

**MINUTES OF THE
REGULAR MEETING OF THE
I.C.R. SANITARY DISTRICT
May 25, 2011**

Approved: 5/31/11

Date: Wednesday, May 25, 2011
Time: 9:00 a.m.
Place: Williamson Valley Fire Station 15450 Williamson Valley Road, Prescott, Arizona 86305

I.C.R. Sanitary District Board of Directors

Gene Leasure, Chair
Dayne Taylor, Director
Charlie Turney, Director

Gloria Lorntzen, District Clerk
Harold Watkins, Counsel for the District
Doug Nelson, Counsel for the District
Julianne Wheeler, Counsel for the District

Guests

Jimmy Stoner, Homeowner
Chris Stoner, Homeowner
Cheryl Ibbotson, Wallace & Assoc.
Harvey Roberts, Homeowner
Barb Hilb, Homeowner
Shirley Leasure, Homeowner
Eileen McGowan, Homeowner
Tim Emberlin, Whispering Canyon
Marless Taylor, Homeowner
Brian Ray, Homeowner
Clint Poteet, Talking Rock
Scott Robbins, Homeowner
Jim Carlin, Homeowner
Sharon Carlin, Homeowner
Lani Beach, Homeowner
Frederick VonHenkle, Homeowner
Charles O'Brien, Homeowner

1. Call Regular Board Meeting to Order

The meeting was called to order at 9:00 a.m. by Chair Gene Leasure. A quorum was present for the purpose of conducting business.

2. Introduction of Attendees. Present were Gene Leasure, Chair; Charlie Turney, Director; Dayne Taylor, Director; Gloria Lorntzen, District Clerk; Cheryl Ibbotson, Jimmy and Chris Stoner, Harvey Roberts, Barb Hilb, Eileen McGowan, Tim Emberlin, Marless Taylor, Brian Ray, Clint Poteet, Shirley Leasure, Scott Robbins, Jim and Sharon Carlin, Lani Beach, Frederick VonHenkle, Charles O'Brien, Doug Nelson, Julianne Wheeler, and Harold Watkins.

3. Approval of Minutes

a. Approve minutes from Regular Meeting of May 11, 2011, and Executive Session Meeting of May 11, 2011.

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Motion: Mr. Leasure moved to approve the May 11, 2011 Minutes as revised; Mr. Turney seconded; motion passed unanimously.

Motion: Mr. Leasure moved to approve the May 11, 2011 Executive session Minutes as revised; Mr. Turney seconded; motion passed unanimously.

4. NEW BUSINESS

a. Financial Report by Wallace & Associates

(1) Review financial documents discussion and possible action

The Board reviewed the financial documents with Cheryl Ibbotson.

Motion: Mr. Leasure moved to accept the financial report by Wallace & Assoc. as written; Mr. Turney seconded; motion passed unanimously.

(2) Review applications for sewer hook ups in the District discussion and possible action

Cheryl advised that there have been no new applications for sewer hook ups in the District.

(3) Building permits in District discussion and possible action.

Cheryl advised that she will update the building permit list and e-mail it to Gene Leasure.

Action Item: Cheryl Ibbotson to update the building permit list and e-mail it to Gene Leasure.

b. Operator Report by aQuality Water

(1) Review operator report updates discussion and possible action.

There was no representative from aQuality Water at the meeting. The Board discussed that one of the blower motors is in for repair, but they have no further information.

c. Joint legal representation of Board members and District discussion and possible action – To be discussed in Executive Session.

d. Status of District counter claim against developers discussion and possible action – To be discussed in Executive Session.

e. Recall election canvass discussion and possible action

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Mr. Leasure stated that the Board is not prepared to canvass the election results. He also advised that the Board has been made aware of some possible irregularities, so this item will be tabled.

f. Review April Escrow Report discussion and possible action

The Board reviewed the April escrow report. Mr. Taylor indicated that the interest payment on the April Escrow Report is less than past interest payments. It was agreed that no action will be taken.

g. Board acknowledgement of receipt of draft budget discussion.

The Board received a copy of the draft budget. The draft budget will have to be reviewed at some future date.

h. Review invoices from District counsel discussion and possible action.

Mr. Leasure stated that there are no invoices for review or discussion at this time, so this item is tabled.

i. Review Action Item List and Motion List discussion and possible action.

The Board reviewed and revised the action item list and reviewed the motion list.

5. OLD BUSINESS

a. Litigation – Harvard, The Preserve and Whispering Canyon lawsuit against the District and its Board (Yavapai County Superior Court P1300CV2010000036) – To be discussed in Executive Session.

b. Litigation – Harvard, the Preserve and Whispering Canyon lawsuit against the District and its Board (Yavapai County Superior Court) Arizona Property Rights Protection Act; Special Action; Breach of the Covenant of Good Faith and Fair Dealing discussion and possible action – To be discussed in Executive Session.

c. Settlement Demand by Marvin Kaiser discussion and possible action – To be discussed in Executive Session.

6. Call to the Public:

Mr. Beach asked about the possible irregularities in the recall election. Mr. Leasure stated that he does not have enough information at this time to elaborate on it.

7. Announcements – None.

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Mr. Leasure advised that Items 4(c), 4(d), 5(a), 5(b), and 5(c) are litigation items and will be discussed in Executive Session with counsel. If there is any action required after the recess for Executive Session, the Board will reconvene in a public meeting to take any action that may be required after going through those items.

Motion: Mr. Leasure moved that the Board recess to Executive Session; Mr. Turney seconded; motion passed unanimously.

Meeting recessed at 9:15 a.m. to go into Executive session.

The regular session reconvened at 2:09 p.m. The only member of the public in attendance was Marless Taylor. It was agreed that Gene Leasure would set up and coordinate a meeting for the canvass of the election results.

Action Item: Gene Leasure would set up and coordinate a meeting for the canvass of the election results.

8. Adjourn Meeting

Motion: Mr. Leasure moved to adjourn the regular session; Mr. Turney seconded; motion passed unanimously.

Meeting adjourned at 2:13 p.m.