

# NOTICE OF SPECIAL MEETING

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Special Session

INCLUDING RATIFICATION OF PRIOR ACTION

Inscription Canyon Ranch Sanitary District

P.O. Box 215

Chino Valley, AZ 86323

Monday, November 7, 2011

3:00 p.m.

Pursuant to A.R.S. § 38-431.02 and A.R.S. § 38-431.05 the public is hereby given Notice that the Inscription Canyon Ranch Sanitary District Governing Board will meet in public session on November 7, 2011 at 3:00 p.m. at the Days Inn, 688 Fletcher Court, Chino Valley, Arizona, in Conference Room 1. One or more Board members may attend by phone.

The Governing Board of the Inscription Canyon Ranch Sanitary District may consider several items of general business interest, as described in the agenda set forth below.

In addition, the purpose of the special meeting is to consider possible ratification of prior actions of the Sanitary District Governing Board of the Inscription Canyon Ranch Sanitary District, taken during the previous board meeting held on October 19, 2011, at which time the Board voted to go into executive session for legal advice pursuant to A.R.S. §38-431.03(A)(3) and to give instructions to the District's attorneys pursuant to A.R.S. §38-431.03(A)(4) for the following items:

1. Pending litigation with Harvard Investments et. al., Case #CV2010000036 and #P1300CV210-01855;
2. Pending litigation with Marvin L. Kaiser et. al., Case #P1300CV201100061;
3. A claim against the District by Alfred & Nancy Moss, Claim #AZSP210040024;
4. Possible MOU referencing the various pending business/service negotiations between Harvard and the District;
5. MDI Taxes & Accounting contract for billing and accounting services;
6. Act III Investments contract for consulting services;
7. Northern Arizona Websites contract for website design, hosting and maintenance services;
8. Robert Busch management contract;
9. Method for collecting overdue invoices for users fees;

10. Motion by Julianne C. Wheeler of Sacks Tierney, PA to withdraw as attorney of record for ICR Sanitary District in the consolidated damages action, Case #P1300CV2010000036; and
11. Discussion and possible action re: Motion by Harold Watkins of Aspey, Watkins & Diesel, P.L.L.C. to withdraw as attorney of record for the District in the Consolidated Damages action, Case #P1300CV2010000036.

During the executive session, the Board received legal advice, and gave instructions to legal counsel, in regard to possible resolution of the above-referenced litigation and claims (Harvard, Keiser and Moss.) As part of the above-referenced executive session, the Board also received legal advice and gave instructions to its legal counsel on the issue of the request received from the prior members of the Sanitary District Board, through their attorney, for indemnification as part of the proposed resolution or possible settlement with the Plaintiffs in the litigation, Harvard Investments, et. al., Case #P1300CV2010000036 and P#1300CV2010-01855; the pending litigation by Kaiser, et. al., Case #P1300CV201100061; and the claim by Moss, Claim #AZSP210040024. Thereafter, the Board convened into public session to give instructions that legal counsel proceed on those issues as recommended by legal counsel during executive session.

This ratification is being considered because the attorney representing the members of the previous governing Board for the Sanitary District has suggested that the issue of possible indemnification should have been listed on the agenda for October 19, 2011 specifically, and not merely discussed as part of the consideration of the above-referenced litigation and claims. While receiving legal advice and giving direction on the issue of the possible indemnification of the prior board members was appropriate as an element of the overall discussion relating to the above-referenced litigation and claims, it would be expedient and useful to ratify the decision to vote to go into executive session to consider the litigation and claims and the related indemnification, and to ratify the eventual action by the Board in public session to direct legal counsel to proceed as recommended in executive session in that regard, so as to alleviate any concern as to any possible failures to comply with the open meeting law.

## **AGENDA**

- I. CALL TO ORDER.
- II. ROLL CALL OF THE BOARD MEMBERS.
- III. PUBLIC FORUM.

Speakers are limited to a two-minute oral presentation, but may submit written comments of any length for Sanitary Board files. The Sanitary Board is required under law to accept any materials not on the agenda without response or comment.

- IV. POSSIBLE VOTE TO CONVENE INTO EXECUTIVE SESSION.

Possible vote to convene into executive session to receive legal advice from the District's legal counsel pursuant to A.R.S. §38-431.03(A)(3) and to give instructions to the District's counsel pursuant to A.R.S. §38-431.03(A)(4) on the issue of the pending litigation with Harvard Investments, et. al, Case #P1300CV2010000036 and P#1300CV2010-01855, the pending litigation with Marvin Kaiser, et. al., Case #P1300CV201100061, a claim against the District by Alfred and Nancy Moss, Claim #AZSP210040024, the request for indemnification by the prior District Board members in conjunction with the above-referenced litigation and claims, issues pertaining to the negotiation of the proposed MOU referencing the various pending business/services negotiations between Harvard and the District, the pending contract for accounting and auditing services, the Robert Busch management contract, and a possible contract with Isabel Yribe for secretarial and administrative services.

## V. RATIFICATION.

Possible approval of Ratification Resolution #2011-2, providing for:

- A. The ratification of the approval of the vote to go into executive session during the meeting of October 19, 2011 pursuant to A.R.S. §38-431.03(A)(3) for legal advice and A.R.S. §38-431.03(A)(4) to give instruction to the District's attorneys regarding the District's position regarding pending or contemplated litigation or in settlement discussions conducted in order to avoid or resolve litigation, including the following:

Pending litigation with Harvard Investments et. al., Case #CV2010000036 and #P1300CV210-01855; pending litigation with Marvin L. Kaiser et. al., Case #P1300CV201100061; A claim against the District by Alfred & Nancy Moss, Claim #AZSP210040024; and possible indemnification of the prior Board members.

And providing for:

- B. The ratification of the action taken by the Governing Board in public session immediately following the above-referenced executive session, to direct legal counsel to proceed with the negotiations for a possible resolution of the pending litigation with Harvard Investments, et. al., Case #P1300CV2010000036 and P#1300CV2010-01855; the pending litigation with Kaiser, et. al., Case #P1300CV201100061; and the claim made by Moss, Claim #AZSP210040024, including the request for indemnification of the prior Board members.

The public may obtain a detailed written description or a copy of the taped portion of the public actions to be ratified, and all public deliberations, consultations and decisions by Board members of the public body that preceded and are related to this action to be ratified, by request to P.O. Box 215, Chino Valley, Arizona, 86323, may check the District's website at [www.icrsd.net](http://www.icrsd.net), or may call (928) 227-3403 for a copy to be mailed. Copies of the draft minutes of the public session of October 19<sup>th</sup>, 2011 and the Notice of Ratification Action are also available

at the Guard Shack, 14501 N. Talking Rock Ranch Rd, Prescott, AZ and on the website: [www.icrsd.net](http://www.icrsd.net).

VI. BUSINESS.

- A. Consideration and possible action re: contract for accounting/auditing services with Alyx Cohan, CPA, PC.
- B. Consideration and possible approval of the use of the services of Robert S. Lynch and Jeffrey Walsh re: specialist legal services on issues of negotiations with Harvard Investments, including various terms of the proposed MOU and issues relating to the previous Board members' request for indemnification.
- C. Consideration and possible action re: contract with Robert Busch to provide management services to the District.
- D. Consideration and possible action re: contract with Isabel Yribe to provide secretarial and administrative services to the District.
- E. Consideration and possible action re: authority to prepare an agreement for indemnification of the prior Governing Board members of the Inscription Canyon Ranch Sanitary District as part of an overall resolution of the pending litigation with Harvard Investments, et. al., Case #P1300CV2010000036 and P#1300CV2010-01855; the pending litigation with Kaiser, et. al., Case #P1300CV201100061; and the claim made by Moss, Claim #AZSP210040024, consistent with the terms recommended by legal counsel in executive session.

VII. ADJOURNMENT.

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Robert Hilb, Board Chair

ATTEST:

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Board Clerk

Note: The Sanitary District Board may vote to go into Executive Session on any agenda item, pursuant to A.R.S. § 38-431.03 (A) (3) for discussion and consultation for legal advice with the District's Attorney on the matter(s) as set forth in the agenda item.

If any disabled person needs any type of accommodation, please notify the Inscription Canyon Ranch Sanitary District prior to the scheduled meeting time.

Posted by: Robert Busch

Date: 11/03/2011

Time: \_\_\_\_\_