

**INSCRIPTION CANYON RANCH SANITARY DISTRICT**

**P.O. Box 215 Chino Valley, AZ 86323**

**PUBLIC SESSION  
~MINUTES~**

**Approved 5/1/12**

**August 25, 2011**

**1. CALL TO ORDER.**

The Governing Board for the Inscription Canyon Ranch Sanitary District convened into public session at approximately 9:40 a.m. at 15075 Talking Rock Ranch Blvd, Prescott, AZ in the Main Dining Room of the Talking Rock Ranch House.

**2. ROLL CALL.**

Present were Bob Hilb, Board Chairman; Brian Ray, Board Member; and Scott Robbins, Board Member; and Isabel Yribe, District Clerk.

- The following people were also in attendance. (sign in sheet)

Gene Leasure	Dayne Taylor	Marless Taylor
Harvey Roberts	Eileen McGowan	Chris Stoner
Jimmy Stoner	Craig Brown	Dick Tracey
Paula Green	Linda Hazzard	Shirley Leasure
Charles O'Brien	Curt Anderson	John Payne
Russ Hubbard	Hugh Pryor	Terry Harman
K. Maffei	Bob Busch	Karen Bayle

**3. CONSENT AGENDA**

Bob Hilb requested that approval of the Minutes of the Special Meeting of August 19<sup>th</sup> be removed from the consent agenda and approved separately, since the Draft Minutes were revised to include the meeting place. Bob Hilb made a motion that the remaining consent the agenda be approved. Brian Ray seconded the motion. The motion passed unanimously.

- **MINUTES APPROVED**

Minutes of Regular Meeting of June 8, 2011

Minutes of Executive Session Meeting of June 8, 2011

Minutes of Executive Session Meeting June 9, 2011

Minutes of Special Meeting of June 23, 2011

Minutes of Executive Session Meeting of June 23, 2011

Minutes of Special Meeting of June 29, 2011

Minutes of Executive Session Meeting of June 29, 2011

Budget and Tax Hearing Minutes of June 30, 2011

Budget Approval Meeting of June 30, 2011

Minutes of Special Meeting of July 8, 2011

Minutes of Special Meeting of July 12, 2011  
Minutes of Executive Session Meeting of July 12, 2011

Minutes of Special Meeting of August 1, 2011  
Minutes of Executive Session Meeting of August 1, 2011

Minutes of Special Meeting of August 12, 2011  
Minutes of Executive Session Meeting of August 12, 2011

Minutes of Executive Session Meeting of August 19, 2011

Mr. Taylor stated he thought some of the minutes weren't posted within 3 days. Mr. Hilb said that all meeting minutes were posted within 3 working days as required. Mr. Taylor asked how they would know since the date and time of the posting were not noted on the website. Mr. Hilb said the date and time would be provided if requested.

#### **4. REPORTS AND CORRESPONDENCE**

Bob Busch gave a general report regarding the general operations of the plant. There were no violations to report at this time. He did state that there would be a need to odor media supplies within the next few weeks. Mr. Busch stated that Dwight Zemp was working with A Quality Water to provide plant operating data in electronic form that would be available to the Board and it would be available by the next Regular Board meeting. Mr. Busch stated that flow rates from the plant have not change appreciably in the last year. He reported that during the first 6 months of 2011, average flows from the plant were 34, 657 gallons per day. He stated that a historical rate flow chart, also in electronic form, would be made available in the near future. Mr. Busch stated that A Quality Water has been providing services without a contract and that preparation of a contract was underway and would be submitted to the board for consideration.

**Administration Update:** Mr. Busch stated that a customer database was being worked on as a basis for billing.. There are several issues with the Master File received from Wallace and Associates. There were numerous property owner errors in the data and basically it was necessary to start from scratch.

**Financial Report** Mr. Bruce Eldredge of MDI Taxes Inc. gave a briefing on the financial status of the district. He reviewed July income and expenditures. Mr. Eldredge pointed out the errors from the previous accounting firm and how he had to address those issues. There were also a few bills that weren't sent out by Wallace and Associates and wanted the district board to guide them as to how they wanted him to handle that matter. Mr. Hilb asked Mr. Eldredge to get with Mr. Busch on these minor administrative matters. Mr. Tracey asked if the financial reports could be posted on the web prior to the meeting. Mr. Eldredge stated that would be possible in the future.

**Service Connection Permits** Mr. Busch reported that there were three connection fees paid in July.

## 5. CALL TO THE PUBLIC

Board members were reminded by Bob Hilb that they had two minutes to voice their concerns/comments during the call to the public.

- **Harvey Roberts** voiced his concerns over the increase in spending by this board over the previous board. He also had concerns over the contracts entered into by this board, MDI in particular. Mr. Roberts suggested also that notice posting should happen at the TRR mailbox area instead of the guard shack since more people go there. He also suggested that the board use a time stamp for documents posted on the website. *Mr. Hilb stated that these were not subjects on the agenda so they won't be discussed but that the appropriate items would be put on the next meeting agenda by Mr. Busch.*

- **Charles O'Brien** read part of a two page document stating a number of concerns:

- He stated he did not believe the board has lived up to promises of "open meetings", engaging in dialogue with ICRSD members or not engaging in "secret meetings".
- He asked the board to agree that the interests of Harvard are inimical to the interests of ICRSD.
- He questioned the Board's decision to engage Dwight Zemp to provide management services, because of his long history and relationship with Harvard Investments. He said he felt Mr. Zemp's interests align with Harvard, not with ICRSD.

Mr. O'Brien exceeded his time limit, and did not read his entire letter (the remainder of the letter was read by Mr. Craig Brown later in Public Comment).

- Mr. O'Brien questioned the Board's decision to engage Harvey Starr for website design and administration. Mr. O'Brien's letter stated that Mr. Starr costs 3 times more than the previous board paid for such services. His letter questioned Mr. Starr's background and whether others were solicited for the web service.
- Mr. O'Brien asked that the board provide how many RFP's/RFQ's were issued for positions of: Counsel, Clerk; Operator, Accountant, Manager, etc.

*Mr. Hilb stated that there were no "secret meetings" held and that all meeting notices were posted in accordance to the law. The other items were not on the agenda but appropriate items would be put on the agenda of the next meeting.*

- **Shirley Leasure** read from a handwritten document. She questioned how the Board picked Mr. Busch. She criticized his service as manager for the water company. She said she knows Talking Rock likes him because he does whatever they want him to do. She said she resents her money going to Bob Busch & MDI, and that MDI did not keep good records previously for the Sanitary District. She stated she feels that Bob Busch and Harvey Starr are

not eligible for paid positions because they worked & contributed to the Recall. *Mr. Hilb stated that proper processes were followed in the hiring of Bob Busch.*

- **Jimmy Stoner** stated that there were over 50 questions or concerns the board has failed to answer. The majority of them being about the budget meeting. There were items that the board was going to recheck and investigate and to date, nothing has come of it. He wanted to know when they would be answered. He also mentioned that a time/date stamp on documents was needed. Mr. Stoner also has concerns about the title of Bob Busch and when he was hired. Lastly, he wanted the board to add an agenda item in regards to the hiring of the vendors. (Bob Busch, Webmaster, Clerk etc). *Mr. Hilb stated the comments could not be responded to because they were not agenda items. Mr. Hilb, however, did state that appropriate ones would be added to the next agenda.*
- **Craig Brown** finished reading the document that Mr. Charles O'Brien couldn't due to time constraints. (See above comment by Mr. Charles O'Brien) *Mr. Hilb reminded the audience that the comments made could not be responded to because they were not agenda items. Mr. Hilb, however, did state that appropriate ones would be added to the next agenda.*
- **Dick Tracey** had concerns regarding the meeting place. He stated that it was very difficult to hear anyone speak and suggested a microphone. Mr. Tracey asked for the district's policies and procedures and where they were posted. Also, he would like to know the status of all the litigations. *Mr. Hilb stated that the policies and procedures referred to previously were on the old website. He also stated that they would soon migrate to the new website.* Mr. Tracey asked the status of litigation and what the counsels represented the district. *Mr. Hilb stated that the status of counsel and litigation was not on the agenda and would be put on the next agenda.*
- **Hugh Pryor** asked for the board to publish the financial statements from the previous board. *Mr. Hilb stated that the previous board had not provided that documentation and the present board was taking action to get them.*
- **Dayne Taylor** made a public objection that the meeting minutes approved earlier of were not true representation of what transpired at the actual meeting. *Mr. Hilb stated that during the time for the approval of minutes nobody had any objections to the minutes in question or asked for exclusion so they stand as approved.*

## 6. NEW BUSINESS.

**6.1** The Board discussed the approval of Financial Reports. Scott Robbins made a motion to approve the Financial Reports ending July 2011. Brian Ray seconded the motion. The motion passed unanimously.

**6.2** The Board discussed the status of the Meeting Minutes of May 31, 2011, a meeting of the previous board that had not been approved. Under

the advice of council, Bob Hilb made a motion to *accept* the Meeting Minutes of May 31, 2011 as previously published. Scott Robbins seconded the motion. The motion passed unanimously. Mr. Taylor asked if they would be posted on the website as acknowledged. Mr. Hilb stated they would be.

**6.3** Similarly the financial reports for May and partially for June which were not under the purview of the current board were discussed. Mr. Hilb made a motion to *accept* the financial reports for May and June 2011. Scott Robbins seconded the motion. The motion passed unanimously.

**6.4** The board discussed the need for an annual audit and the proposal by Constance Pinney to accomplish it. Brian Ray made a motion to approve the Engagement letter of Constance Pinney, CPA to complete the audit of the financial reports for 2010-2011 and for Bob Busch to sign it. Scott Robbins seconded the motion. The motion passed unanimously.

**6.5** The board discussed the subject of billing user fees on a monthly or quarterly basis which was left open in the budget and rate hearings. Bob Hilb made a motion to approve the quarterly billing in advance for Residential usage fees effective August 25th. Brian Ray seconded the motion. There was discussion on who would be billed and it was clarified that any house with an approved connection would be billed. Billing for the first fiscal quarter (July-Sept) would be send early September (partial quarter). Bills for the second fiscal quarter (Oct-Dec) would be sent early October. The motion passed unanimously.

- **Meeting Minutes for August 19, 2011.** Moved from Consent Agenda. They were revised due to an accidental omission of the meeting place. Bob Hilb made a motion to approve the revised draft minutes of the August 19<sup>th</sup> meeting. Brian Ray seconded the motion. The motion passed unanimously.

## **ADJOURNMENT.**

Thereafter, the public session adjourned at approximately 10:35 a.m.

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Date

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Board Clerk

