebtedness shall be assumed to bear interest at the maximum permissible rate.

2.1.7 Town Control Over Revenue Collection. The amount of the State Shared Revenues is determined by statutory formula, and the Town has not covenanted and has no power to set or maintain rates or otherwise impose taxes to increase, replace or supplement the State Shared Revenues to provide for the Pledge Payments due hereunder.

2.1.8 Effluent for Irrigation of Town Parks. Within thirty (30) days of the first pledge payment pursuant to Section 2.1.1, of this Agreement, the District and the Town agree to enter into an agreement whereby the District will provide to the Town, at no charge, treated wastewater effluent in such amounts as necessary to irrigate Town parks. The District will have no obligation to construct any facilities for delivery or added treatment of such effluent. The Town will have no rights to sell this effluent, and all rights to the sale of this effluent will remain with the District. The District makes no warranties or representations that indicate that the District's Aquifer Protection Permit permits use of such effluent for the Town's intended purposes.

2.1.9 Ground Lease Agreement. Within thirty (30) days of the first pledge payment pursuant to Section 2.1.1 of this Agreement, the District and the Town agree to enter into a ground lease whereby the District will lease the to the Town fifteen (15) acres of land reasonably acceptable to the Town and the District. The Town agrees to develop the leased (15) acres as reasonably acceptable to the District and the Town. The Town further agrees to obtain all necessary zoning and building permits for any anticipated developments. The term of the lease will be until the twenty-fifth (25th) anniversary of the Effective Date of this Agreement at a rental rate of \$100.00 per year.

2.1.10 Operating agreement. Within thirty (30) days of the execution of this Agreement, the District and the Town will enter into an operation agreement to use Town employees to operate and oversee waste water treatment operations. This operation agreement will be in two phases which will include the Town hiring a certified operator and a district administrator, who may be the same person, and additional inspectors and sanitation operators as necessary in the first phase. The second phase will be for the Town to take over all of the accounting and billing duties of the District, on or before January 1, 2008. This operation agreement will include the operation and maintenance of



the sanitary district plant and collection lines, as well as the administrative duties of the District, for review and inspection of projects within the sanitary district. The Town will provide the District with the estimate of the cost of providing this service and the District will bear this cost through monthly payments to the Town. The cost of maintenance over and above the maintenance provided in the operation agreement will be born by the District. The District will retain Town employees in an at-will employment relationship.

2.1.11 HURF Funds. The Town agrees to make available to the District \$240,000 of HURF funds, to be dedicated to Project chip sealing costs and paid out on a schedule submitted to the town based upon the completion of the chip sealing. Such payment will require timely payment and be subject to a substantial late fees if not paid on time.

2.1.12 The Town as a Third Party Beneficiary. Subject to vender, contractor, lender, payment bonding company and performance bonding company approval, the Town may become a third party beneficiary with any independent contractors who are constructing the waste water treatment facility, collection lines, and/or supplying related construction services.

3. Term. This Agreement expires upon the earlier to occur of (i) receipt of the three hundredth payment after the Effective Date of this Agreement or (ii) the rejection of all bids for the Treatment Plant Project.

4. District and Town Cooperation.

4.1 Development Agreements. Following bid opening for the treatment plant component of the Treatment Plant Project, the Town and the District agree to negotiate Development Agreement(s), if necessary, to address any gap between the funding available for the Project and the funding necessary to complete the Project.

4.2 Bid Alternates. The district has already selected bid alternates based upon the availability of funds and will not be seeking consultation from the town in reference to bid alternates.

4.3 Authorization of Funds. The District must receive the Town Manager's prior written approval before authorizing the withdrawal of funds to pay for the construction and design of the Treatment Plant Project.

4.4 Confirmation of Pledge. The Town will confirm the pledge it has made herein to any lenders, bond underwriters, and/or bonding agencies. The Town agrees to execute and obtain any necessary signatures, as required by any lenders, bond underwriters, and/or bonding agencies.

5. Notices. Any notice permitted or required under this Agreement will be delivered to the following or their successors in the indicated positions and becomes effective upon delivery of the notice and the copies:

For the Town:

Town Manager

Town of Camp Verde

473 South Main, #102
Camp Verde, Arizona 86322

With a copy to: William J. Simms, III, Esq.



Town Attorney
1850 North Central Avenue, #1000
Phoenix, Arizona 85004

For the District Rob Witt, Chairperson
Camp Verde Sanitary District
P. O. Box 1205
Camp Verde, Arizona 86322

With a copy to: James E. Ledbetter, Esq.
The Ledbetter Law Firm, P.L.C.
315 South Willard Street
Cottonwood, Arizona 86326

6. Termination for Conflict of Interest. This Agreement is subject to cancellation pursuant to A.R.S. § 38-511.

7. Governing Law. This Agreement and all documents executed and delivered hereunder will be deemed to be contracts under the State of Arizona and for all purposes will be construed in accordance with such laws.

8. Binding Agreement. This Agreement is binding upon the successors and assigns of the Town and the District. The Town will provide, at the District's expense, an opinion of a qualified bond counsel to the effect that the this Agreement constitutes a valid, existing, continuing pledge of the Excise Taxes, a continuing disclosure agreement acceptable to the underwriter of any obligations issued by the District secured by, or payable all or in part from, the Town's Pledge Payments ("**District Obligations**"), and the Town will also provide appropriate certificates as to any litigation concerning this Agreement or the application for or submission of a referendum seeking to require the Town's governing body's approval of this Agreement to be submitted to a vote of the Town's electors and as to other matters that may be reasonably required by the underwriter of any District Obligations. The Town further agrees that if the electors of District and the Town both agree to dissolve the District at the elections to be held in November of 2008, no merger will occur as to the District and the Town that will permit the Town to cease making the Pledge Payments. The Town acknowledges that the District will assign the Pledge Payments and other rights under this agreement to a trustee for the benefit of persons or entities who may purchase participating interests in a lease-purchase agreement or agreements to be issued, either by or on behalf of the District, to pay for portions of the Treatment Plant.

9. Entire Agreement. This Agreement constitutes the entire agreement and understanding of the Town and the District with respect to the subject matter hereof. This Agreement may not be amended, modified, extended, or renewed except in writing executed by the Town and the District.

10. Unenforceable Provision. If any provision of this Agreement is unenforceable, the remainder of the Agreement will remain in effect, provided that the intent and purpose of the parties in entering this Agreement is not materially vitiated by such unenforceability, provided further the parties will, in good faith,

negotiate and enter into an amendment to this Agreement in light of such occurrence.

11. No Partnership. It is understood and agreed between the parties hereto that nothing herein contained shall be deemed, held, or construed as the creation of a partnership or joint venture as between the parties hereto.

12. Captions. The captions and headings of the various sections of this Agreement are for convenience and identification only, and shall not be deemed to limit or define the contents of the respective sections.

13. Time Periods. All time periods contained herein shall refer to calendar days, except where express reference is made to business days. Business days shall be defined to mean all days except Saturdays, Sundays, and legal holidays. If any time period specified in this Agreement expires on a non-business day, such time period shall be extended to the next business day.

14. Legal Determination. Attached hereto and incorporated herein is a written determination of each party's legal counsel that the parties are authorized under the laws of this state to enter into this Agreement and that this Agreement is in proper form.

IN WITNESS WHEREOF, the Town and the District have caused their respective duly authorized representatives to execute this Agreement on their behalf as of the date first above stated.

TOWN OF CAMP VERDE, a municipal corporation of the State of Arizona

By: *Jerry Soria* 5/11/07
Its: Mayor

ATTEST:

Virginia Jones, Deputy Clerk
City Clerk
Town

Date: 5-11-07

The above Agreement has been reviewed pursuant to A.R.S. § 11-952, by the undersigned attorney for the Town of Camp Verde, Arizona, who has determined that it is in the proper form and is within the powers and authority granted to the Town of Camp Verde, Arizona.



B-4512 P-54
Page: 11 of 12
RESL 4143020



B-4522 P-578
Page: 12 of 14
CORR 4154823

Approved as to form

 5/10/07
Town Attorney Date

Attorney for Town of Camp Verde

CAMP VERDE SANITARY DISTRICT, a
tax-levying public improvement district
of the State of Arizona

By: 

Name: Rob Witt

Title: Chairman



B-4522 P-57B
Page: 13 of 14
CORR 4154823



B-4512 P-54
Page: 12 of 12
RESL 4143028

The above Agreement has been reviewed pursuant to A.R.S. § 11-952, by the undersigned attorney for the Camp Verde Sanitary District, who has determined that it is in the proper form and is within the powers and authority granted to the Camp Verde Sanitary District.

Attorney for Camp Verde Sanitary District



The above Agreement has been reviewed pursuant to A.R.S. § 11-952, by the undersigned attorney for the Camp Verde Sanitary District, who has determined that it is in the proper form and is within the powers and authority granted to the Camp Verde Sanitary District.

Brett R. Riggs
Attorney for Camp Verde Sanitary District

me'd 7-3-07