

**MINUTES OF THE
SPECIAL MEETING OF THE
I.C.R. SANITARY DISTRICT
November 9, 2010**

Approved: 1/12/11

Date: Tuesday, November 9, 2010
Time: 6:30 p.m.
Place: Central Yavapai Fire Station, 4125 W. Outer Loop Road, Prescott, Arizona 86305

I.C.R. Sanitary District Board of Directors

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

Guests

See attached Addendum

Gloria Lorntzen, District Clerk
Doug C. Nelson, Counsel for the District
Cheryl Ibbotson, Wallace & Assoc.

1. Call Special Board Meeting to Order

The meeting was called to order at 6:30 p.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; Doug C. Nelson, Counsel; and Cheryl Ibbotson, Wallace & Assoc.

Doug Nelson presented a PowerPoint presentation. Mr. Nelson advised the public what the ICR Sanitary District is and what it does. He discussed the issues of the wastewater treatment plant ("WWTP"). Mr. Nelson also discussed the wastewater treatment plant capacity requirements, stating that ADEQ sets the standards in regulations, but that the ICR Sanitary District sets the WWTP capacity required for subdivided lots. Mr. Nelson described the Development Agreement and Annexation Agreement between Harvard and The District. He then discussed the current Santec plant, discussing the 62,500 gpd capacity and 200 gpd/subdivided lot. He explained that Harvard owns the Santec plant. Mr. Nelson also advised that the plant has had flows of 50,000 in the past, and when the plant reaches those flows, expansion needs to be begun.

Mr. Nelson explained that in the Harvard-Pivotal/Santec Agreement, Pivotal intended to manage the ICRSD for 20 years. Mr. Nelson also discussed the Whispering Canyon Development Agreement, which was signed with Pivotal/Santec, not with the District.

Mr. Nelson then discussed the 2006 Moratorium. He stated that the Board went to the developers and discussed the Capacity Assurance forms. The Board also informed the County, the developers, and the members that there would be a Moratorium. The 2006 Moratorium was suspended because Harvard agreed to work with the District on installation of an MBR plant. The developers filed the Capacity Assurance forms, disclosing the desired WWTP capacity, which exceeded the Santec plant. The total desired capacity stated by the developers was 376,638 GPD.

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Mr. Nelson then discussed the Membrane Bioreactor (“MBR”) plant, and that Aqua Engineering recommended an MBR plant for the District. This was agreed to by both Harvard and The District. A Termination Agreement between Harvard and Pivotal was filed on April 13, 2007, but the District was not a party to this Agreement. Harvard and WC deposited \$500,000 in the First American Escrow account.

Mr. Nelson then discussed the 2009 Moratorium and the District’s obligations to protect the health, safety and welfare of its members and to protect the environment. He advised that prior to the Moratorium, Harvard unilaterally decided not to build the MBR plant, and that it did not have the funds to build it. He stated that the Board had no choice but to halt sewer connections. On March 2, 2010, the ADEQ approved the APP Amendment for the MBR plant.

Mr. Nelson reiterated that the developers have not invested their own funds in the WWTP, and that all payments have been made by lot purchases at close of escrow. Mr. Nelson then advised that the developers failed to keep their financial commitments in paying operational costs, and that the District has had to cover all the operational costs since last fall. He also stated that TRR is receiving free water for its golf course.

Mr. Nelson stated that he sees some potential solutions to the problems caused by the developers in their efforts to subdivide and sell lots and seek hookups without sufficient wastewater treatment capacity in the District:

- Require financial assurance by developers
- Set a WWTP expansion fee that covers the estimated cost of WWTP capacity
- WWTP expansion fees deposited in escrow account
- Adopt same financial conditions required by the Arizona Corporation Commission – minimum capital reserve by developers for WWTP
- Turn the operation of the Santec plant to Harvard

Mr. Nelson closed by stating that the WWTP’s capacity is significantly under ADEQ regulatory standards to treat wastewater from lots sold by the developers and thus endangers the public health and environment. As a consequence, the moratorium on additional hookups was adopted until Harvard complies with its commitment to the District to expand the WWTP. He also emphasized that the risk of endangering the public health and environment was a serious matter and that the members of the District were at financial risk if the WWTP was not expanded to cover the planned development and lots sold in the District. Mr. Nelson said that homeowners in the District who already paid for expanding the WWTP to serve their treatment needs would also be funding the expansion of the WWTP for the developers so that others could be served.

Mr. Leasure requested written questions from the public. A series of questions were raised by members of the audience and most of those inquiries were directed to Mr. Nelson. He responded to the questions, and the public provided comments on the alternative proposals presented by Mr. Nelson.

Motion: Mr. Leasure moved to adjourn the special meeting; Mr. Taylor seconded; motion passed unanimously.

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Public Comments:

Q & A by Mr. Nelson:

Q: Did Harvard ever pay for effluent?

A: Theoretically, I guess the answer is yes. Payments were made, and the way Harvard wanted to reflect it was a payment towards the effluent. From the District's perspective, it looked at operational costs, so it didn't really matter, I guess, to the District if you called that a payment for operational costs or payment towards the effluent. And from our understanding, Harvard treated it as payment towards the effluent. It never paid all the operational costs.

Q: If so, why did they terminate payments?

A: That's unknown. They terminated it last fall.

Q: Can this District be dissolved?

A: Yes.

Q: Who paid for the Santec plant?

A: Again, we don't have the full information, but from what we can determine thus far, it was paid by you through lot fees.

Q: Did you advise this Board to speak to the press. Today's Prescott Courier quotes Mr. Leasure saying Talking Rock won't pay for necessary sewer plant.

A: No. I didn't advise it. And I feel openly that this Board, or any of you who serve on this Board, you should exercise your First Amendment rights.

Q: Talking Rock 2000 came on scene and connected with ICR. History and promises?

A: There's a lot of history. We only started on some of it tonight, and I know the hour is already long enough for that part, but there have been many promises, but I have to emphasize one thing. I'm disappointed that we have not received tonight a presentation from the developers and their spokesman, their officials. We've tried to do that repeatedly, and I don't know why we cannot get them to come to an exchange in an open meeting where they can express their intentions, their wishes, and so forth. And share it with this Board. But, on the other hand, they will have recorders here. I'm surprised they didn't bring a video in, and they'll try to make me eat many of my words tonight. And then they claim they're the ones trying to solve this. They're the ones who want a solution. To the point their lawyer contacted me this afternoon and demanded that she get in advance of this presentation my PowerPoint. You know, this thing has been driven by the Fennemore Craig Law Firm since 2000, or before, and the management won't solve this issue. And I've told this Board at another meeting, you can litigate this thing for the next three years, and you're still not going to get this problem resolved. All those issues I mentioned still have to be resolved. There has to be a development agreement with Talking Rock Ranch, Harvard, somebody, somebody that's got money, somebody that's got a stake in the ground. It might not be Harvard Simon I Roman 3, but we don't know even if it is anything other than an illusion, but we need developers to stand up, say "this is who we are, this is what we are, this is our financial strength, this is what we can do, and by gosh, if we don't do it, you go to our land. We'll sign on just like those lot owners did when they came into the District. We'll put our land --- it may not have much equity today, but someday it might. And so we'll stand solid that way." But they won't do that. They won't even come to a meeting. We tried to have a meeting not too long ago at the ICR Sales Office. And when we said it was an open meeting, they wouldn't. They said, "we're not going to talk to you in an open meeting." And it's hard to solve a problem.

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Q: What is the substance of the MOU and why not approved?

A: That's just the beginning. We need more openness. We need to know all the numbers. We don't need just two or three. In other words, the idea, of course, of the MOU is to try to get some type of resolution and to allow a few more building permits to be issued for homes, for connections, to try and move the settlement. What did the District get on the other side? Nothing, no money, nothing. Give us more, build the hole deeper, and then have your consultants tell us it's alright so that we can find somebody that's willing to put their seal, their professional stamp on a document and say that you're going to be okay. And I don't think you folks have been around a community that's had inadequate wastewater treatment. There are a few out there, and I think it would be worthwhile for you to go there and see what type of problems you'd deal with. It's not like watering your lawn every other day, you know. Once you're connected, the District loses a lot of control and the problems we have today are relatively small compared to that situation.

Q: How much from C to B+ costs in the wastewater?

A: We haven't conducted that study. We being the District, and if there's some interest in doing that and going forward with that, if it would help solve some of the issues, the District might entertain that, but it hasn't been worth the effort thus far.

Q: Talking Rock Annex Development Agreement per Second Beneficiary under Trust. I guess the question is what happens if the effluent does not go to the golf course?

A: These Board members know that answer far better than I do. There was an arrangement made with the original SBR use of _____ and do it basically on the _____ basin, so that you could shed the water over time and basically have slow infiltration at a local site.

Q & A by Mr. Leasure:

Q: Are Board members lot/home owners?

A: Yes.

Q: Are you saying that in addition to the Santec plant, there are two partially completed but non-operational plants, MBR and SBR. That is crazy.

A: What we have out there that is District property is the decommissioned SBR plant. There are three huge empty concrete tanks. It is decommissioned. And a Santec facility that has a theoretical capacity of 62,500 gallons per day. There is no MBR plant, or membrane plant. Doug mentioned that the design is done, the drawings are done, the permit is in our hands, but there's no funds to build that plant.

Q: I own a lot in Inscription Canyon Ranch and have not built yet. Can I connect when ready?

A: I don't know when your house is going to be built, but if your house was finished today, no, you could not connect. Once the moratorium is lifted, then everybody can connect.

Q: Our home will be ready to occupy in January 2011. We may not hook up to the sewer, although we did pay the \$2,417 hook up fee. Could we avoid all this mess by building our own septic system?

A: When you paid your \$2,417 to Harvard or Pivotal --- it's unclear to the Board right now whether those checks were made out to Harvard or made out to Pivotal --- but anyway, that was a fee that we've been led to believe that was to go to building the sewer plant. That is not the fee to hook up to the system to allow sewage from your house to go into the plant. When the County issues a building permit these days, there's a note on the permit that says that the lot owner has to have a septic system on the property or connect to a sewer system. The District has an ordinance which is the rules and laws of the District, and that's our prerogative to have as

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part of our ordinance that you have to hook up. The County knows about this. The County ignores it. I don't know what to do about that. I don't control the County. There are a few people who put in a septic drain field. They are in violation of the District ordinance. The District will address these people. They are subject to \$500 a day fines. Right now, with the litigation expenses the way they are and the workload with our counsel, the District has not addressed these people yet.

Mr. Nelson:

Q: Why can't existing and historical flows be metered and documented? Does environmental law require these facts?

A: The reference to existing and historical flows is not meaningful in terms of what you might anticipate for a development because you don't have enough demographics and so forth. This has never been used, that I'm aware of, that people come in and saying "we're just using so much right now, and we're expecting for the future in planning wastewater treatment plant." The plant size is measured by the size of the subdivided lots, and that actually was an issue noted by one of the staff people at ADEQ when they saw the Santec proposal come through. She said, "how will the county stop people from receiving permits," and there will not be an expansion of the wastewater treatment plant in time. There was a disconnect, and that's what this Board has tried to do with the county, and we're going to try and meet with them again to work through the moratorium, the septic issue that Gene mentioned. The reason why you have an ordinance that requires everybody to line into the septic system is to keep your costs down. If you let some people that have a cheaper way to get out with their own septic and not pay the monthly fees after things grow and continue, then you'll have a sewer line that you'll be paying for, and maybe half the people on that sewer line won't be using it. And so they'll say, we want out of the District" or what have you, because "we're not receiving District services." The other reason is that Talking Rock wants the water. So, if you allow people to jump on to their own independent septic, you're not going to have available water at the other end, plus as the District, you'll have the investment in this facility that won't be fully utilized. So, it's not unreasonable to restrict septic where you have a collective sewer system. But another reason, back to looking at past numbers going forward, past numbers don't include all the future peaking that you'll have. And there are a lot of weaknesses to that, to the point that if you're using past data, you have to triple those numbers. So, if somebody walks in and says that the plant is only showing 72 gallons per lot, based on experience, multiplied by 3, you've got to have a plant that is 216 gallons per day. Why? Because you don't want wastewater backing up in your home, and that's where people like to play with these numbers --- you know, especially if you want to delay the investment and so forth --- and fortunately, you know, events may help in terms of when houses are built and the like, but if you get turned upside down and things grow a little faster than you anticipate, and then you have these problems, they are very serious.

Q: Do real estate sales companies have to disclose this litigation hazard and financial picture?

A: I'm not the lawyer for those entities, but as you know, the Arizona laws require the disclosure statement whenever lots are sold, and such, so this would be an item that you would typically have to disclose. And that's one reason why the Board is having this presentation tonight. It's no secret about the circumstance. It's no secret of how we got here, and again, we want your involvement, your ideas for the solution.

Q: What is the cost to build the MBR plant, and what is the cost to recommission the SBR plant?

A: I think the Board has some general idea. I know the Aqua Engineering folks came up with some numbers for the MBR plant. I forget, it's about 5 or 6 million dollars. In that neighborhood.

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Dayne Taylor: Doug, that was the 455,000 facility, not 255,000.

Doug Nelson: I'll have to check that, but I'm pretty sure it's that first one. I've forgotten those numbers. We have those numbers from Aqua Engineering, and I don't know, has there been an inquiry as to the recommissioning cost for the SBR?

Gene Leasure: Not that I'm aware of, no. It's not just re-commissioning that facility. If you want to use that facility, you'd use the concrete tanks, but all the infrastructure in that facility would have to be all brand new. All the controls would have to be replaced. All the air supply systems would have to be changed. And all the, I think, the power box that supplies it would have to be upgraded also.

Q: How much would it cost? Is it feasible?

Mr. Leasure: I would answer that it's probably feasible. We have talked with one consultant who had some ideas, but we haven't investigated what the costs would be to do that. It wouldn't be dirt cheap, I'll tell you that.

Q: If the Santec plant has a capacity of 120,000 GPD and all total connections were 95,800 gallons per day, why is there a moratorium?

A: I'm sorry if I left that misimpression. The Santec plant has a theoretical design capacity of 62,500. That's what's out there now working for you.

Q: Did the Preserve pay for capacity for their development? If so, how much?

A: Yes, it has. It's paid just as if it were Harvard at the same rate, the \$3,000 or \$2,417. From information that we received from Harvard that they packaged together, so that's the extent of our knowledge there.

Q: The MOU – why was it not agreed upon?

A: For a variety of reasons, but again, it was not a complete package and the reciprocal nature of the District getting some benefit for additional building hookups, there was just nothing there for the District, and so, again, the emphasis is on trying to resolve the whole package. As I keep emphasizing, no matter where this litigation goes, somebody is going to have put an agreement that is recordable against assets with financial assurances going forward. Otherwise, you're all fooling yourselves. You can do this now and you can say, let's take a time out. You'll just have more problems and you'll have to deal with it two years from now.

Q: You stated Harvard is to build a new plant at no cost to the District. Isn't it true that the development agreement calls for repayment of construction costs to developer and 15% for a number of years?

A: Yes, there's a provision in there that talks about a 15% refund of payments to Harvard, and the interesting notion about that is that it comes out of the private sector, not the public sector. And so this provision would typically work if you were dealing with Arizona Public Service Company or some other type of utility company. So, what happens, basically, is that the utility company would say, "you want service, we don't want to make that investment. So, let's say that you put up the \$100,000 out of your own money, and then what we'll do is, depending on your use of that infrastructure that we built for you, then we'll repay you 15% of that amount every year." So, it's kind of like a loan program back to --- it's a loan repayment program from money invested with a utility. The problem we have here with this scenario is it's not the money, so far, that's been paid by Harvard. It's your money. In other words, Harvard, except for that barn, hasn't paid anything that we can determine. So, they haven't put any cash in the pot, and now they say they want a piece of that back. That's a good program if you can get it, but I don't see --- and again, I've never seen this program work with a public entity. I've seen it with private utilities because they'll say, "we don't have the cash. You come up with the money." So, any other questions?

Q: How does the ICR fit in?

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A: It was here first, and when that development was occurring is when Swayze McCrain, in his initial plant, the SBR plant, and one question was about who paid for the SBR plant. I don't know. I presume, either directly or indirectly, lot owners did. You know, part of your money went for that cost. And again, keep in mind, it was a big plant going in for an initial development.

Q: Is Harvard financially capable of meeting its potential obligations?

A: That's the 64 million dollar question. I don't know.

Q: Why can't the Board just cut off the water to the golf course?

A: Well, obviously, that involves many issues that I wouldn't want to go into tonight, but one, obviously, you need to find another location for it, and this Board has never sought to be harmful or trying to do anything that disarms someone or is meaningful in any way. We're trying to find a solution and it's hard given the documents I showed you and the framework of the entities, to deal with these three developers. And they don't agree all the times on all the issues.

Q: (Inaudible)

A: The potable water sight? That's a whole different organization with the Water Company itself. There is no connection between this District and the private Water Company.

Q: Who allowed other developers to connect to the ICR system, and does the Board carry insurance for this action since we're told that we own the sewer and water districts.

A: The first part of that question is the connection by the developers was through various arrangements. There was one between Swayze McCrain and Doug Zuber of Talking Rock, and the second one was with Whispering Canyon and the annexation there. So, there was a decision made at that time, I think primarily because Swayze McCrain initially visualized the Talking Rock development. And then the Whispering Canyon folks learned about it and decided to enter into a parallel type of program, although it didn't have the development agreement with the District. With respect to insurance, the Board does carry insurance. It's questionable whether or not the matters in this case are covered. We're still dealing with the insurance carrier and such.

Q: What does the lawsuit allege? What is the nature of the lawsuit?

A: The lawsuit basically, and Clint, you can correct me if I'm wrong, has two elements -- one is that there was a violation of the open meeting law, meaning that there was inadequate advance notice or compliance, and the second part deals with the reasonableness or arbitrariness of the Moratorium --- whether or not the Moratorium was necessary, and again, with the information this Board had when I started working with them five years ago and with the 2006 Moratorium, to me it seems like things have gotten worse over time, and from information I have received, which is very hard fought, still hard fought, to get from the developers, it's worse than I thought.

Q: Over the years, I've had a number of occasions when I've had to justify (inaudible) and one of the fundamental things you do is do an alternative analysis. I'm surprised that with the SBR plant, we have no idea what the cost is. It seems to me it would be fundamental in trying to make a decision, to investigate the alternative to find out the cost (inaudible) and also, does the Board have any authority to look into the financial part? I mean, it seems like somebody should have been sued in this company that has the money and can't account for it.

A: There's a lot of frustration and a lot of thoughts to those. In respect to the cost elements and the choices for plans, that's been studied several times. There was one before Aqua Engineering, I guess it was CivilTec --- SWI and so forth. Yeah, they went through the matrix, and I don't know specifically if they put it to a real fine number, but they did a range of what it would do. You know, would this be cheaper vs. this. It's been studied extensively. You can look at those studies and you can see, you know. Those studies are public from SWI and Aqua Engineering.

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Q: (Inaudible)

A: Yes, in terms of cost estimates. They include, like I say, the engineers, when they go out and do these studies and before they submit to the Arizona Dept. of Environmental Quality what they're proposing to install to get the significant amendment to the Aquifer Protection Permit, they go out and get the bids. They say, "okay, we want to know, you're gonna construct this MBR plant. Give us your bid, manufacturer," and so. They did the whole deal so this Board could walk in and go close the deal. It got that far. So, yeah, they've got the numbers. I just don't have them in my head.

Q: Are they on the website?

A: They're public information right now. If you get the permit number and make a request to ADEQ.

Q: You said the new plant is \$5,000,000. (Inaudible) You don't have a ballpark number for the (inaudible).

A: I don't, and I don't think that would be your only decision-making choice. And it's been looked at, like I said, by several people. We can respond directly and send you a letter saying how they did it, and I think you'd be impressed.

Q: I think maybe one of the reasons the SBR plant recommissioning was not seriously considered was because it cannot produce the quality water required for the golf course.

A: Yeah, the C quality is a real issue, and that obviously, would not making Talking Rock Ranch and the golf course people happy. Yeah, that's a real issue. One thing, too, to share information, I was intrigued by the sizing of the Santec plants because you can have various sizes. You know, why didn't they go with a 20,000 or a 40,000? Why 62,500? And the only thing I found thus far, and again, somebody might have different information, they did it strictly because of setback. What that means is if you have a smaller size plant, you don't have to have a perimeter, a margin, to houses for noises, smell, etc. So, they got as big as they could without getting more setback. So then, if you go with the next round, the District will be asked, but they will not unless the developers provide the money, buy more land around it. So, you know, that's one issue that's looming out there is when you make that big jump and buy the next 100' or whatever.

Q: You do have documentation on the things you're saying here?

A: Sure. What type of documentation would you like?

Q: Well, I've heard that the Santec plant was expandable, and so you're saying there are some issues on that. It would be nice to know those for alternative analysis also. And you can't (inaudible) analysis to come up with a decision unless all these things are laid out.

A: Right. They've been.

Q: First of all, let me thank you for doing this. I was one that had pledged - -- I really would like to have had this done at the time of the moratorium so you could have had buy-in from people who were involved --- now, I share your regret that Harvard hasn't elected to present the other side. Other than what I generally know is what you're calling the historic argument. That we're, in point of fact, utilizing the plant as a number ---- what have I heard --- 32,000, 33,000 a day average vs. its capacity. Other than that argument being made by Harvard, do they have other arguments that we should at least be aware of that counter any of this?

A: I can't speak for Harvard.

Q: Well, you're in litigation. You've seen the allegations. You've been to the meetings. You're doing the MOU. Do they have another position other than the historic flow argument?

A: I haven't seen it.

Q: Do you have a stalemate?

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A: Essentially, yes. I think that's a clear observation. I don't know --- you know, we've explored a variety of alternatives in terms of efforts to remediate third parties, all this and that. The bottom line is, build until you run out of capacity is the notion, and we need a different path. And you folks shouldn't be at risk.

Q: Your comments about the Santec plant are peculiar because the layout was for 455,000 gallons (inaudible) in a row with no different setback. (Inaudible) The first moratorium, I think in 2006, in my recollection (inaudible) to issue a moratorium letter to the developers based exclusively on the fact that Talking Rock compound was going to cause an overflow situation. I think you looked at it from the perspective of it being fully occupied and populated by members, which wasn't the case. So, it was my understanding that the reason the moratorium in 2006 was thrown out was based on the fact that those things were in error. I could be wrong (inaudible).

Q: I would appreciate a copy. And I'm sorry, your name?

A: John Freeman. And if you go back to the Fann Environmental third party study, that was the last time a study was done. There was no study done going into this moratorium that said, "how do we look at the alternatives?" Why wasn't it done before the moratorium and having this meeting, instead of having this meeting I don't know how many months afterward, to find out if it was a viable problem. You could have solved your problems in advance, put that on paper, saying we can handle, you know, 300 homes or 400 homes, and that would be the cutoff point until we have to turn around and do a plant. Those are some of the things that any normal businessman would do in making decisions in advance. I mean, we're talking about having a capacity of 80,000 gallons today, when we're running at an average of 30,000, plus or minus 10%. That's a 230% variance between actual volume coming in on a daily basis and production capacity, which is --- if I was in business, my boss would throw me out the door (inaudible). My concern with the moratorium is it doesn't hold much water (inaudible) and you make these cases with big numbers --- you showed three overflow situations (inaudible) of which one was a natural disaster, one was a (inaudible) overflow, and I don't know what the third one was.

Q: (inaudible) the Board didn't want to take punitive action. We're all citizens. You're representing us. Well, you're also representing people like me who are trying to build a house. I'm stuck in the middle of this. We started already, and then this moratorium shows up, and now you're saying, "well, I know you're building a house, but you can't put in a septic and you can't connect. Catch 22. You're stuck." How is that representing us exactly? How many here are trying to build a house? The developers have told me is if you look at the ratio, how fast the capacity is being reached. With the economic situation that everybody is in, slowing things down quite a bit. We're well under the design capacity of the system today. (Inaudible). John's point was if you do an analysis, it's pretty simple. We all learned the X-Y graph theory in high school. You take your graph and map it out and it's going to be a long time before we hit that capacity. (Inaudible) Should we be penalizing people \$500 a day who are just trying to build a house, who bought the property in good faith, because you've got (inaudible) between the developers.

A: I would disagree with that last remark, but I think your point is well taken. The risks and the money is on you guys. I mean, I don't have a dog in the fight. I know who the players are. I know what the stakes are. And getting back to John's point, he says he's willing to take the risk. Let's go the 300 more. And then you pay. Maybe not you, but the subsequent buyer, and your property values go down. Why? Because it's clear you're going to have a bond, probably for 5 or 10 million dollars, for a wastewater treatment plant.

Q: So, again, the question is, at what point does the real trigger occur when you've reached the point where you can say, within reason, based on an estimate of how fast we're reaching capacity, we can estimate when we're actually going to get to that point. And from what I'm hearing, you haven't done that.

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Mr. Leasure: When is the money coming.

Mr. Nelson: The problem is, I think the key issue there is when do you get the financial security to build that plant? After your house, after the next thirty houses, and so forth. When do you have a commitment? Right now, you're hanging out.

Q: So why don't you, if that's the case, and I'm not disagreeing that there should (inaudible) commitment from the developers --- I completely support that --- the question is, there are a number of us who are stuck in the middle and you're not doing anything to help us out.

A: Have you sent to the developers and told them? You know, we're trying to get them to the table. And we're just bringing you folks in and they keep standing back and saying, "you're hole is bigger." You know? "We don't care." It's like the point made earlier, "you're not going to cut off our effluent. We're not going to pay you." What brings them to the table? Nothing.

Q: You're representing the District, of which I and all the other people who are trying to build houses are part of, right? You're looking out for our interests, right?

A: We're trying. That's why we're working real hard to bring them to sign an agreement to solve all this and to make that commitment. If they're not going to do it, I think you have to recognize, and these folks, and I'd like to know this year that it's not going to happen, really, what your exposure is. You know? And then maybe you can go and revisit with your person at The Preserve and say, "I didn't get the deal that I thought I was going to get because these folks have decided that they're not going to pay up at build out, and that means the debt on my property is going to be pretty high. I'm in here, I've got my house, but I've to disclose when I sell it that there is a District here, and this District is going to have a big mortgage to pay."

Q: Did you say The Preserve paid?

A: They paid a portion, like the others. And still, we don't know what that number is because the developers never came to this Board or any other Board and said "it's going to cost \$7,000 for this wastewater treatment plant." Nobody came up with a study. I've asked for that. Somebody should have gone in and said, "at build out, it's going to cost," --- I'll use an artificial number ---- "\$10,000,000. We know we're going to have this many lots and divide into that and then we're going to collect that much from each lot. Maybe not from you as the buyer" --- in other words, they might determine that number as \$5,000, but they're only going to call \$3,000 for that, but give the District eventually \$5,000 --- none of this occurred. Nor was there communication among the developers --- three of them --- Preserve, Whispering Canyon, Talking Rock --- pretty much doing their own thing. The only similarity is Fennemore Craig, the law firm, worked on both those agreements so that they have similar terms, similar numbers, but nobody knows how that number came about. That's part of the problem. And that gets back to John's point --- you can look at these flow numbers, but that has nothing to do with the overall picture of the cost numbers, the risk numbers, and so forth. Because if you have those --- and we look at these numbers and we take out and forget a lot of things --- we've got a big compound over there. Conservatively, it uses like 6,000, 7,000 gallons per day. You have a lot of homes here that aren't using much water, if any. And if those folks decide to retire this winter and move into those, then those numbers that John was talking about is going to change a great deal. You're going to boost those numbers per lot, and so forth. Fine, you know? In terms of this Board and myself, that's your risk. That's your decision.

Q: That's not a very accurate statement because I know how to forecast the growth and the demographic. I've done it for 15 years in an industry everybody (inaudible).

Mr. Leasure: Then why don't you do it and give it to somebody?

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Q: Why don't you guys . . .

Mr. Leasure: Why don't you do it and give it to somebody? You have all this expertise. Why don't you do it and give it to somebody?

A: Why didn't you ask me to do it before you got the moratorium?

Mr. Leasure: I mean, you're spouting off that you can do it. Do it!

Q: I would like to separate and I wonder if there's any possibility in that.

A: It's been thought about also by the developers, including Talking Rock, but apparently, the physical nature of that and the concrete or the pipe in the ground are too significant, too costly in which to do that.

Q: I think that you had up on that slide that the SBR plant had the capacity for this whole development fully built out. I mean, that's what you had up there. So, somebody must have a cost of what that was originally going to cost, and I assume that's where all these numbers came from.

A: I'm sorry, I don't believe that's correct, so help me with this. On the slide, was that for the ICR solely and the 120,000 gallons? That was reflected there. I think that was just the ICR development.

Q: My numbers could be wrong, so we can pick it up off line and take a look at whether your slide said that or not, but it another possibility. And one other subject I wanted to bring up: I own two lots. One in Inscription Canyon beside the house I own there, and one in The Preserve. I'm paying as much for those two lots in taxes that I am for the house I have. And I can't hook up to the sewer, but I'm paying all that money to the District, and you're not allowing me to sell my lot or build on my lot, to hook up to the sewer line. I thought the thing that Skip sent out earlier that it was the Board's responsibility to provide capacity to the District, and you're collecting taxes based on that. Is that the case or not?

A: You're partially correct. It's the responsibility for Harvard and the developers to provide the adequacy of the capacity that the District demands. And it has not. And like I say, you're not alone in terms of lot ownership, and it's a question of who's going to get hurt? How big is that whole and how much risk do you want to let others come into your group? Because somebody's going to pay. There's no doubt about that.

Q: By taxing me on my lots.

A: Yeah.

Q: How much does the District right now think (inaudible). Double? 30%?

A: There isn't a finite number, but it's significant. You know, it's probably over --- I guess the decision has been made in respect to the MBR plant, and that's \$225,000.

Q: That seems like a lot compared to what we need there. (Inaudible)

A: No, the way --- there are two things. Keep in mind, there is an engineering side --- and you saw that initially with the SBR plant. They had the 120,000 in terms of the concrete. The physical thing on the ground. And then you had the 46,000 that was approved by ADEQ. The agency says, "we're not going to approve the whole thing. We want to see how it works. Whether or not there are other problems. So, we're going to approve the project in phases." Which is what they did also on the Santec plant. So, that's what they're doing, is saying, "okay, we'll approve this scope of the initial design, the 250,000." The MBR facility itself may come in and start with 80,000. And then they'll say, "our next increment is going to be 100,000." And just keep growing into that, and then when you reach the 250, ADEQ comes back in, or you have to go to ADEQ, and say, "let's look at how you've been performing, what the conditions are, so forth. And then we'll approve the next full amount."

Q: Have those stages been defined? In other words, if you were asking me to make an investment, I know I'd want to know how big that investment has to be and what capacity I need to serve now, a year from now, two years from now, how that investment needs to grow.

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A: Right, and that's the work that Aqua Engineering initially did, is try to phase that in, and so that was coming about until this whole thing got turned upside down and then, basically, what's happened is Harvard unilaterally decided that it would go back and do some more work with Pivotal and Santec. The people that owe them money. That you paid. That should be in the escrow account. And they said maybe there's a way we can put a Band-aid on this with Santec. And expand this plant and go out to 100,000, maybe. And delay the day of reckoning and so forth. Again, it's risk, money, and how far do you want to go on that without financial assurances?

Q: Are you saying that the Santec plant is obsolete? That the technology's obsolete?

A: No, but it --- I've visited with a variety of operators and consultants and experts in the field, and universally, they say it's good to get a quick project going if you're a developer. For small scale, get it up and running, and then, you know, Santec, to its credit, is trying to grow and be creative, and a lot of its technology is innovative and they're proposing new ideas, and all this and that.

Q: Is the Santec expansion a reasonable approach?

A: I don't believe so for the demands. How many years do you want to go that route?

Q: Well, we don't know because we haven't done any kind of, where do you fall off the capacity chart.

A: Oh, we have. Yeah, that's been done many times. More than a half dozen times, and then the other part is that you grow the Santec plant and you grow your operating bill, and of course, Harvard says that's fine. That gets me back to a solution that we keep harping on, and this Board has thought about and really has merit. Harvard, you make the choice. If you want to expand Santec plant, incur those operational costs, do it. And if you think it doesn't need expansion, fine. Then, the violation goes to Harvard. Harvard can then deal with ADEQ. ADEQ fines people. It actually tries to put people in prison when bad stuff goes on the ground. And people don't take them seriously, but it happens.

Q: (Inaudible) prison (inaudible)?

A: No, the Board members could. It's happened before for private companies.

Q: Is there any way we can get compassion from the Board so that those of us who are really caught --- we've sold our home already in California --- we're almost finished with our home here. We have no place to go. We're orphans. Is there something we can do?

Mr. Taylor: Our moratorium is what it is. It's the County who has issued the building permit. The County is aware of our moratorium. And so the County issues building permits. The District does not.

Q: Isn't there some way that you can get (inaudible) from this moratorium so you can at least work with the County. So, they can tell us, "no, I'm sorry, we can't give you a building permit because you can't hook up." But they say, "sure, here's your building permit." And then we find we can't hook up.

Q: How long is this thing going to drag out, do you anticipate?

Q: I think the problem, though, is that they started with one plant, and a few years later, (inaudible) for a different technology, another new plant, here we are doing the same thing. We can do that forever.

Q: I'm talking about resolving this issue. I mean, how long is it going to take to actually resolve this issue? A minute ago, you said (inaudible) table.

Q: That's all they have to do is come to the table. When Harvard does that, then all this stuff will stop. Plain and simple.

Q: Do they have control to just keep dragging this thing along?

Q: They've done it for a year.

Q: They sued you. Did you ever sue them?

A: That's a legal position that's still under review.

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Q: Well, I mean, it would make some sense because ultimately, aren't they going to have to take this to Court and have it resolved?

A: It's in Court.

Q: When's that coming up?

A: The hearing on the Order to Show Cause is during the first week of January, and then the Judge will decide whether or not there are facts sufficient to have a trial on the matter. The disappointing part of all that is nobody wins. And that's where we are, and unless you folks can try and get Harvard and Whispering Canyon to the table, you're continuing to have the exposure.

Q: Well, I guess the developers are just putting out propaganda because they've left the impression with some of us that they have a solution to this and they're trying to work this out. In fact --- I forget the guy's name --- but he ran for the Board coming up on the premise that he was going to fight to get rid of this ad valorem tax and he would negotiate a settlement. In fact, they had a settlement negotiated, supposedly, and yet that all fell apart.

A: Well, you're probably talking about Hugh Pryor. And he's been working with Clint and Craig, and so forth, with Harvard. Unfortunately, I don't know what Hugh's ideas were towards getting Harvard to make any concessions. The problem is that any more concessions given to Harvard, I think you're going to find a more difficult time getting financial assurances. There's got to be some way to get them to understand what your predicament is. It's not the making of this Board. I mean, this Board has worked --- and the other Boards have worked --- including --- sorry, John left, but John worked on this in 2006, and gave up on the effort. Maybe that's what you should do. But it's not my money. It's not my lot. I'd sure want to do it. If somebody told me, "come in here, I'm going to build your wastewater treatment at no cost," I would expect them to live with that commitment and sign off on that. And they have in terms of the development agreement, but they haven't in terms of performance or in terms of financial assurance.

Q: I remember a few years ago there was a meeting about the plans for a new plant. It went into great details, from what type of plant to what was needed, how to pay for it, and this was between the developers and the Board. So, trying to reinvent that doesn't make sense to me. The other question I have is the lawsuit doesn't seem to address this problem. All it does is question whether or not the moratorium is correct. How do we get the developers to put their money on the line? Do we need to do a lawsuit like you suggested? Because this lawsuit will either end and the moratorium is over or the moratorium is continued. It doesn't solve the problem.

A: You're absolutely right and, you know . . .

Q: Why don't you do what he's saying and file a lawsuit against them? If they made a commitment to pay for it, then they come through with it.

A: That's always under review, but the other alternative, too, is that if the judge decides the moratorium is at an end, nothing precludes that a moratorium is declared during the following meeting.

Q: Do you have an obligation (inaudible)?

A: Not in this instance, no.

Q: (Inaudible) with respect to the moratorium, but I mean . . .

A: For the commercial side of things, but in terms of environmental health safety, no.

Q: Isn't there something we can do for those of us who are caught in this, innocent people who did not know this. Can you make at least some kind of exception?

Mr. Leasure: When did you pull your building permit?

A: We already sold our house in California, then we had to get the building permit. All unknown to us that you were going to put a moratorium on.

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Mr. Leasure: When did you get your building permit for here?

A: This May.

Mr. Leasure: So, you were notified by the County.

A: Well, we had already sold our home. What were we supposed to do?

Mr. Leasure: I'm sorry about that, but when you pulled your building permit, you were notified with a note. On your building permit . . .

Mr. Nelson: Let's discuss this on a sidebar.

Q: You said before that ADEQ said that when we're at 80% capacity is when we have to expand. Is that correct?

A: No.

Q: So, what is the ADEQ requirement for when expansion is required?

A: It has various conditions, but that's pretty much the industry standard. It varies among the APPs.

Unfortunately, when they addressed those in the phasing of the Santec plant, they didn't address when the expansion should occur. Why? Because, again, the numbers came in. We got 62,500. We had 120 houses built, and the 46,000 approved, so they were looking at large numbers for this development that didn't exist in the field. Keep in mind, ADEQ, for the most part, don't connect the dots. They have one department approving this, and then a field inspector coming from Flagstaff taking a look at the site.

Q: So, it's a judgment call as to when expansion is required?

A: No, it's a contractual commitment.

Q: What is the contractual number? What number do we have to hit through the flows . . .

A: I went through that on the slides.

Q: Can you repeat it for me?

A: No, there are several slides, but the contractual commitment says that there shall be a compliance with the ADEQ statutes and regulations and the District ordinance. And then we showed . . .

Q: Is there a number?

A: Yeah, there are numbers, and we went through there. At least 200 gallons per day per lot.

Q: My feeling on this is, you guys have danced around (inaudible). It's not whether it should be expanded or not. I think everybody agrees to that. The question is, when do you do that. I think the moratorium is a stunt to the developers hostage (inaudible).

A: That's not what I'm saying. If these guys had lived up to their commitment, you wouldn't be here.

Q: That's true.

A: So, don't blame this District for protecting your interests.

Q: You don't protect my interests by telling me you're going to charge me \$500 per day if I put a septic in.

A: And you knew that if you read the ordinance, or had contacted this District.

Q: Why would I buy a piece of property if I'm not going to build on it? The issue here is you're protecting everyone's interest, including those who are trying to build, or you're not.

A: I'm sorry.

Q: What you're saying is, we should look at risk. So what is the risk that these guys, the development guys, and they sue us for damages. What's the risk on that? Just assume you lose, and I don't think you will because (inaudible) shows how terrible we guys are, so what kind of risk (inaudible) guys?

A: And, again, you know, that's part of the overall picture. There is the downside risk, but in terms of the exposure in not having your plant and not being able to avoid the violations with ADEQ, I don't think you can do anything other than what you're doing. Let me put it this way. If you have the exposure in terms of

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inadequate wastewater treatment plant capacity and you don't have the money to expand, even though you know today that there are lots out there that could be built on and that plant won't handle it, then basically, you're deciding that you, as lot owners, are going to let the developers bail.

Q: But you can't deny (inaudible) that the developers win. In January you said?

A: Well, that's going to be the (inaudible).

Q: Okay, we won. You caused us damages. Who the hell is going to pay that?

A: Well, what damages would they be?

Q: I don't know. You're a lawyer, you can find some damages.

A: As a lawyer, we make choices, and I think on your behalf, I feel very comfortable in the choice of protecting your interests. Because, you know, if you get an ADEQ violation, you won't find a Board member that will take a seat, and that's why, as much pleading as we've done with Harvard to take this over, they run from it. They don't want to go there.

Q: Is it because they don't want to deal with this Board, or they just don't want to operate it?

A: No, they don't want to operate it. We'll carve it any way they want. They can accept all the operational costs.

Q: If Harvard would take over, this Board would resign?

A: It would not resign because it would still have the responsibility for the sewer connections, the pipes. But it would probably meet quarterly, if that. So, that would be fine. That would be great. That's one of the struggles we have through this whole deal is the split in the ownership/operation of things. Harvard owns the plant and it's being operated by this Board. They don't want to operate it.

Q: Hypothetically speaking, would you lift the moratorium if you got the financial assurance from the developers? The plant isn't built or expanded, but you've got that contract. At that point, would you take care of these folks and lift the moratorium?

A: Oh, yeah. Well, I can't tell you, but I think that leads a long ways, if not to the finish line, for getting things done is that financial assurance. What's so hard, recently I heard a number of \$50,000,000 spent on the compound. \$50,000,000. Can't we put \$5,000,000 towards a bond for the wastewater treatment plant? I mean, developers talk in big numbers. Come on, give me a little bit on the treatment side for these folks that are buying into your properties. The financial assurances. You can get that. If you can't get that, then I want to know why. It means your books are really upside down and you're in a bigger hole today than I thought you were, or there's something else going on. Because bonds aren't given just in the blind. They have what's called underwriters and they check a few things. That's how you're protected is to get the financial assurance. Let somebody else do the investigation and find out where you sit.

Q: As counsel for the District, you give advice, correct? That's what they're paying you for. And you have given us a lot of advice tonight, too. And yet, you don't accept the reason for Harvard not being here with a representative and speaking, and they're doing it on the advice of counsel. So, I'm very frustrated because I find what you say and what you're telling us to do is totally incongruous. You're giving us advice, your giving them advice, and we're all (inaudible) for it, and yet you won't accept the advice of the counsel, including Harvard, for not being here, because of the litigation. I don't understand.

A: I'm confused too. Are you saying I should take the advice of Harvard?

Q: Well, you're an attorney and you give advice . . .

Q: She's the one arguing. We're fine with the fact that they didn't show up here.

A: I think you missed my point. If Harvard was open, they would come out and they would stand up here and tell you what they could, would, willing to do, when they think it's appropriate to do it, why they won't accept

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the operation and control of the plant that they invested in, they invested your money in, and why they want to continue to deal with Pivotal, that they're still trying to get money from to expand the plant. I mean, this is all stuff that . . .

Q: This flows from having an agreement and then you stopped it. I don't know if everybody understands that.

A: What agreement are we talking about?

Q: The MOU.

A: Oh, no. You're getting some . . .

Q: But you came this close to signing it. I don't understand.

Mr. Leasure: That wasn't a complete settlement.

A: Not even close. And it was a Memorandum of Understanding, which means what?

Q: What did it mean to you?

A: It wasn't signed, but it's basically an agreement to agree. It's basically trying to define the pathway, and the pathway was not . . .

Q: But please tell these people that it wasn't Harvard that left that table. It was you. Is that correct or not?

A: No. You have to read through and, since they want to bring in settlement discussions, which I think is inappropriate, so I won't go very deep on that, but keep in mind that basically, when you deal with Harvard, you get the document and they tell you, "don't change anything. Don't add anything. Don't subtract anything. You sign it or we walk out or we'll sue you." And that's not negotiation. That's not compromise. And so what they were only offering, as I mentioned before, is to allow some more homes to get building permits to dig your hole deeper, with no concessions on the other side. No money. No deadlines on getting a full development agreement done, or anything else. Basically, they just wanted more and more. So, the next concession would be for more houses, more houses. So, when do you dig in the heels and say, financially, how far upside down do you want to be? And again, it's your choice. You can decide how much risk you want to take because all you have from Harvard is that entity that they claim you're never going to penetrate, get any money out of, and that they will pay for building of that wastewater treatment when they think it's necessary. And they've already told you it's years away. These people that are making the decisions today won't be here for that decision.

Most of us. You know, they're saying 7, 12, 15 years from now.

Q: Did we have a capacity shortfall in the plant in 2006?

A: I haven't looked specifically at that, but it's very possible.

Q: Do we have a capacity shortfall today based on the number of lots sold?

A: Absolutely. Absolutely. There's no question.

Q: So, we need additional capacity?

A: Yes.

Q: What is an overflow capacity? (Inaudible) 80,000 a day, (inaudible)

A: I don't have an answer for that, but obviously, when it overflows to the plant capacity, it runs down the creek or to the pond.

Q: The reason we're confused about the Memorandum, is that on the website on September 28, it says the Memorandum is approved (inaudible).

Q: I think it says you were recommending the Memorandum to the Board.

Q: And then at the next meeting, it says it is not approved. So, there is confusion about that situation, and beside that, that website is terrible. You can't get to the Minutes of the meeting. Everything is executive committee. You don't know what the hell is going on. Why go to the meeting? You go to the meeting and you go into executive meeting. We don't know anything. We can't find out anything.

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A: Yeah.

Q: Sir, why can't you be direct and say, since you represent us, what your recommendations are for us to do right now. I'm sitting here listening for three hours and I'm fully aware of the pitfalls, the (inaudible). We've got a lawyer standing here that supposedly represents us who hasn't given us any recommendations.

A: Well, my recommendation has been from the outset is to stand firm on your moratorium.

Q: (inaudible) revolt? Where do I go to shoot? Tell me. You're a lawyer. Tell me what to do. What can I do as an individual homeowner?

A: As an individual homeowner, I think you should contact your developers and urge them to reach a settlement, to come to terms . . .

Q: Wait a minute. Aren't you my attorney?

A: Right.

Q: How come you haven't done that?

A: What do you want me to do?

Q: You're presenting to us here is that we all commit suicide or abandon our homes. What is our alternative? Am I supposed to write to somebody? Okay, who do I write to? Am I supposed to do this on my own? Haven't we paid you? Aren't you representing us? Why am I supposed to try and figure this out? I would like you to tell me as my attorney what I am supposed to do. Give me a recommendation. You haven't given me any pathway.

A: Okay, can I give you two?

Q: (Inaudible) rollover.

Q: Rollover? Okay, I'm going to go home and my wife's gonna say, "what are we going to do?" I don't know. All I know is the future's pretty bleak. We've got a developer here who hasn't met his obligations, and apparently, we're powerless to do anything about it.

Q: (Inaudible)

A: So, the short answer is to support your Board very aggressively and also assert as much influence as you can on the developers to come to the table and resolve these issues. That's what you can do as an individual.

Q: How can I influence the developers?

A: By writing to them . . .

Q: By telling them I'm going to get a lawyer?

A: No. I think all of it helps in terms of contacting them. I mean, through the discovery, they keep track of who's active in the District, what their comments have been, and so forth. And so let them know that you're fired up and you're going to bring five more people with you, and you're going to make life difficult on their end.

Q: Okay, where is that address that you should probably have.

A: We'll put that on the improved website.

Q: Would it be a good idea for those who have purchased lots to build on and aren't able to do so, to turn around and sue the developer, because that would be false representation. I'm buying a lot assuming that I can build and they're selling them with that mind. Would that create a lot of pressure on Harvard if they have individual lawsuits coming at them saying "you sold me something. I bought in good faith, that I can't use. And you presented that I could." Would that be a good idea?

A: Unfortunately, at this event, I'm not an attorney that is going to advise you or any of the public members in terms of what you should personally do, but I would urge anyone to consult their personal attorney to get advice.

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Q: Are real estate agents required to disclose any and all to their potential customers?

A: Yes.

Q: And if they don't, can they be held responsible?

A: There's another one.

Q: Will all this be on the website in the near future?

A: In the near future, we've got a lot of work, but yeah. Much of it will be, or as much as the Board decides.

We make a lot of effort in trying to get information out and, as you know, it's the second and fourth Wednesday of the month they meet.

Mr. Leasure: Tomorrow. 9:00 at the . . .

A: The more information this Board gets, the better decisions it can make.

Mr. Leasure: There's a meeting tomorrow at the Hootenanny Fire Station.

Q: (Inaudible) I thought one of the good thing to come out of it, was the agreement as to how much (inaudible) require a new plant, and for some reason, and I understand the reason, was that the MOU was not accepted because (inaudible) lifting of the moratorium and the developers would basically walk out of the meeting unless he got his way on lifting the moratorium for 47 or 49 houses. Could you go back to just getting an agreement between the parties as to how to determine when you need (inaudible) 80% has been reached because it seems to be there was an agreement that could be (inaudible).

Mr. Leasure: Nobody offered money.

A: Again, part of this is what you do during negotiations and how to put things together. I thought that was an effort by the District to try and get Harvard to the table, and we made some progress. But then, basically, when you look at the full picture, why would Harvard come back to the table until 2012? You know, why would Harvard ever want to look at this Board again? Because they're going to recall them, they're going to replace this Board anyhow and get a better deal. So, why put up financial assurances? It's your risk, it's your money.

Q: You had an election this last week. One of the persons who was getting recalled, he was reelected, so the indications are that the recall is not going to work.

A: My point is that where that MOU was headed, is that there would be restrictions through next year, next calendar year, and so basically, for all practical purposes, I don't think there would have been any discussions with Harvard, Whispering Canyon, or The Preserve until . . .

Q: You said you were going to have an answer in 60 days when that 80% is going to be determined. That was 60 days.

A: I know what you're saying, but once you hit that and you allow so many building permits through 2011, what's the incentive for Harvard? They're going to (inaudible) you out, they're going to get better, more favorable Board members, different circumstances. Or they might be gone. It's not an easy situation, but I think the one that's the most prudent path that the Board has undertaken thus far.

Meeting adjourned at 9:35p.m.