

NOTICE OF MEETING OF THE SAN LUIS FACILITY DEVELOPMENT CORPORATION

In accordance with section 38-431.01 of the Arizona Revised Statutes of the State of Arizona, notice is hereby given to the Members of San Luis Facility Development Corporation and to the general public that the Board Members of the San Luis Facility Development Corporation will hold a **Special Meeting on Thursday, January 26, 2023 at 3:30 p.m.** The meeting will take place at City Hall in **Council Chambers**, located at 1090 E. Union Street, San Luis, Arizona, 85349. Everyone from the public is invited to attend the open meeting.

In accordance with the Americans with Disabilities Act (ADA) and Section 504 of the Rehabilitation Act of 1973, the City of San Luis does not discriminate on the basis of disability in the admission of or access to, or treatment of employment in its programs, activities, or services. For information regarding rights and provisions of the ADA or Section 504, or to request reasonable accommodations for participation in City programs, activities or services contact: ADA/Section 504 Coordinator, City of San Luis Human Resources Department, 1090 E. Union Street, San Luis, Arizona, 85349; (928) 341-8520.

Notice is hereby given that pursuant to A.R.S. §1-602.A.9, subject to certain specified statutory exceptions, parents have a right to consent before the State or any of its political subdivisions make a video or audio recording of a minor child. Meetings of the City Council are audio and/or video recorded, and, as a result, proceedings in which children are present may be subject to such recording. Parents in order to exercise their rights may either file written consent with the City Clerk to such recording, or take personal action to ensure that their child or children are not present when a recording may be made. If a child is present at the time a recording is made, the City will assume that the rights afforded parents pursuant to A.R.S. §1-602.A.9 have been waived.

THIS NOTICE IS APPROVED BY:

/s/ Kay M. Macuil, Attorney for the San Luis Facility Development Corporation

AVISO DE JUNTA DE LA CORPORACIÓN

De acuerdo con los Estatutos del Estado de Arizona "A.R.S § 38-431.01", se le informa a los miembros de la Corporación San Luis Facility Development Corporation y al público en general que los miembros de la Corporación San Luis Facility Development Corporation, tendrán una **Junta Especial el día Jueves 26, de Enero a las 3:30 p.m.** La junta se llevará a cabo en el **Salón Del Cabildo** ubicada en el 1090 E. Union Street, San Luis, Arizona 85349. El público está cordialmente invitado a la junta.

De acuerdo con el Acta de Americanos con Discapacidades y la Sección 504 del Acta de Rehabilitación del 1973, la Ciudad de San Luis, Arizona no discrimina por causa de discapacidad la admisión y acceso a sus programas, actividades, servicios o en el trato en cuanto a empleo. Para más información referente a derechos y provisiones del Acta de Americanos con Discapacidades o Sección 504, o para solicitar adaptaciones que sean razonables para la participación en programas, actividades o servicios de la Ciudad, contactar al: Coordinador del Acta de Americanos con Discapacidades/Sección 504, Departamento de Recursos Humanos de la Ciudad de San Luis, Arizona, ubicada en el 1090 E. Union Street, San Luis, Arizona, 85349; (928) 341-8520.

Por medio de este aviso y de acuerdo con los Estatutos del Estado de Arizona "A.R.S § 1-602.A.9", sujeto a ciertas excepciones reglamentarias, los padres de familia tienen el derecho de dar el consentimiento ante el Estado o cualquiera de sus subdivisiones políticas para hacer una grabación de audio o video de su hijo menor de edad. Las juntas del Cabildo se graban en audio y/o video y como resultado, el hecho de que haya menores presentes puede ser sujeto a que sean grabados. Para que los padres de familia puedan ejercer sus derechos pueden dar el consentimiento por escrito con la Secretaria de la Ciudad a tal grabación, o tomar acción personal para asegurarse que su hijo menor no esté presente cuando la grabación se lleve a cabo. Si un menor de edad está presente en el momento de la grabación, la Ciudad asumirá que los padres de familia están cediendo los derechos sobre una posible grabación de acuerdo con los Estatutos del Estado de Arizona "A.R.S. §1-602.A.9."

ESTE AVISO ES APROBADO POR:

/f/ Kay M. Macuil, Abogada de la San Luis Facility Development Corporation

AGENDA
SAN LUIS FACILITY DEVELOPMENT CORPORATION
San Luis Council Chambers
1090 E. Union Street
San Luis, Arizona 85349
JANUARY 27, 2023
5:30 p.m.

PLEASE TAKE NOTICE THAT BOARD MEMBERS MAY ATTEND THE MEETING BY TELEPHONIC COMMUNICATION

PLEASE TAKE NOTICE: *The Chair or Acting Chair may change the order of the items.*

PLEASE TAKE NOTICE: *If authorized by law and by a majority vote of a present quorum of the Board of Directors, an executive session will be held immediately following the vote in accordance with A.R.S. §38-431.03(A) and the meeting will be temporarily recessed while the Board retires to executive session which will not be open to the public.*

1. CALL TO ORDER/ROLL CALL

2. CONSENT AGENDA

All matters are considered to be routine by the Commission and will be enacted by one motion. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.

2. A. MINUTES OF

- Regular meeting held February 27, 2020
- Regular meeting held May 17, 2021

3. DISCUSSION AND POSSIBLE ACTION ITEMS:

- 3. A.** Discussion and possible action on any and all matters regarding using the Operating Reserve/Repair/Contingency Account for a water softener system or other capital expenses of the San Luis Regional Detention and Support Center. **(Warden David Rivas and City Finance Director Monica Castro)**

4. NEW ITEMS OF BUSINESS FOR FUTURE AGENDAS

5. ADJOURNMENT

Suggested adjournment by President: "Since we have come to the end of the items on the agenda and there is no further business, the meeting is adjourned."

San Luis Facility Development Corporation

2. A.

Meeting Date: 01/26/2023

Department Head: Kay Macuil, City Attorney, Attorney's Office

Submitted By: Janet Taylor, Legal Secretary, Attorney's Office

ITEM:

MINUTES OF

- Regular meeting held February 27, 2020
- Regular meeting held May 17, 2021

SUMMARY:

Discussion and possible action on any and all matters regarding approval of the minutes for meetings held on February 27, 2020 and May 17, 2021.

RECOMMENDATION / SUGGESTED MOTION:

I MOVE TO APPROVE THE MINUTES OF FEBRUARY 27, 2020 AND MAY 17, 2021.

Attachments

Minutes 2020-02-27

Minutes 2020-05-17

MINUTES
SAN LUIS FACILITY DEVELOPMENT CORPORATION
San Luis Council Chambers
1090 E. Union Street
San Luis, Arizona 85349
February 27, 2020
5:30 p.m.

PLEASE TAKE NOTICE THAT BOARD MEMBERS MAY ATTEND THE MEETING BY TELEPHONIC COMMUNICATION

PLEASE TAKE NOTICE: *The Chair or Acting Chair may change the order of the items.*

PLEASE TAKE NOTICE: *If authorized by law and by a majority vote of a present quorum of the Board of Directors, an executive session will be held immediately following the vote in accordance with A.R.S. § 38-431.03(A) and the meeting will be temporarily recessed while the Board retires to executive session which will not be open to the public.*

- 1. CALL TO ORDER/ROLL CALL** President Jenny Torres called the meeting to order at approximately 6:06 p.m.

THOSE PRESENT:

President Jenny Torres
Director Joe Harper
Director Marco Pinzon

THOSE NOT PRESENT:

Secretary Maria Gonzalez
Vice President John Starkey

OTHERS PRESENT:

Kay Marion Macuil, City Attorney, Attorney for the Corporation
Monica Castro, Finance Director
Janet Taylor, Legal Secretary

- 2. CONSENT AGENDA**

All matters are considered to be routine by the Board and will be enacted by one motion. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.

- 2.A. MINUTES OF**

- Meeting held November 25, 2019

MOTION: Director Marco Pinzon and Director Joe Harper to approve the consent agenda. **Motion passed unanimously.**

The vote was as follows:

President Jenny Torres	Aye
Director Marco Pinzon	Aye
Director Joe Harper	Aye

3. DISCUSSION AND POSSIBLE ACTION ITEMS:

3.A. Discussion and possible action on any and all matters regarding the ratification of the amendment to the December 1, 2018, Facility Operation and Management Agreement with LaSalle Corrections, L.L.C., to add duties described in an Intergovernmental Service Agreement with Immigration and Customs Enforcement. **(Kay Marion Macuil, General Counsel)**

ITEM 3.A. WAS MOVED TO THE ANNUAL MEETING

3.B. EXECUTIVE SESSION

Vote to hold an Executive Session pursuant to A.R.S. §§ 38-431.03(A) subsections (3) and (4)

Discussion and possible action to hold an executive session pursuant to A.R.S. §§ 38-431.03(A) (3) and (4) on any and all matters regarding contracts and proposals related to the San Luis Regional Detention and Support Center for discussion or consultation for legal advice with the Corporation's attorneys, in order to consider and instruct the Corporation's attorneys regarding the Corporation's position regarding contracts and the sole bid by LaSalle Corrections on the above-mentioned property. **(Kay Marion Macuil, General Counsel and Bill Sims Outside Counsel)**

MOTION: Director Joe Harper and Director Marco Pinzon to go into executive session at approximately 6:10 p.m. **Motion passed unanimously.**

The vote was as follows:

President Jenny Torres	Aye
Director Joe Harper	Aye
Director Marco Pinzon	Aye

4. MOTION TO GO BACK INTO REGULAR SESSION

MOTION: Director Joe Harper and Director Marco Pinzon to go back into Regular Session. **Motion passed unanimously**

The vote was as follows:

President Jenny Torres	Aye
Director Marco Pinzon	Aye
Director Joe Harper	Aye

4.A. Discussion and possible action on any and all matters regarding Resolution No. 2019-02. A Resolution of the San Luis Facility Development Corporation Board of directors adopting and approving the Facility Operation and Management Agreement effective December 1, 2019, with LaSalle Corrections, L.L.C. for the Operation and Management of the San Luis Regional Detention and Support Center. **(Kay Marion Macuil, General Counsel for the Corporation)**

City Attorney Kay Macuil recommends a motion to approve the Resolution, which is the contract just discussed in executive session.

MOTION: Director Joe Harper and Director Marco Pinzon to approve the contract with LaSalle as written. **Motion passed unanimously.**

The vote was as follows:

President Jenny Torres	Aye
Director Marco Pinzon	Aye
Director Joe Harper	Aye

5. DISCUSSION ITEMS:

5.A. Discussion and possible direction to staff on any and all matters regarding the San Luis Regional Detention and Support Center Center's population trends. **(Monica Castro Finance Director)**

MOTION: Director Marco Pinzon and Director Joe Harper to table Item 5.A. **(Motion passed unanimously)**

The vote was as follows:

Director Marco Pinzon	Aye
Director Joe Harper	Aye
President Jenny Torres	Aye

6. NEW ITEMS OF BUSINESS FOR FUTURE AGENDAS

No New Items

7. ADJOURNMENT

Meeting adjourned at approximately 6:44 p.m.

MINUTES
SAN LUIS FACILITY DEVELOPMENT CORPORATION
San Luis Council Chambers
1090 E. Union Street
San Luis, Arizona 85349
May 17, 2021
5:00 p.m.

PLEASE TAKE NOTICE THAT BOARD MEMBERS MAY ATTEND THE MEETING BY TELEPHONIC COMMUNICATION

PLEASE TAKE NOTICE: *The Chair or Acting Chair may change the order of the items.*

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PLEASE TAKE NOTICE: *The Chair or Acting Chair may change the order of the items.*

1. **CALL TO ORDER/ROLL CALL** *President Jenny Torres called the meeting to order at approximately 5:18 p.m.*

Name	Present	Absent
Director Maria Gonzalez		X
Director Joe Harper	X	
Director Marco Pinzon – via zoom at appx. 5:32 p.m.	X	
Vice President John Starkey-seat vacant deceased March 19, 2020.		
President Jenny Torres	x	

There was no quorum at the time the meeting began. Presentation meeting only.

Others present:

Kay Marion Macuil, City Attorney. Attorney for the Corporation
Monica Castro, Finance Director
David Rivas, Warden – via zoom
Curt Craig, LaSalle I.T. Specialist – via zoom
Glenn Gimtut Assistant City Attorney – arrived at appx. 5:27 p.m.
Axel Chayra, IT Department
Domingo Sosa, IT Department
Melissa Lopez, Deputy City Clerk
Janet Taylor, Clerk of the Board

2. CONSENT AGENDA

All matters are considered to be routine by the Commission and will be enacted by one motion. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.

2. A. MINUTES OF

Minutes of the Regular Meeting held February 27, 2020

NO MOTION OR VOTE DUE TO LACK OF QUORUM

3. DISCUSSION AND POSSIBLE ACTION ITEMS:

3.A. Presentation followed by discussion and possible action on any and all matters regarding using the Operating Reserve/Repair/Contingency Account under Section 5.06 (e) to pay for equipment and upgrades to the information technology systems at the San Luis Regional Support and Detention Center. **(Warden David Rivas and LaSalle I.T. Specialist Curt Craig)**

Warden Rivas began by stating that the detention center has done some upgrades and included are electronic medical records. A huge volume of commissary and would like to upgrade in order to support those things properly. Also, get iPads for the inmate population in order to circumvent drugs that have been at high volume at the facility.

Curt Craig began by discussing the two slides he had sent over earlier in the day (copy included with the minutes). He discussed the additional benefits of moving from the current wireless internet connection service to a wired internet connection service. Their current provider is WISP and is basically a wireless backbone connection connecting from the facility over the airways to a tower in San Luis. The speed is 40 megabits download to 10 megabits upload. With the number of employees and the volume of internet traffic they are using, it is insufficient.

For a facility of this size across the organization, we would be at a minimum of 200 megabits down and 200 megabits up connection. A megabit is just a measurement of internet speed.

Mr. Craig also explained the effects of having a lot of dust or moisture in the air and how it can impact the quality and speed of that connection and possibly block the signal altogether. If that happens, the facility could be left with no internet access until the air clears up.

By moving to a wired system (fiber optic cable), speeds would tremendously increase. This would improve the operations of the facility and be more dependable. And would be able to do more over the line than they can currently do.

This would allow LaSalle to provide better I.T. service to the facility personnel as well. Currently, it is spotty to remote in and assist personnel. The fiber optic connection would solve that.

The fiber internet connection would enable the facility to offer better services to those in their care. Another benefit, the analog phone systems are becoming obsolete and are being replaced with voice-over I.P. solutions; it is more cost-effective and gives more flexibility. With the quality and speed of the current internet system, an I.P. system would not be practical. This would open a doorway to better use of technology within the facility.

The Warden mentioned the fiber internet connection would enable us to offer better services to those that are in our care. Across several of their facilities, they have developed something called tech-friends. It allows inmates and detainees to communicate with their families over email or text messages and would all but eliminate the requirement for traditional mail service.

For medical records, they are currently using Correct-Tech across their other facilities; it resides in the cloud. The reason is that there is a medical staff in the corporate office, a chief medical officer, nurses, and practitioners who need to access Correct-Tech remotely. Correct-tech is not an issue for their other facilities. Currently, it resides on a server at the San Luis Facility Detention Center because of the quality of the internet connection. That impedes our corporate medical staff from reviewing and inspecting records in the E.M.R. for San Luis. The fiber internet connection would eliminate that issue.

Live-check is a jail check system where every dorm or cell would have a barcode affixed to the outside of the door. As the corrections officers make their rounds, they scan that bar code with a handheld device (instead of logging by hand) and then enter their observation that is then relayed to the cloud and preserved indefinitely and preserved for historical purposes.

Due to the pandemic, remote court has seen an explosion of court sessions being held over video and also video consultations with attorneys. With internet over fiber, it would really open up possibilities for remote court, and that would include having more remote court sessions simultaneously. The quality of the video and audio would be much better than it is now.

The Warden mentioned commissary is an internet-based service. When we have issues with the wireless, it directly impacts the ability to conduct commissary sales across the inmate and detainee population. The wired internet connection would solve those issues.

Mr. Craig asked if there were any questions up to this point.

President Jenny Torres responded that she did have questions but would wait until after the proposals.

Curt Craig then presented the proposals and pricing options. The first slide was the San Luis Detention Center Internet Options (print-out included with the minutes).

Mr. Craig stated that in October of last year, he brought an IT team from their office in Louisiana to the facility in San Luis and did a wholesale upgrade of the IT infrastructure at the facility. They replaced all of the switches used for all the computers across the facility together—replaced some of the PCs that were aging and installed wireless access points across the facility. Originally, the wireless access points were primarily intended to solve some of the pain points around pill calls, dispensing prescription medications to detainees and inmates.

Mr. Craig discussed the pricing and installation of all proposals, including the disappointments with Lumin for the build-out costs changing from the original proposal. The Frontier proposal was a little weary with the original build-out cost. The concern is that the same thing will happen as it did with Lumin once they come out and do the inspection and find that there are no more fibers
AT&T would allow payments throughout the contract for the build-out costs.
AT&T came in a little cheaper meg per meg compared to Lumin.
(proposals included with the minutes).

Curt Craig thanked the board for their attention and opened the floor for questions.

Mr. Harper asked if we had the money to do any of this?

Finance Director Monica Castro stated that she was verifying the amount that was in the contingency account, and pretty much we don't have funds there. So if the board approves this purchase, it will be paid out of the operating account. It will be added as an operational expenditure and would be reimbursed on that basis. As everyone knows, we have the waterfall, and first is the Trust, then the Operational, and third is the Contingency. We have not been able to put any money in the account since we signed the new contract.

President Jenny Torres asked Monica if the invoice they provided from C&V internet says the operating account is that just their internal operating account?

Monica Castro responded with; it can be paid as the operational account. It is a capital project. I also saw the option to be on a lease. For accounting purposes, it will be treated as a capital expenditure. At the end of the day, we need to be making a monthly payment, and those funds in terms of cash, if approved, will be disbursed from the operational account despite the accounting treatment LaSalle gives to this purchase.

President Jenny Torres asked Ms. Castro how she looked at this proposal?

Ms. Castro responded it was more of a decision from the board. We need to look and see if it is necessary, is it part of the day-to-day operations. Is this going to be improving the operation? Is it going to bring a return for the amount of money we put in it? We are looking at it as we are buying something we did not have before and we are going to be adding expenditure each month. We have to weigh the cost versus the benefit.

President Jenny Torres stated that she knew that broadband had become a critical element in all businesses. The City of San Luis has been looking along with the City of Yuma and the County to do regional broadband because we know it is a necessity just like water and sewer it has become that important.

Based on Curt's information, they are looking at several programs they need Connect-tech, the live-check the remote port; those are things that will help the operation based on the list provided.

Ms. Torres stated that she saw they went ahead and researched three (3) internet providers and was curious to know why you didn't reach out to Century Link and Spectrum in this area?

Mr. Craig responded that they did reach out to Century Link and Century is either Lumin or Lumin is Century Link. There is some relationship between them. The Lumin proposal is representative of both Lumin and Century Link. They did reach out to Spectrum, and they replied that they could not provide service and could be because Lumin/Century Link owns the fiber and may not have some type of deal with them. I will go through my email and look for the outcome.

Ms. Torres stated the other question she had was assuming they were recommending the AT&T proposal. Are you recommending the three (3), the four (4), or the five (5) years?

Mr. Craig responded that he recommended the three (3) year option for the 500 megabits connection up and down. He thought that three (3) years was a long time, especially like anything else; this will get cheaper with time and can be renegotiated. We will probably see up to thirty percent savings over the initial monthly charge.

Ms. Torres asked Curt if he was expecting to get that bandwidth, or is it always at a lower speed?

Mr. Craig responded that it should be at what is called a "committed information right," especially since it is over fiber, so we should have full access to the 500 megs up and 500 megs down.

Ms. Torres responded, that make sure you do that because we have that issue around the area. You are promised a certain capacity, and they don't deliver.

Mr. Harper asked Curt if he had it set up to be able to go out and bid with this? Or how are we going to do this? We have to be apples to apples with everybody. I know that you are interested in AT&T, but how do we get it to that point?

Monica Castro replied to Mr. Harper that she hadn't had an opportunity to compare services and interest rates. Analysis I am sure Curt did that. Right now, we are only looking at the proposal. In terms of funding it, my recommendation will be just to go

with a lease rather than a capital purchase; that way, we are just paying slowly, and the impact won't be as hard as if we did it all at once. It would be interesting to see the cost if we went with that option which I didn't have the opportunity to do.

Mr. Craig replied that he could provide the AT&T capital document to anyone that needs it.

Ms. Torres asked if they were required to go out for proposals since they are a private firm?

City Attorney Kay Macuil responded no. They do not have that requirement. And I don't know if Monica mentioned this, but there is nothing in the reserve fund. It is empty. It has been that way since the beginning. Our new contract had a way to get the money in there, but the numbers haven't been high enough to contribute to that fund.

Glenn Gimbut, Assistant City Attorney, stated the short legal answer is it depends on who's paying. If the city is paying, then we have to obey the procurement code. If it is a private company, then they don't. Your duty at the end of the day is a fiduciary duty, and the fiduciary duty is; have you acted responsibly with public monies. Here there is only a handful of providers. Not everybody has fiber optic. Each provider has been contacted here. Each has been given the opportunity to give a proposal, and you know what they are. The purpose of an RFP is to shop. Shopping has occurred.

Ms. Torres asked Curt where AT&T is tapping their fiber from?

Curt Craig responded that they would be reselling Lumin fiber oddly enough. Since AT&T is not a leek in that area, they will have to use the fiber conduit that Lumin owns. Often, suppose a customer has a preference over one provider or another. In that case, the providers will have reciprocal agreements to sell each other fiber or copper, whatever the medium happens to be. Curt also stated he was a little mystified about how AT&T can offer at a lower price, but they have it in writing. Curt also shared the AT&T Capital Services Memo for the board and others to see and explained the costs. Mr. Craig also asked Martha Combs if the detention center paid the monthly recurring charges out of their funds, and Ms. Combs responded; that is correct.

Ms. Torres asked if there was some type of backup plan. Does AT&T offer something in case their system goes down?

Mr. Craig replied that typically what they do in a case like that we install a MiFi or a JetPack. It's a portable internet service box that you can carry around with you, and it works over the cellular network, which would be sufficient for email and some limited internet access. That is what we do at most of our facilities.

Ms. Torres asked Mr. Craig what is included in the offer: the cost of the build-out and the service?

Mr. Craig replied there are two components to this. One component is the internet options which is the 500 meg up, and 500 meg down that's the internet service itself the \$3,017.00 is the recurring cost for the internet service itself. That is the amount the facility would pay out of their budget.

The other part is the one-time charge is the build-out cost which is \$44,563.00. Part of the \$3,017.00 AT&T offers a number of security-related features. They have intrusion protection. We also turn on attachment scanning for emails and downloads and help prevent malware, ransomware, and nasty things from making it into our network.

Mr. Harper asked about the other two proposals on the build-out cost and how they compare?

Mr. Craig replied that Lumin came to the table with an initial build-out cost of \$5,700.00. After sending their technician on-site and realizing there were no pre-fiber conductors in the conduit to the sewage treatment plant, they increased their build-out cost from \$5,700.00 to \$55,000.00.

AT&T, whether we go with the one gig or the 500 meg, is \$44,563.00.

Frontier for one gig up and one gig down has come to the table with a \$1,200.00 build-out charge that I think is flawed. If all the fiber connectors in that conduit are being used, there is no way possible Frontier is going to be able to install this service with the build-out cost of \$1,200.00. What will happen with Frontier is what happened with Lumin; they come to the table with \$1,200.00, then when they send their tech on-site, they are going to find the same thing Lumin found, and AT&T found.

Mr. Harper stated that conduit has gone up about 300%.

Ms. Torres asked Marco Pinzon if he had any questions or comments?

Mr. Pinzon replied no and that she had asked most of the right questions.

Ms. Torres stated that she has been trying to bring more broadband options to the east part of town and has been working with Wanrack to bring in fiber optic from Ave B down SR 195 to Cesar Chavez Blvd. to 10th Ave to the High School. And I asked them if they had the additional capacity to provide to other users, and they said yes.

Ms. Torres stated that all her questions had been answered and believe that this is a necessity. We have the same problem at the Port of Entry and Customs trying to use their Ipads to input information, and it is a difficult task. I understand where you guys are at.

Ms. Torres asked Mr. Harper if there were any questions; he replied he would like to see this on paper so they could get this done. Ms. Torres replied that she would forward the information to Monica Castro, Finance Director. If she had any specific questions,

she could discuss them with Warden Rivas, Curt Craig, or Martha Combs. And try and figure out a way to get this done.

Ms. Torres stated that no action would be taken today and that the board wanted to hear the presentation and ask the questions. We will have to come back for a meeting.

Mr. Harper asked if he could get this presentation in writing, and Mr. Craig responded that he had sent it to some of the board members but would be happy to resend it. He also stated he would be interested in any other providers the board might know of and to feel free to reach out to him for any further questions.

Ms. Torres thanked Mr. Craig for his presentation and stated they would try to come up with the best deal for the facility. They would be in touch once the finance director had a chance to review everything.

Mr. Craig thanked the board for hearing them out and for their consideration.

Ms. Torres asked for any more questions, and there were none.

ADJOURNMENT

MOTION: President Jenny Torres and Director Joe Harper to adjourn the meeting.

Motion passed unanimously

The vote was as follows:

Board Member Marco Pinzon	Aye
Board Member Joe Harper	Aye
President Jenny Torres	Aye

San Luis Facility Development Corporation

3. A.

Meeting Date: 01/26/2023
Department Head: Kay Macuil, City Attorney, Attorney's Office
Submitted By: Kay Macuil, City Attorney, Attorney's Office

ITEM:

Discussion and possible action on any and all matters regarding using the Operating Reserve/Repair/Contingency Account for a water softener system or other capital expenses of the San Luis Regional Detention and Support Center.**(Warden David Rivas and City Finance Director Monica Castro)**

SUMMARY:

Detention Center Waterfall

On January 12, 2023, the U.S. Bank Trustee e-mailed staff that after reconciliation the accounts, there is \$420,000.00 in the Operating/Reserve/Repair/Contingency account. The federal agencies pay directly into the U.S. Bank's Trust Account for the services of the Detention Center. The U.S. Bank Trustee pays out to each account in the below order as funding is available. This order of priority is called a "waterfall" and is found in the language of the contract (called the "Trust Indenture") between U.S. Bank and the San Luis Facility Development Corporation.

The Waterfall under the Trust Indenture (references to the sections of the Trust Indenture):

All revenue is deposited in the General Account and disbursed in this priority (5.06 (a))

1. Bond Interest, see 5.06 (b)(i),
2. Restore Bond Reserve if necessary under 5.02, see 5.06(b),
3. Bond Principal, see 5.06(b)(ii),
4. Operation & Maintenance Costs, see 5.06 (c),
5. Trustee Fees, see 5.06(c) (subaccount of the Operating Account),
6. Operator Fee, see 5.06(d),

Note, through the 2018 Operating Agreement with LaSalle the \$35,000 City Business License Fee is paid equally with the 6% of Operation & Maintenance Costs paid to LaSalle.

7. Operating/Reserve/Repair/Contingency pay up to \$10,000 per month until there is \$300,000 in the account, see 5.06(e)

8. Surplus, see 5.06(f).

Water Softener System Repeatedly Leaking even after Repairs

Warden Rivas has prepared a presentation (attached) for this meeting.

On September 20 and 21, 2022, staff and President Jenny Torres received e-mail communications from the Detention Center that the water softener system had been leaking repeatedly after repairs. The Detention Center is working on one of three systems. The remaining system is a dedicated Culligan system requiring repair by a single employee of Culligan. Culligan provided a scope of work and a cost of \$59,821.18 for rebuilt but again tied to Culligan repair exclusively. Diamond Brooks Waters gave a quote of \$91,005.40 to replacing all Culligan equipment with a new system not tied to Culligan repairs.

As explained above, at the time of the September request, no cash had trickled down to the Operating Reserve / Repair / Contingency Account.

Once staff received the news that there was money in the Operating Reserve / Repair / Contingency Account, staff reached out to the Warden for all the needs that may come up for the funds. Keep in mind that indenture requires that the fund not go below \$300,000 once funded. La Salle has been taking care of the capital expenses without the Operating/Reserve/Repair/Contingency account. since they started in 2017 The Warden projects that for 2023 there will be the following expenses:

Equipment Description	Location	Install/Lease Date	LEASEE	Make/Model	NEW/USED	Equipment Description Functions	Malfunctions/Issues	Comments	EST REPLACEMENT COST
Boiler # 2	Unit # 1 Boiler Room	6/29/2007	Purchased	CYCLONE XHE/100G		BOILER UNIT #1	Corrosion and original Equip.		\$9,800.00
RTU # 05	D Dorm	6/29/2007	Purchased	CARREIR 12.5TONS	Used	Air Conditioner	Issues with the Condenser Coils		\$15,000.00
RTU # 22	Kitchen	6/29/2007	Purchased	CARREIR 15 TONS	Used	Air Conditioner	Issues with the Condenser Coils		\$18,000.00
Washer #1	Laundry	9/25/2010	Purchased	Uni Mac	Used	Washer	Corrosion/ No replacemnt parts		\$26,855.00
Water Softner unit 1 and unit 2	Maintenance Shop	9/25/2010	Purchased	Culligan	Used	Quik Tanks	Corrosion/Rusty tanks.	Waiting on approval	\$91,005.40
DISHWASHER	Kitchen	6/27/2007	Purchased	SWISHER/ADC-44	Used	Metal Detector	No Parts		\$18,000.00

GARBAGE DISPOSAL (3)	Kitchen	5/15/2020	Purchased SALVAJOR/200	Used	GARBAGE DISPOSAL	Hard water causes deterioration and wear out	1 out of three are replaced each year.	\$6,000.00
MCI 2018	310 Diesel Shop	7/10/2018	Purchased MCI 4800	Used	Motor	Motor	Under replacement	\$64,079.28
					Security System	Video	Obsolete	Pending Assessment from IT
							Total:	

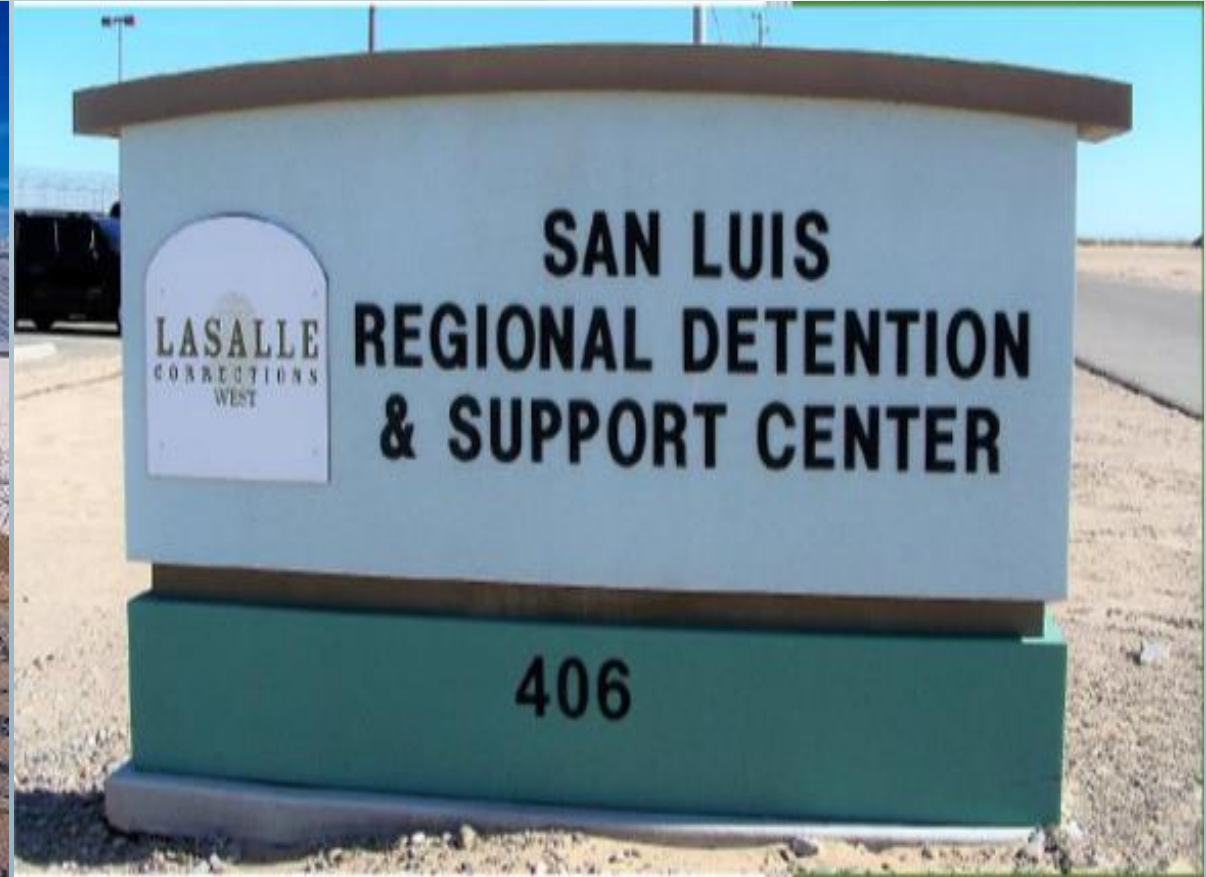
RECOMMENDATION / SUGGESTED MOTION:

I MOVE TO APPROVE USE OF THE OPERATING RESERVE / REPAIR / CONTINGENCY ACCOUNT TO PURCHASE A WATER SOFTENER SYSTEM IN AN AMOUNT NOT TO EXCEED \$ _____ FOR THE REASONS PRESENTED.

Attachments

- Water Softener Presentation
 - September Culligan Quote
 - Sept Photo Water Softener
 - Warden's Projected Capital Costs 2023
-

San Luis Regional Detention Center and Support Center



SLRDSC Water Softener System



- Existing Water Softener Equipment
- Installed in February 2012
- Installed during the construction of Building #2
- Can only be serviced by Culligan
- An inoperable Water Softener will corrode the PVC pipes, Copper pipes, and kitchen dish washer equipment

SLRDSC Water Softener Tank #1



- Corrosion to pipes leading out the water softener
- Metal tanks are corroded inside
- Panel can only be serviced by Culligan

SLRDSC Water Softener Tank #2



- Corrosion to pipes leading out the water softener
- Metal tanks are corroded inside
- Panel can only be serviced by Culligan

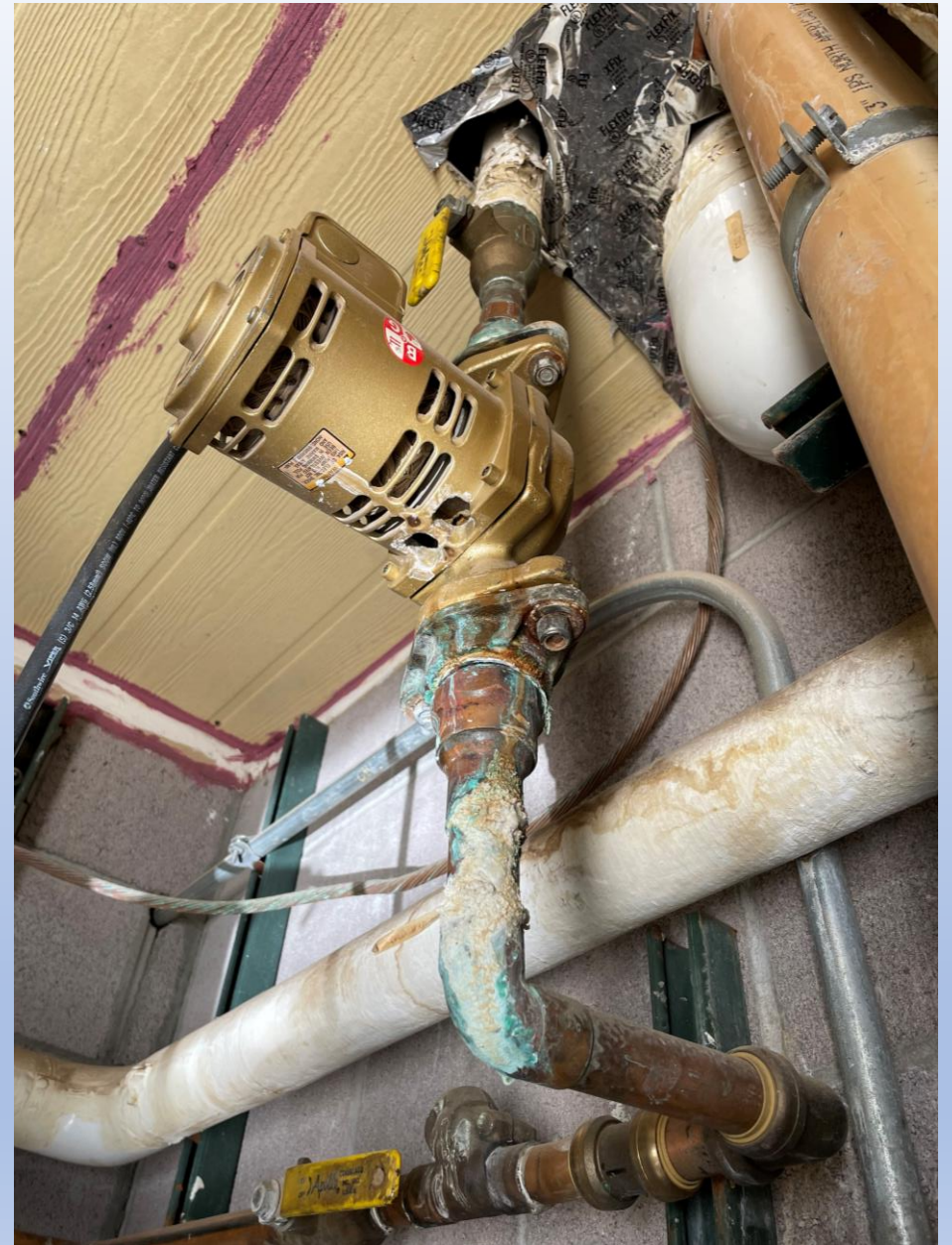
SLRDSC Water Softener Tank #3



- Corrosion to pipes leading out the water softener
- Metal tanks are corroded inside
- Panel can only be serviced by Culligan

SLRDSC Facility Water Pipes

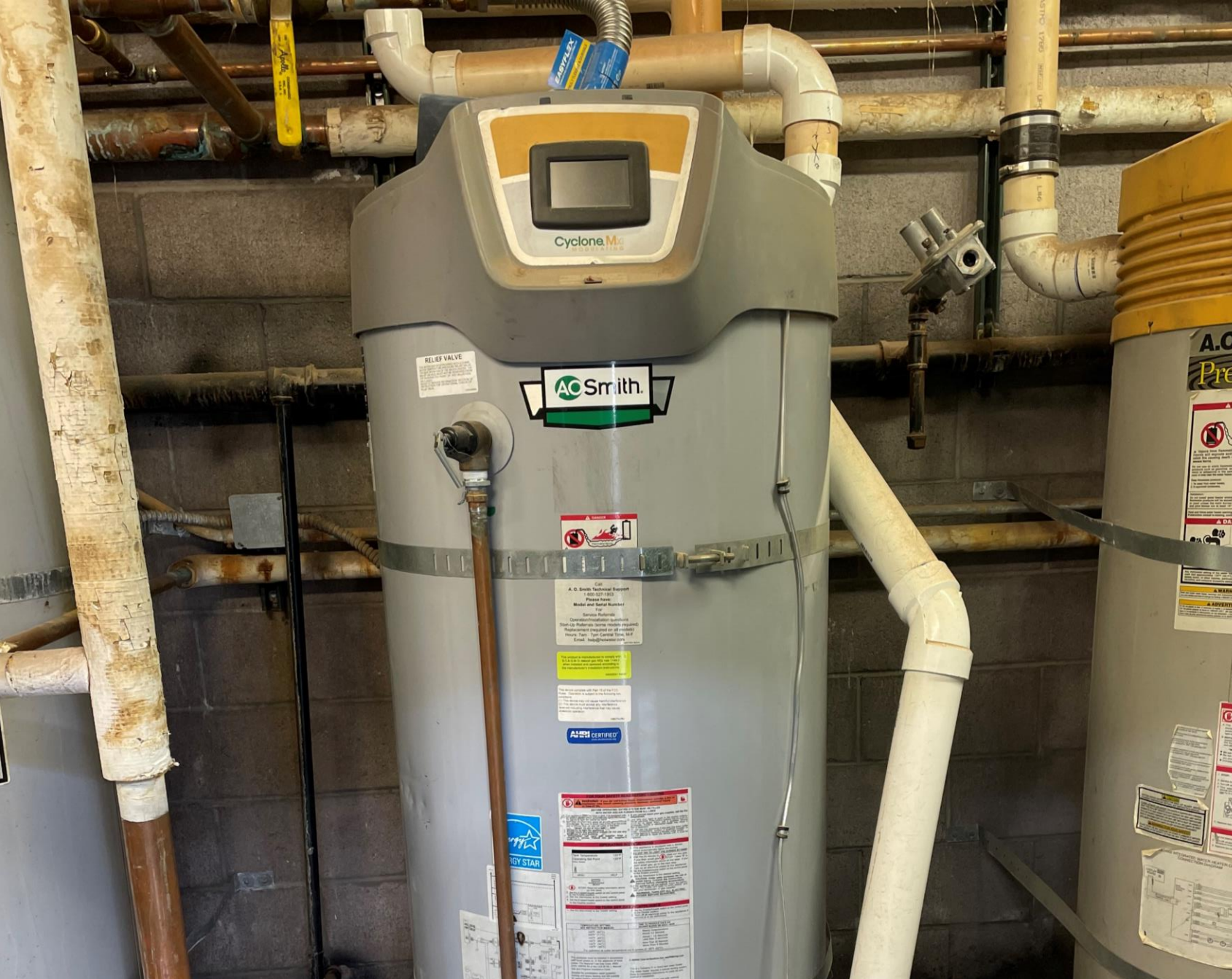
- Corroded water pipes
- Created by water softener not working properly





SLRDSC Facility Water Pipes

- Another example of corroded pipe
- Caused by water softener not working properly



SLRDSC Facility Water Heaters

- Water corrosion damages water heaters
- Replacement of new water heater cost \$9000 to \$10,000 dollars



Quotation

Date: September 12, 2022 **Quote No.:** 2202-LY-123

Quoted To: San Luis Detention Center
406 N Avenue D
San Luis, AZ 85349

Prepared By: Larry Yartott
Culligan Water of Yuma
435 W. 7th St.
Yuma, AZ 85364
Phone No.: 928-920-4066

On behalf of Culligan Water of Yuma, I am appreciative of the opportunity to provide the following quotation to upgrade your water treatment system.

Scope of Work:

1. Install new control head, GBE controllers, blocking valves, injector assembly, gauge kits & transformers.

Parts/Materials:

- 3 – Culligan 3" Valve Assembly
- 2 – Culligan Injector
- 3 – Culligan Controller
- 3 – Culligan Blocking Solenoid
- 3 – Culligan Transformer
- 3 – Culligan Gauge Kits

Equipment/Services:

Qty	Description	Price
1	Parts as listed above	\$30396.93
	Tax	\$2553.34
	Freight	\$700.00
System Upgrade Subtotal:		\$33650.27

Scope of Work:

1. Install 3" butterfly valves and 3" Sch 80 PVC piping from valves to control heads on all units.

Equipment/Services:

Qty	Description	Price
1	Parts/Materials	\$7012.20
	Tax	\$589.02
	Freight	\$250.00



Scope of Work:

1. Install 3" Sch 80 PVC face plumbing for all units.

Equipment/Services:

Qty	Description	Price
1	Parts/Materials	\$8302.55
	Tax	\$697.41
	Freight	\$200.00
3" Face Plumbing Subtotal:		\$9199.96

Scope of Work:

Labor for all of the above work to be completed at one time.

Services:

Qty	Description	Price
4 days	3 men at \$285.00/per hour, 8 hours per day	\$9120.00

Labor Subtotal: \$9120.00

Equipment/Services:

Description	Total Price
Labor	\$9120.00
System Upgrade Subtotal	\$33650.27
3" Butterfly Valves & 3" PVC Subtotal:	\$7851.22
3" Face Plumbing Subtotal:	\$9199.96

Equipment/Services Total: \$59,821.18

Terms and Conditions:

All prices in US Dollars.
50% Deposit Due with signed acceptance/PO
Balance due upon completion
Mastercard or Visa payments are accepted with a 3% service fee
Quote Valid For: 30 Days
Delivery: 7-10 days from Culligan Int'l
FOB: Factory



Diamond Brooks Waters

3025 S Ave 4E Yuma, AZ 85365 /Office 928.726.6055 /Fax 928.726.2644

November 28, 2022

*San Luis Regional Detention & Support Central
LaSalle Corrections
406 N Ave D
San Luis, AZ 85349*

Scope of Work:

- 1. Removal & Disposal of 3 existing Culligan water softener units.*
- 2. Install new Tri Plex water softener system including all plumbing, drains & electrical.*

Items Description:

2.7 million grain total capacity Tri Plex Water Softener System with interconnecting electronic control.

Warranty 1-year labor 5 years equipment

*Subtotal \$ 82,209.04
Tax \$8,796.36
Total \$91,005.40*

Terms

*50% down with order
50% due upon completion*

Thank you again for taking the time to consider our company as your water supplier. If you have any questions please feel free to give me a call at the telephone number listed below.

*Alberto Limon
928-336-8154*

*Phil Clark
928-210-0520*

Cost Benefit Analysis

Culligan Water Pros

- Replacement of Panel with PVC piping
- Replacement of Steel Manifold
- Total Cost of \$59,821.18

Culligan Water Cons

- Steel tanks will not be replaced
- Steel tanks will corrode eventually and need replacement
- Steel Manifolds diaphragms will need replacement every year
- Control Panels can only be serviced by Culligan
- Replacement parts can only be ordered from Culligan

Cost Benefit Analysis

Diamond Brooks Pros

- Replacement of Steel tanks with Fiberglass tanks
- Our staff will be trained to maintain control panels
- PVC piping utilized
- More Tech Support
- Replacement parts available online
- 1 year Warranty for all equipment
- 5 year Warranty on equipment and parts

Diamond Brooks Cons

- Total Cost \$91,005.40

Diamond Brooks Fiber Glass Tanks





Quotation

Date: September 12, 2022

Quote No.: 2202-LY-123

Quoted To: San Luis Detention Center
406 N Avenue D
San Luis, AZ 85349

Prepared By: Larry Yarlott
Culligan Water of Yuma
435 W. 7th St.
Yuma, AZ 85364
Phone No.: 928-920-4066

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- 3 – Culligan Transformer
- 3 – Culligan Gauge Kits

Equipment/Services:

Qty	Description	Price
1	Parts as listed above	\$30396.93
	Tax	\$2553.34
	Freight	\$700.00
System Upgrade Subtotal:		\$33650.27

Scope of Work:

1. Install 3" butterfly valves and 3" Sch 80 PVC piping from valves to control heads on all units.

Equipment/Services:

Qty	Description	Price
1	Parts/Materials	\$7012.20
	Tax	\$589.02
	Freight	\$250.00
3" Butterfly Valves & 3" PVC Subtotal:		\$7851.22

Miscellaneous:

This quotation does not constitute an offer to provide and/or perform the product/work at this price but is instead a quotation for such services as outlined above and would be subject to Culligan's Standard Terms and Conditions. If for any reason the information provided to Culligan is found to be inaccurate, incomplete or otherwise changed, Culligan reserves the right to provide an amended quotation.



Scope of Work:

1. Install 3" Sch 80 PVC face plumbing for all units.

Equipment/Services:

Qty	Description	Price
1	Parts/Materials	\$8302.55
	Tax	\$697.41
	Freight	\$200.00
	3" Face Plumbing Subtotal:	\$9199.96

Scope of Work:

Labor for all of the above work to be completed at one time.

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Qty	Description	Price
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	Labor Subtotal:	\$9120.00

Equipment/Services:

Description	Total Price
Labor	\$9120.00
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3" Butterfly Valves & 3" PVC Subtotal:	\$7851.22
3" Face Plumbing Subtotal:	\$9199.96
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Acceptance

You understand that this Quotation has been issued based upon the information provided by You, and currently available to Culligan at the time of Quotation issuance. Any changes or discrepancies in site conditions (including, but not limited to, system feed characteristics, changes in Environmental Health and Safety (EH&S) conditions, and/or newly discovered EH&S concerns); Your financial standing, Your requirements, or any other relevant changes, or discrepancy in, the factual basis upon which this proposal was created, may lead to changes in the offering, including, but not limited to, changes in pricing, warranties, quoted specifications, or terms and conditions.

We have read and agree to this Quotation, 2202-LY-123 dated September 16, 2022, and the terms and conditions within.

Culligan Water of Yuma

Accepted _____
Signature Title Date

Accepted _____
Printed Name

Customer

Accepted _____
Signature Title Date

Accepted _____
Printed Name

Purchase Order Number

Miscellaneous:

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EST REPLACEMENT COST

\$9,800.00

\$15,000.00

\$18,000.00

\$26,855.00

\$91,005.40

\$18,000.00

\$6,000.00

\$64,079.28

Pending Assessment from IT

