

**MINUTES OF THE
REGULAR MEETING OF THE
I.C.R. SANITARY DISTRICT
March 9, 2011**

Approved: 3/23/11

Date: Wednesday, March 9, 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 Stoner, Homeowner
Eileen McGowan, Homeowner
Cheryl Ibbotson, Wallace & Assoc.
Pat Carpenter, aQuality
Chris Stoner, Homeowner
Harvey Roberts, Homeowner
Clint Poteet, Talking Rock
Hal Lobaugh, Lot Owner
Tim Emberlin, Whispering Canyon

1. Call Regular Board Meeting to Order

The meeting was called to order at 9:10 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; Cheryl Ibbotson; Jimmy Stoner; Chris Stoner; Harvey Roberts; Eileen McGowan; Pat Carpenter; Clint Poteet; Hal Lobaugh; Tim Emberlin.

3. Approval of Minutes

a. Approve minutes from Regular Meeting of February 23, 2011.

The Minutes of the regular meeting of February 23, 2011 were reviewed and revised.

Motion: Mr. Leasure moved to approve the February 23, 2011 regular meeting Minutes as revised; Mr. Turney seconded; motion passed unanimously.

NEW BUSINESS

a. Financial Report by Wallace & Associates

(1) Harvard payment report discussion and possible action

The Board reviewed the Harvard payment report.

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Action Item: Cheryl Ibbotson to total the amount of payments from Harvard and forward to Doug Nelson and the Board.

(2) Building permits in District discussion and possible action – Tabled.

b. Operator Report by aQuality Water

(1) Review operator report discussion and possible action.

Pat Carpenter and the Board discussed the aQuality monthly spreadsheet. Pat stated that the impeller sheared off or the impeller broke on the No. 1 effluent pump shaft. The stainless cable snapped, and aQuality will be repairing that today. Pat advised that he plans to put floats in the effluent lift station. The cycle counter on the No. 1 effluent pump is not counting correctly and will be replaced as soon as the new one arrives. Pat advised that the samples were all taken, and the results were well within permit parameters. He also stated tht the media in the odor control unit will be changed as soon as the temperatures stay above freezing.

(2) Plant influent and effluent sampling testing cost reimbursement date discussion and possible action.

Pat advised that the invoice for his time for sample testing is being sent out today.

(3) Status of ICR ground water intrusion inspections discussion and possible action – Tabled.

c. District insurance discussion and possible action.

(1) Policy limits and extended coverage discussion and possible action.

Mr. Leasure discussed the umbrella policy. He stated that the umbrella policy is from \$1,000,000 to \$5,000,000, in increments of \$1,000,000. The District's basic policy is currently at \$1,000,000. The Board agreed that an umbrella policy limit of \$1,000,000 would be sufficient at this time. Mr. Leasure suggested discussing environmental insurance with the insurance agent.

Action Item: Mr. Leasure to discuss environmental insurance with the insurance agent.

(2) Sub-Committee coverage discussion and possible action.

Sub-Committees are covered under the current policy, but the members of the sub-committee can only do investigation work for the Board and report their findings to the Board. Mr. Leasure gave Mr. Stoner a copy of the policy that discusses sub-committees. Mr. Stoner will review the policy and get back to Mr. Leasure.

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Action Item: Mr. Stoner will review the insurance policy with regard to sub-committee coverage and get back to Mr. Leasure.

d. Resolution No. 2010-01 Moratorium on sewer hookups and conditions for lifting moratorium or partial lifting of moratorium discussion and possible action.

Mr. Leasure stated that the Board will meet with counsel in Executive Session today and will discuss this item.

e. Possible public meeting regarding facts involved in the lawsuit discussion and possible action.

Mr. Leasure stated that a lot of people still don't know what's going on with the lawsuit, and he suggested having another public meeting to further educate the public about the lawsuit and the issue with the developers. Mr. Turney stated he agreed with this, and that the meeting should be held no later than the beginning of April. Mr. Leasure will investigate a venue for the meeting. Mr. Stoner stated that Embry Riddle has a meeting facility, and he agreed to investigate this. It was also discussed that a postcard mailing could be done to notify everyone of the meeting. Cheryl Ibbotson will check into the cost of postcard mailings.

Action Item: Mr. Stoner will investigate Embry Riddle's facility for the public meeting to be held in March or early April.

Action Item: Cheryl Ibbotson will check into the cost of doing a postcard mailing to notify everyone of the public meeting.

f. Review invoices from Doug Nelson discussion and possible action.

The Board reviewed the invoices from Doug Nelson. The Board agreed to pay all outstanding invoices of Doug Nelson.

Motion: Mr. Leasure moved to pay the balance of Doug Nelson's invoice No. 10396; Mr. Taylor seconded; motion passed unanimously.

Motion: Mr. Leasure moved to pay the invoice of EUSI in the amount of \$2,141; Mr. Turney seconded; motion passed unanimously.

Motion: Mr. Leasure moved to pay the invoice of Aspey, Watkins & Diesel for their retainer; Mr. Turney seconded; motion passed unanimously.

Motion: Mr. Leasure moved to pay the two invoices, dated 2/19 and 2/27, from Mr. Nelson; Mr. Taylor seconded; motion passed unanimously.

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g. Status of wastewater treatment plant expansion cost estimate discussion and possible action.

Mr. Taylor advised that he has been communicating with Justin Logan of Aqua Engineer. Justin has reaffirmed his estimate of \$4,095,000. Mr. Taylor is waiting for the final documents from Mr. Logan. Mr. Taylor advised that he received information on a 250,000 gallon plant that costs \$2,000 a month to run. Mr. Taylor advised that to increase the capacity to 500,000 gallons, the additional cost would be approximately \$500,000 to \$750,000.

h. Sub-Committee status regarding plant cost of service studies and discharge permit discussion and possible action.

Mr. Leasure advised that there is nothing to report on this item.

i. District registration as a lobbyist discussion and possible action.

Mr. Leasure advised that the District is investigating registration as a lobbyist in order to talk to State Legislators. Mr. Roberts asked why the District doesn't just go to a professional lobbyist. Mr. Leasure stated that the District is just beginning to investigate the different possibilities.

j. 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.

k. Meet with counsel Mr. Watkins in executive session.

l. Meet with counsel Julianne Wheeler in executive session.

m. Litigation – Harvard, The Preserve and Whispering Canyon lawsuit against the District and its Board (Yavapai County Superior Court P1300CV2010000036)

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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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:

7. Announcements –

8. Adjourn Meeting

Motion: Mr. Leasure moved to recess the regular meeting and go into Executive Session to discuss New Business items 4(d), (k), (l), and (m) and Old Business items (n), (o), (p) and other litigation matters; Mr. Turney seconded; motion passed unanimously.

Regular meeting recessed at 10:05 a.m.

Regular meeting reconvened at 2:27 p.m.

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

Meeting adjourned at 2:28 p.m.