

INSCRIPTION CANYON RANCH SANITARY DISTRICT

P.O. Box 215 Chino Valley, AZ 86323

**SPECIAL MEETING
~MINUTES~**

April 18, 2013

Approved May 15, 2013

Date: Thursday April 18, 2013

Time: 8:30 a.m.

Place: Prescott Realty Sales Office, 5360 W. Inscription Canyon Drive, Prescott, AZ.

1. CALL TO ORDER.

The Governing Board for the Inscription Canyon Ranch Sanitary District convened into public session at approximately 8:30 a.m.

2. ROLL CALL.

Present were Bob Hilb, Chairman; John Freeman, Board Member, Brian Ray, Board Member; Bill Whittington, Counsel; E.J. Kotalik (via telephone), Counsel; Bob Busch, District Manager; Isabel Yribe, District Clerk and the following audience members.

Dayne Taylor Jim Stoner Eileen McGowan

3. Bob Hilb made a motion to VOTE TO GO INTO EXECUTIVE SESSION FOR:

discussion or consultation for legal advice with the attorneys of the Inscription Canyon Ranch Sanitary District pursuant to A.R.S. Section 38-431.03.(A)(3) and discussion or consultation with the attorneys of the Inscription Canyon Ranch Sanitary District in order to consider its position and instruct its attorneys regarding the District's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation or in settlement discussions conducted in order to avoid or resolve litigation pursuant to A.R.S. Section 38-431.03.(A)(4) re:

- A. Claims for reimbursement of attorney fees previously paid by the District.
- B. Actions required by the District to overspend the approved budget and compliance with the Auditor General requirements in reporting and budgeting.

Brian Ray seconded the motion. The motion passed unanimously without discussion.

During the Executive Session, the public will be asked to leave the Board meeting room until the general session is re-convened

Executive session began at approximately 8:35 a.m.

4. RECONVENE INTO PUBLIC SESSION at approximately 11:10 a.m

5. DISCUSSION & POSSIBLE ACTION RE;

- A. Claims for reimbursement of attorney fees previously paid by the District. *Bob Hilb made a motion that the Counsel Kotalik be authorized to proceed as discussed in Executive Session. Brian Ray seconded the motion. There was no discussion and the motion passed unanimously.*
- B. Actions required by the District to overspend the approved budget and compliance with the Auditor General requirements in reporting and budgeting. Board guidance to the District Manager on format for FY 2013-2014 budget. *Bob Hilb made a motion that the District Counsel Whittington proceeds as discussed in Executive Session regarding the Budget. Brian Ray seconded the motion. There was no discussion and the motion passed unanimously. Also, Bob Hilb made a motion to authorize Bob Busch to add 101K to the budget as a contingency to the Budget as discussed in the Budget hearing in June of 2012. John Freeman seconded the motion. There was no discussion and the motion passed unanimously. Bob Hilb made a motion that Mr. Busch be authorized to increase the amounts as shown on the April 17, 2013 memo as shown.*
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Memo

To: ICR Board of Directors
From: Bob Busch
CC: Bruce Eldredge
Date: 4/17/13
Re: 2012-13 Budget

The ICR Sanitary District Bylaws, Rules and Policies require that the District Manager obtain prior Board approval before approving invoices for expenditures not covered by contract that will cause the approved budget account to be exceeded by 10% or \$2,000, whichever is greater.

The Board, by motion, has authorized me to approve invoices for expenditures as long as the approved 2012-13 budget is not exceeded. That limit has been reached, and Board approval is needed to continue paying for services to operate the District.

Following are a list of accounts that have been or will be exceeded and the amount projected to be spent in this fiscal year. I am requesting authority to approve invoices to the amount indicated.

| Account | Description | Budget Amount | Requested Amount | Explanation |
|----------------|---------------------------|----------------------|-------------------------|---|
| 7250 | Insurance | \$5,500 | \$16,000 | Insurer denied coverage following lawsuit settlement |
| 7300 | Office Expense | \$ 0 | \$ 3,000 | Postage Meter Rental, CORE Software |
| 7580 | Maint & Repr Outside Svcs | \$ 5,000 | \$7,000 | Several line breaks required repair |
| 7225 | Special Projects Report | \$1,200 | \$3,500 | CPA support-Annual Financial Report |
| 7723 | Attorney Fees Litigation | \$40,000 | \$130,000 | On going legal work re claim for attorney fees |
| 7995 | Generator Maintenance | \$2,000 | \$4,800 | Required Repairs to Generator |
| 1825 | Treatment Plant | \$0 | \$11,000 | Previously paid engineering costs that could be capitalized |

Brian Ray seconded the motion. There was no discussion and the motion passed unanimously. Also, by way of Consensus of all Board Members, it was decided that Mr. Busch would set up an Unrestricted Capital Account with Yavapai County once next years budget was approved. Mr. Freeman together with Mr. Busch would work on the format for the 2014 District Budget together. Mr. Hilb stated that Mr. Busch pay special attention to Litigation Fees Estimates in case the District has to fight an appeal on the present litigation. Also, Mr. Hilb stated that Insurance Premium Estimates should be carefully looked at as well.

6. ADJOURNMENT

Therefore the meeting was adjourned at 12:15 p.m.

Date

Board Clerk