

INSCRIPTION CANYON RANCH SANITARY DISTRICT

P.O. Box 215 Chino Valley, AZ 86323

~ PUBLIC SESSION MINUTES ~

April 4, 2019

Approved May 1, 2019

Date: Thursday, April 4, 2019

Time: 2:00 p.m.

Place: The meeting was held at the Granite Peak Unitarian Universalist Congregation, 882 Sunset Avenue, Prescott, AZ

1. CALL TO ORDER.

The Governing Board for the Inscription Canyon Ranch Sanitary District convened at 2:00 p.m.

2. ROLL CALL.

Present were: David Barreira, Board Chairman; Bob Summers, Board Member; Bob Hilb, Board Member; Robert Busch, District Manager; Bill Whittington, Legal Counsel; Bob Lynch, Legal Counsel (by phone) and Jeannine Yeager, Clerk.

Members of the Public: Bob Frisch, Ray Damesek, Jeanette Summers, Chris Stoner, Jimmy Stoner, Richard Brubaker, Wally Holdsworth, Tim Emberlin, Jim Moon, Joe DeAugusta, and Eileen McGowan.

3. CALL TO THE PUBLIC.

Mr. Barreira asked if anyone from the public wished to talk and there was no answer and no one filled out any slips to speak.

Mr. Barreira stated that they would now go into Executive Session and he read the Executive Session information from the agenda. Mr. Barreira made the motion for the Board to adjourn into Executive Session, Mr. Summers seconded the motion and all members stated aye. Mr. Whittington gave the Admonishment of Confidentiality to the Board and then the Board Members moved into another room for the meeting.

RECONVENE INTO PUBLIC SESSION at 3:13 p.m.

Mr. Barreira stated that the Board would proceed to Item 7: OLD BUSINESS first, in order to allow Mr. Lynch to proceed with his portion of the meeting so that he can be released off of the telephone.

7. OLD BUSINESS

Items B: Claims by Talking Rock Land, LLC. & C: Communications with Insurance Company regarding possible involvement in settlement efforts. *Mr. Barreira requested that Mr. Lynch give the public a brief update on these items. Mr. Lynch stated that the claims that Talking Rock filed last May are still sitting there and that the Insurance Company's attorneys are handling it now so at this time there is no change with these items.*

Then Mr. Barreira stated that they would proceed to Item 8B Status and possible action concerning Appeal of Court Ruling of March 1, 2019. Mr. Lynch stated that the Insurance Company has tendered a defense and they have agreed to represent the District and the Board. The District's attorneys have filed the Notice of Appeal and the Insurance company attorneys will take the lead in subsequent paperwork that has to be done. The Insurance Company attorneys will talk with opposing Counsel while stipulating for an extension and for possible negotiations as they go on and Mr. Lynch and Mr. Clugston will be assisting with the process. Mr. Barreira asked if anyone had any questions regarding this item and there were no questions.

Item 8D Possible actions concerning Paragraph 16(f) of the Amended and Restated Development Agreement: *Mr. Barreira stated that Mr. Summers would take care of this item. Mr. Summers moved that the Board instruct their attorneys to raise this issue with the attorneys for the Insurance Company who are now also representing the District. Mr. Barreira seconded the motion and all Board members stated aye. Mr. Lynch asked about Item 8E and Mr. Barreira stated that the Board would take care of that and that Mr. Lynch was no longer needed on the phone. Mr. Lynch said goodbye.*

5. REPORTS

Mr. Barreira stated that Mr. Busch would now discuss the reports. Mr. Busch stated that the total on the flows for March were 1,630,630 gallons which averages out at 52,601gpd. There were a few days over 65,000: March 2, March 3, March 4, and March 6, with 71,900 on March 5th.

A discussion ensued regarding when the plant operator does the samples and being in compliance with ADEQ. Mr. Busch stated that he instructed Derrick Scott to do samples (those that are required monthly) on the first day that they are over 60,000 and that this might cost a few hundred dollars extra but that will keep the District up to date on how things are going at the plant. These extra samples will not be submitted to ADEQ, but will be for the District's information. Mr. Busch clarified the sampling process because Mr. Hilb asked for clarification.

Mr. Busch stated that the replacement generator was finally online and that the cutover was done on Monday, April 1st. There are a few more things they have to do for the air conditioning for the pumping station. So they are finally getting to the final items of

Phase 1. Once that happens, then Mr. Busch will send a bill to Talking Rock for their share and he expects the total cost to be about \$180,000 and Talking Rock's share will be half of that. Talking Rock is obligated to pay up to \$100,000 (the amount remaining under the Development Agreement)..

Mr. Busch stated that the District has received a request for records from Al Poskanzer and there are approximately 11-12 items that he was requesting. Most of the records that he requested are not items that the District has, like a breakdown of the tax revenues by subdivision, which Mr. Poskanzer would have to get from the County. Mr. Poskanzer also requested the incoming flows from each of the four subdivisions which the District does not have because there are no meters on the incoming flows. Mr. Busch stated that Mr. Poskanzer requested a couple of other things and that those items are on the agenda for discussion.

Mr. Busch stated that he had received an email from the Insurance Adjustor dated March 25th that was also sent certified to the incorrect address. He provided the correct address, but he has not received them via USPS. Mr. Whittington asked if Mr. Busch sent copies to his office and Mr. Busch stated that he thought that he had but that he would make sure that was done. Also, Capacity Assurance forms for Talking Rock, Phase 6 were signed off on April 3rd and Mr. Busch delivered them to the County this morning.

Eileen McGowan asked about Mr. Poskanzer's requests for information and if anyone who is a non-resident can request that information from a sanitary district. Mr. Whittington stated that they could make that request because the District is a public body. Ray Damesek asked if the Board was going to charge Mr. Poskanzer for the copies and Mr. Barreira stated that they charge .25 cents per page.

6. CONSENT AGENDA

Mr. Hilb made a motion to approve the meeting minutes and Executive Session minutes from the March 27, 2019 meeting. Mr. Summers seconded. Mr. Hilb stated that there was a modification needed for a part in the Public minutes where it said "more and more" should be taken out during the discussion about the samples possibly not passing. Mr. Barreira stated that they should modify the motion to include the minutes after modification. Mr. Hilb stated that he made a motion to approve the minutes after the modification was done, Mr. Summers seconded the motion and all members stated aye.

7. OLD BUSINESS CONTINUED:

Mr. Barreira stated that Item 7D regarding the newsletter would be tabled at this time for future discussion.

8. NEW BUSINESS CONTINUED:

Item A: Possible approval of Consent to Multiparty Representation in the matter of Talking Rock Land, LLC vs ICR Sanitary District. *Mr. Summers moved to accept Mr. Lynch's advice to approve the modified forms for the Multiparty Representation. Mr. Barreira seconded and asked if there were any questions. Mr. Busch asked if they were going to explain what this was and Mr. Barreira stated that because the Insurance Company's legal team was joining the litigation and Mr. Lynch and Mr. Clugston will assist the Insurance Company's attorneys and so the Board has to sign the modified forms and send it back to the Insurance Company. All members stated aye to pass the motion.*

Item C: Data Preservation Letter from S.P. Healy of Lewis Brisbois Bisgaard & Smith LLP. *Mr. Barreira asked Mr. Whittington if they needed to take a vote on that and Mr. Whittington stated that they did not.*

Item E: Release of attorney billing information to Al Poskanzer accordance with his request for public records of March 20, 2019. *A discussion ensued regard this request and the amount charged for copies. Joseph DeAugusta asked if the Board was required by State law to send the information and Mr. Barreira stated that because the District Board is a public entity, they are required to send the information requested. Mr. Whittington stated that it only states in the law that they have to "respond promptly" which does not designate a specific time frame. Mr. Lynch has told the Board that once he has time to redact the bills for the District, then Mr. Lynch will submit them to the Board. Mr. Whittington suggested that the Board make a motion to approve the request for billing once the redacted statements were received. Mr. Barreira made a motion to approve sending Mr. Poskanzer the redacted billing statements, Mr. Hilb seconded and all Board members stated aye.*

Item F: Possible action to establish online reporting of the wastewater treatment plant sampling test results to ADEQ. *Mr. Summers stated that the plant operator asked about the lab reporting directly to ADEQ and having the lab assigned as the reporting officer. Mr. Summers stated that the District needed to open an account with ADEQ to do this. Mr. Summers made the motion to do this, Mr. Hilb seconded the motion and all members stated aye.*

Mr. Barreira stated that the only item left was 7A, setting the date and time for the next meeting and that Mr. Busch would take care of that.

Meeting adjourned at 3:43 p.m.

District Clerk

Date