

**MINUTES OF THE  
SPECIAL MEETING OF THE  
I.C.R. SANITARY DISTRICT  
June 23, 2011**

**Approved: 8/25/11**

**Date:** Thursday, June 23, 2011  
**Time:** 2:00 p.m.  
**Place:** 15075 N Talking Rock Ranch Road, Prescott, Arizona 86305

I.C.R. Sanitary District Board of Directors

Bob Hilb, Chair  
Brian Ray, Director  
Scott Robbins, Director (by phone only  
during the Executive Session)

Guests

Clint Poteet, Talking Rock  
Christopher Ippoliti, Counsel Representing  
the District  
Dick Troutte, Homeowner

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1. **Call Special Board Meeting to Order.** The meeting was called to order at 2:03 p.m. by Mr. Hilb. A quorum was present for the purpose of conducting business.
  2. **Introduction of Attendees.** Present were the directors and guests listed above.
  3. **Approval of Agenda.** Mr. Ray moved that the proposed agenda be approved. Mr. Hilb seconded. Motion passed unanimously.
  4. **Disclosure of Conflicts.** All members stated they had no conflicts of interest.

**Action Items.**

5. **Schedule of future board meetings.** There was a discussion of a request by the Accountants to move the meeting from the first Friday of the month since financial reports could not be ready in the first week. There was also a discussion of a potential meeting next week to hire a clerk prior to the Annual Budget Meeting. In addition next Friday would be too soon for the accountants to make any changes resulting from the Budget Meeting. Mr. Hilb made a motion to schedule a Special Meeting next Wednesday, June 29, 2011, that the regular meetings would not be the first Friday of the month but that a decision on a replacement day would not be made until the meeting on June 29. Mr. Ray seconded. Motion passed unanimously.
6. **Status of missing public records and possible action.** Mr. Ray made a report on his progress on an inventory of records stored at the Plant, Wallace & Associates, and Civil Tech. There was a discussion on what to do if all significant records were not found. Mr. Hilb made a motion that Mr. Ray continue his search for missing records, if there are missing records Mr. Ray will prepare and send letters to the previous board and clerk requesting help in finding the records and notice of potential action if the records are not found. Mr. Ray seconded. Motion passed unanimously. Dick Troutte urged the Board not to delay the process.

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7. **Executive Session.** Mr. Hilb moved to go into Executive session in accordance with the provisions of A.R.S. 38-431-03 (1), (2), and (3) to consult with board's attorney regarding pending litigation involving Harvard Simon I, LLC, The Preserve at the Ranch, LLC, Old Capitol Investments LLC and Whispering Canyon Development, LLC and others. In addition to discuss proposals for legal and Management/Consulting services for the district. The board will evaluate the proposals for these positions. The discussions and minutes of the executive session shall be kept confidential. Mr. Ray seconded. Motion passed unanimously.

The meeting was recessed at approximately 2:15 p.m. to go into Executive Session.

The regular meeting reconvened at approximately 4:00 p.m.

8. Return from Executive session and consider action on the following positions:

a. District Counsel. Mr. Ray made a motion that the District hire E.J. Kotalik, an attorney from Peshkin & Kotalik, who specializes in insurance coverage, and that Mr. Ray was authorized to sign an agreement with him. Mr. Hilb seconded. Motion passed unanimously.

b. Interim Management Consulting services. There was a discussion that the Board had already authorized Mr. Robbins to negotiate the final terms of the agreement but not for him to execute it. Mr. Hilb made a motion that Mr. Robbins be authorized to sign an Interim Management Consulting agreement with Act III Investments LLC. Mr. Ray seconded. Motion passed unanimously.

**Adjourn Meeting.** Mr. Hilb moved to adjourn the regular session; Mr. Ray seconded; motion passed unanimously.

Meeting adjourned at approximately 4:05 p.m.