

**MINUTES OF THE  
REGULAR MEETING OF THE  
I.C.R. SANITARY DISTRICT  
January 26, 2011**

**Approved: 2/9/11**

**Date:** Wednesday, January 26, 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  
Doug Nelson, Counsel for the District

Guests

Jimmy and Chris Stoner, Homeowners  
Bob and Barb Hilb, Homeowners  
Cheryl Ibbotson, Wallace & Assoc.  
Tim Emberlin, Whispering Canyon  
Chris Williamson, a Quality  
Harvey Roberts, Homeowner  
Hal Lobaugh, Lot Owner  
Clint Poteet, Talking Rock  
John Freeman, Homeowner  
Wes Moss, Lot Owner

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**1. Call Regular Board Meeting to Order**

The meeting was called to order at 9:04 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; Doug Nelson, Counsel; Cheryl Ibbotson; Harvey Roberts; Chris and Jimmy Stoner; Chris Williamson, aQuality; Barb and Bob Hilb; Tim Emberlin, Whispering Canyon; John Freeman; Wes Moss; Hal Lobaugh; and Clint Poteet.

**3. Approval of Minutes**

**a. Approve minutes from Regular Meeting of January 12, 2011, and Executive Session of January 12, 2011.**

The Minutes of the regular meeting of January 12, 2011 were reviewed and revised.

**Motion:** Mr. Leasure moved to approve the January 12, 2011 regular meeting Minutes as revised; Mr. Turney seconded; motion passed unanimously.

The Executive Session Minutes of January 12, 2011, were reviewed.

**Motion:** Mr. Leasure moved to approve the January 12, 2011 Executive Session Minutes; Mr. Turney seconded; motion passed unanimously.

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**4. NEW BUSINESS**

**a. Financial Report by Wallace & Associates**

**(1) Review December 2010 Financial Report discussion and possible action**

The Board reviewed the December 2010 financial reports with Cheryl Ibbotson. Mr. Leasure advised that the Harvard outstanding balance owed to ICRSD is \$399,964; the Whispering Canyon outstanding balance is \$590,302.

**Motion: Mr. Leasure moved to approve the December 2010 financial reports pending revisions; Mr. Turney seconded; motion passed unanimously.**

**(2) Review Constance Pinney Financial Statements and invoice discussion and possible action**

The Board is now in possession of the final report by Constance Pinney. This report is also on the website.

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

Cheryl Ibbotson advised that she has not received any new notifications of requests for building permits since the last ICRSD Board meeting.

**b. Operator Report by aQuality Water**

**(1) Review operator report discussion and possible action**

Chris Williamson advised that the plant is running fairly well. Mr. Zemp has been there every day and will continue to be there for three or four more days. Mr. Zemp will be taking three influent samples, which will be compared to the effluent to arrive at a conclusion how the plant is running. Quarterly sampling is also being done. The samples are taken by Mr. Zemp and Mr. Williamson, and they both drive them to the courier to be delivered to the lab. The BOD5 sample should become available in the next day or two. Harvard is paying for the lab fees for this testing. Chris will call the lab and ask them to fax the report daily to Mr. Zemp and himself. Chris stated that they will have a value for what percentage the pollutants are being removed from the process.

Chris stated that he received the signed Release Waiver, and will forward a copy to Doug Nelson.

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**Action Item:** *Chris Williamson to forward a copy of the signed Release Waiver to Doug Nelson.*

Chris Williamson stated that he has received the flow EQ pump. Mr. Taylor stated that it is his understanding that we bought the pump locally, and that those people are the ones who rebuilt the lift station pump. Mr. Taylor suggested setting up a purchase order account with them to make purchase faster. Mr. Williamson will discuss this with the company.

Mr. Leasure discussed what happens when people don't service their grinders every year. He advised that grinders should be serviced every year to clean them out.

**(2) Status of ICRSD groundwater intrusion inspection discussion and possible action. – Tabled.**

**c. Recall Election discussion and possible action**

The recall election is going to be on May 17, 2011, and it will cost the District between \$1,100 and \$1,200.

**d. Protocol and conditions for access by Dwight Zemp of Santec for additional testing at Santec Plant as requested by developers and reimbursement of costs by Developers discussion and possible action.**

See above Operator Report. Mr. Williamson advised that the protocol is to take as many untreated samples as possible, as well as a few treated samples.

**e. Litigation – Harvard, The Preserve and Whispering Canyon lawsuit against the District and its Board (Yavapai County Superior Court P1300CV201000036)**

Mr. Leasure had nothing new to add regarding the litigation. Mr. Nelson reiterated that the next hearing is set for February 16 and 17, 2010.

**1. Status of case and Order to Show Cause Hearing**

**2. Developers' alleged failure to comply with Arizona's Real Estate Law and environmental Laws for committed capacity for sold lots**

**3. Legality of developers collecting fees on behalf of the District (Public monies collected as raised by Judge Kenton Jones)**

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**f. Resolution No. 2010-01 Moratorium on Sewer Hookups and Conditions for Lifting Moratorium or Partial Lifting of Moratorium (available on ICRSD Web Site) discussion and possible action**

Mr. Leasure stated that the Resolution has not been finalized by the District. The draft is on the website, and the District has tried very hard to address people who are building but cannot hook up. Mr. Leasure stated that the District is looking for cooperation from the County and the developers, and the County has given an indication that they will cooperate with the District. The developers are not in agreement with the Resolution.

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**g. Review invoices from Doug Nelson discussion and possible action**

The Board reviewed the invoice from Doug Nelson, dated January 19, 2011, in the amount of \$13,362.78.

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**Motion: Mr. Leasure moved to approve paying the January 19, 2011 invoice of Doug Nelson after Wallace & Assoc. receives backup for some of the third party charges on the invoice; Mr. Turney seconded; motion passed unanimously.**

**h. Wastewater treatment plant expansion cost estimate authorization discussion and possible action.**

Mr. Leasure stated he has been in contact with Aqua Engineering to do the estimate and possible cost reduction recommendations for the amount of \$4,000. He recommended that we go ahead with this construction estimate and possible cost reduction recommendations. The Board was in agreement to move forward with the study.

**Motion: Mr. Turney moved to go forward with having Aqua Engineering do the wastewater treatment plant expansion estimate; Mr. Taylor seconded; motion passed unanimously.**

Mr. Leasure stated that he believes that one of the Board members should keep in constant contact with Aqua Engineering while they do the estimate. Mr. Taylor offered to do this for the Board.

**Motion: Mr. Leasure moved that Mr. Taylor take the lead with Justin Logan of Aqua Engineering in coordinating having the wastewater treatment plant expansion cost estimate done; Mr. Turney seconded; motion passed unanimously.**

*Action Item: Mr. Leasure will contact Justin Logan to advise him what was decided at today's meeting, and ask him to send his invoice to Wallace & Assoc. He will also give Mr. Taylor's telephone number to Justin Logan.*

**i. Sub-committee regarding plant cost of service studies and discharge permit discussion and possible action.**

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Mr. Stoner recommends five committee members, which he has. He requested clarification from the Board regarding liability insurance for the committee members. They will call their first meeting after they get insurance information. Mr. Leasure stated that he has not heard back from their insurance broker. He asked permission from the Board to speak with the Water Company's broker, and perhaps utilize him. The Board agreed to this. The committee can use information that Dayne Taylor provided to Wallace & Associates. Regarding the discharge permit, Mr. Leasure stated that he can share information with Jimmy Stoner when he is ready for it.

The current members of the subcommittee are Jim Carlin, Harvey Roberts, Chris and Jimmy Stoner, and Charles O'Brien. Leo Sullivan and Hugh Pryor have also volunteered.

**j. Review December Escrow account report discussion and possible action**

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The Board reviewed the December escrow account report. Mr. Leasure commented that the escrow account is receiving interest from Pivotal. The District Board has no idea as to why the District is receiving this interest into this account. The Board does not know the terms of the agreement, the principal, or the interest rate.

**n. Review Action Item List and Motion List discussion and possible action**

The Board reviewed the Motion list and Action Item list.

**5. OLD BUSINESS**

**a. Notice of Claims Inscription Canyon Ranch, L.P.**

**b. Notice of Claims Marv and Joyce Kaiser**

**c. Properties in violation of District hookup ordinance discussion and possible action - Tabled**

**6. Call to the Public:**

Bob Hilb requested a copy of the financial reports, and he was advised that they are on the website. Mr. Roberts asked if the Board has a cash flow report, which Mr. Leasure advised no. Mr. Roberts stated that there is a Defendants' brief on the website which is very interesting.

Mr. Moss asked if the cost estimate study is for expansion of the current facility or for a new plant. Mr. Leasure stated that it is for a new MBR plant. Mr. Moss also discussed the Resolution and the relief for people who are currently building. He wanted to know when this will get resolved. Mr. Leasure stated that they need an agreement from the developers, which is apparently not forthcoming. Mr. Moss wanted to know if all elements of the Resolution are connected and if all elements need to be approved before one element can be approved. Mr. Leasure stated that there are several options included in the Resolution, but they need an approval from the Plaintiffs. Mr. Nelson stated that the Resolution is a draft and is an opportunity for others to react to it. Mr.

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Leasure stated that the first step in determining the new expansion fee is to get the cost estimate done by Aqua Engineering.

There was a discussion regarding checking into whether the Santec plant can be expanded, but Mr. Leasure stated that the Santec plant is very expensive to operate, and an MBR plan has been recommended for this size District.

Mr. Stoner inquired about the 18 building permits. Mr. Leasure stated that these are people who either have a permit or have requested a permit. Five of these have been approved by the District to hook up.

Mr. Roberts asked if the upcoming hearing will determine if the Moratorium is lifted. Mr. Leasure stated that if the Judge determines the Moratorium was inappropriate, then it will be lifted.

**7. Announcements –**

**8. Adjourn Meeting**

**Motion: Mr. Leasure moved for Executive Session to discuss Item 4(e); Mr. Turney seconded; motion passed unanimously.**

The meeting was recessed at 11:15 a.m. to go into Executive Session.

The regular meeting reconvened at 11:48 a.m.

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

Meeting adjourned at 11:49 a.m.