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The Pinal County Board of Supervisors convened at 9:30 A.M. this date. Chairman Smith called the meeting to order.

Present: Chairman Anthony Smith; Vice-Chair Todd House; Supervisor Pete Rios; Supervisor Cheryl Chase; Supervisor Stephen Q. Miller; Chief Civil Deputy County Attorney, Chris Keller; Assistant County Manager for Administrative Services, Leo Lew; Clerk of the Board, Sheri Cluff and Deputy Clerk of the Board, AmberLee Taylor.

Public Hearing regarding a petition to form the Picacho Domestic Water Improvement District required by A.R.S. 48-905B and discussion/approval/disapproval of the formation of the Picacho Domestic Water Improvement District and appointment of the initial Board of Directors named in the petition.

Chairman Smith opened the public hearing and called for comments from staff.

Pamela Villarreal, Special Services Administrator, explained that the Board was to hear the public hearing for a proposed domestic water improvement district. The petition was signed by at least 51% of the current home owners in the area as required by A.R.S. 904. The petitioners submitted all necessary documents to meet the criteria required by the statute and are present to request approval to form the district. They would also like the Board to appoint the Board of Directors for the district from the list of names included in the petition.

James Tidwell of Picacho, Arizona is a member of the proposed district. He explained that the water company currently servicing the area is in a state of disrepair. ADOT took nearly 50% of the company's customers which put them in financial trouble. A group of residents in the area would like to form the district in order to take over water services in case the current company can no longer provide service. The equipment needs to be repaired and in some cases replaced and Mr. Tidwell felt that as a special district, there would be better access to grants in order to fund the equipment repairs and replacement. Mr. Tidwell stated that the formation of the district would be a benefit to the community.

Chairman Smith said the Board's responsibility is to make sure what is being proposed will promote the public convenience, necessity and welfare of the residents in the area. He applauded the motivation, but was curious as to what expertise the new board would have and how formation would provide a greater benefit to the residents.

Mr. Tidwell said that in speaking with the president of the existing water company, it is evident that he does not want to operate the company. To form the district would give

the residents in the area a say in what happens and assure water service and possibly equipment upgrades to the area. With regard to expertise on the board, there would be none and the plan would be to hire a company that specializes in that area.

The Board had concerns with approving the proposed district without a feasibility report or an engineering study as there will be costs involved. The Board suggested continuing the matter until additional information could be acquired.

Motion as made by Supervisor Miller and seconded by Supervisor Rios to continue the public hearing and consideration of the petition to form the Picacho Domestic Water Improvement District and appointment of the initial Board of Directors named in the petition to March 4, 2015 at 9:30 A.M. Motion carried by unanimous vote.

Work Session to discuss the review of outsourced internal audits by Pinal County Audit Committee Review Team, future direction and role of Internal Audit in county audits, hotline calls and replacement of Internal Auditor.

Mr. David DeStefano, Audit Committee representative, appeared before the Board to present the audit review and the process by which the audits were reviewed. In early 2014, a few of the committee members were allocated to participate in the solicitation of outsourced audits. They reviewed the RFP, reviewed the information received by the firms interested in these audits, provided evaluations and reviewed the audit reports. The report written by Mr. Brian Wright and Mr. David DeStefano was attached to the agenda and does not represent the entire committee. There were three audits in Accounts Payable Review with 4 bids, one in Emergency Planning with one bid and one in Air Quality with one bid. Each bid from a firm is for a specific audit, but Mr. DeStefano recommended instead of having each firm bid on a specific audit, have staff qualify the firms and then let the unit decide which firm best meets the needs for that particular audit. In review of the actual audits, Mr. DeStefano said, in general, the firms met the requirements. He did however feel that the scope of work was very general and suggested setting the scope in advance of hiring the external auditor to get better use of the auditor's time. Mr. DeStefano looked at the clarity and understanding of the audit and felt the external auditors could have provided more perspective. This could be addressed by providing a format of how the report should be written and by clarifying exactly what information the Board would like to see in a report.

Chairman Smith noted that the report stated that the use of the external audit firm to perform some internal audits provided a benefit to the County. He asked Mr. DeStefano for his recommendation regarding the future direction and role of the Internal Audit Officer in County audits.

Mr. DeStefano's personal recommendation was to establish a fully staffed internal audit unit. However, whether the Board elects to have a full staff, a partial staff/outsource combination or even a solely outsourced operation, there will still be a need for an internal audit officer. Considering there is currently no audit officer on staff, the Board

may need to consider hiring a professional on a consulting basis until sufficient staff can be hired.

The Board agreed that a full audit unit to meet regularly with the Board would be the best scenario.

Supervisor Chase asked how the Board is going to deal with the silent whistle hotline as the calls used to be handled by the internal audit officer.

Chairman Smith said currently, as a temporary remedy, his executive assistant Marlene Pearce, has made herself available to take those calls.

Supervisor Chase thanked Chairman Smith and his assistant, but questioned whether it would be better to contract with a third party, on a temporary basis, to take those calls until the audit officer is in place. She requested an executive session to speak with legal counsel.

Executive Session

10:31 A.M. – Motion was made by Supervisor Chase and seconded by Supervisor Miller to recess into executive session. Motion carried by unanimous vote.

Present: Chairman Anthony Smith; Vice-Chair Todd House; Supervisor Pete Rios; Supervisor Cheryl Chase; Supervisor Stephen Q. Miller; Chief Civil Deputy County Attorney, Chris Keller; Assistant County Manager for Administrative Services, Leo Lew and Clerk of the Board, Sheri Cluff.

10:45 A.M. – Chairman Smith adjourned the executive session and reconvened the regular meeting of the Board of Supervisors.

Supervisor Chase would like staff to look into an outside source to provide services for the silent whistle program.

Chairman Smith was supportive and directed the County Manager to report back to the Board with the cost and to work toward getting that service under contract as soon as possible.

The Board also discussed the importance of an internal audit officer and directed the County Manager to work with Human Resources to bring options for Board consideration with regard to the cost of filling the internal audit officer position, including the cost of a temporary person in that position until filled.

Chief Civil Deputy County Attorney, Chris Keller pointed out that regarding the contracting of a company for the Silent Whistle Program services, the procurement code will allow staff to enter into an agreement and include the contract amount on the

purchasing report. He also stated that Maricopa County Internal Auditor, Ross Tate, has offered to sit on a selection panel for the internal audit officer if needed.

Presentation by Bill Bolin of the Copper Corridor Economic Development Coalition for Broadband service to the Copper Corridor region.

Bill Bolin of Cave Creek, Arizona appeared before the Board on behalf of the Copper Corridor. He presented the broadband plan for the area stating that the lack of service is causing the Copper Corridor to lose people and businesses. Mr. Bolin stated that better economic development activity is one way to counteract the loss. Retention of population in rural communities is related to education and how accessible it is in the area. He also highlighted telemedicine and how broadband directly affects the ability to work with hospitals, clinics and physicians to allow the opportunity for people without the ambulatory resources to receive help. Implementation of broadband will improve public safety by using broadband capabilities to utilize the FirstNet federal program. The Copper Corridor Economic Development Coalition would like to start the broadband planning in January 2015 and complete it in June of 2015. Mr. Bolin presented the projected cost and requested an additional \$10,000.00 in Pinal County contributions.

Supervisor Rios stated that the reception in the area is extremely poor and he would like to see companies like SRP, ASARCO, Resolution Copper, etc. buy into the system. It is possible to provide better broadband reception that would enable people to utilize their computers for educational purposes and telemedicine. The fire department and law enforcement could work more efficiently as well.

Chairman Smith clarified that direction to move forward is simply for the construction design and that no procurement of the equipment is included in the projected cost. He asked staff which budget the \$10,000 would come from.

Tim Kanavel, Pinal County Economic Development said that he has an operating budget set aside for special projects.

Chairman Smith directed staff to put a item on a future Board agenda for action to be taken on the request for \$10,000 and authorization to proceed.

Work Session to discuss Environmental Health Code.

Tom Schryer, Public Health Director and Chris Reimus presented the revisions to the County's 1980 County Sanitary Code. There has been a year of public outreach regarding the changes in the code.

Mr. Reimus discussed the details of the revised code. Staff has kept the website current with updates, sent mailings to residents and held public meetings. The general consensus from the public has been positive. Significant changes were made in Chapter I: General Provisions, Chapter II: Food Code, Chapter III: Aquatic Health and

Chapter IX: Animals. The revised code can be viewed on the Pinal County Environmental Health website. Staff also has hard copies available for view at the Public Health Office.

The Board thanked staff for their presentation and directed staff to bring the code to the Board for consideration in January.

Executive Session:

11:59 A.M. – Motion was made by Supervisor House and seconded by Supervisor Rios to recess into executive session. Motion carried by unanimous vote.

Executive Session for purposes of obtaining legal advice related to the D.R. Horton appeal from outside Legal Counsel pursuant to A.R.S. 38-431.03(A)(3).

Present: Chairman Anthony Smith; Vice-Chair Todd House; Supervisor Pete Rios; Supervisor Cheryl Chase; Supervisor Stephen Q. Miller; Chief Civil Deputy County Attorney, Chris Keller; Assistant County Manager for Administrative Services, Leo Lew and Clerk of the Board, Sheri Cluff.

1:15 P.M. – Motion was made by Supervisor Rios and seconded by Supervisor Chase to adjourn the executive session.

1:16 P.M. – Motion was made by Supervisor House and seconded by Supervisor Rios to adjourn the regular session meeting.

The meeting stood adjourned at 3:00 P.M. The next regular meeting of the Pinal County Board of Supervisors will be on Wednesday, December 17, 2014 at 9:30 A.M.

PINAL COUNTY BOARD OF SUPERVISORS

AmberLee Taylor

AmberLee Taylor, Deputy Clerk of the Board