

Inscription Canyon Ranch Sanitary District

PO Box 215

Chino Valley, AZ 86323

NOTICE OF SPECIAL MEETING

May 14, 2020

The Governing Board of the Inscription Canyon Ranch Sanitary District will meet in Public Session on Thursday, May 14, 2020 in the WingSpace Conference Room located at 371 Garden Street, Prescott, AZ. The meeting will begin at 1:00 PM. Board members may participate via teleconference. Members of the public may only participate via telephone conference. The Board may vote to go into executive session on any agenda item, pursuant to A.R.S. § 38-431.03(A)(3) for legal advice with the District's attorney.

DUE TO CURRENT CORONA VIRUS CONCERNS, PARTICIPATION BY THE PUBLIC WILL BE LIMITED TO ATTENDANCE VIA TELECONFERENCE. THE PUBLIC TELECONFERENCE WILL BEGIN AT 1:00 PM. THE BOARD ANTICIPATES A VOTE TO GO INTO EXECUTIVE SESSION FOLLOWING THE CALL TO ORDER AND INTRODUCTIONS. THE PUBLIC TELECONFERENCE WILL BE ENDED WHEN THE BOARD CONVENES INTO EXECUTIVE SESSION. THEREAFTER, THE BOARD WILL RECONVENE INTO THE PUBLIC SESSION AT 3:00 PM. MEMBERS OF THE PUBLIC MAY CALL IN AT 3:00 PM TO JOIN THE PUBLIC SESSION AT THAT TIME.

MEMBERS OF THE PUBLIC MAY JOIN THE TELECONFERENCE BY FOLLOWING THE INSTRUCTIONS BELOW.

Instructions for joining the meeting via teleconference:

- 1. Dial 1 (978) 990-5000**
- 2. When prompted for the conference ID, enter 390455#**

AGENDA

1. CALL TO ORDER; Introductions

2. SWEARING IN OF BOARD MEMBER BOB SUMMERS

3. SELECTION OF A TEMPORARY/PERMANENT CHAIRPERSON & BOARD CLERK

4. POSSIBLE 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. § 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, or in conjunction with 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. Talking Rock Land, LLC vs ICRSD, Cause No. P1300CV201800380 including, but not limited to: the remand to the lower court; possible mediation negotiations with Developer; possible appointment of a mediator. Possible direction to the attorneys of the Inscription Canyon Ranch Sanitary District relating to the mediation and mediation -related issues; issue relating to pending judgment for attorney's fees.
- B. Possible direction to legal counsel relating to declaratory action filed by Allied World Specialty Insurance Co., relating to insurance coverage in the Talking Rock litigation; correspondence received from Allied World Specialty Insurance Co., re: same.
- C. Possible modification or suspension of Bylaws to accommodate possible amendment to the District budget.
- D. Issues relating to the possible imposition of fees, including but not limited to: user fees authorized last year.

- E. Possible revision of Amended and Restated Development Agreement to include Copper Tree Construction and SR Talking Rock Land, LLC; possible additional revisions to Amended and Restated Development Agreement to permit additional revenues.
- F. Status and possible direction concerning pending Quo Warranto case.
- G. Possible contract for utility billing services.
- H. Possible action against Best Pick Disposal for damage to ICRS property on Spotted Eagle Dr.
- I. Possible action against Bruce & Grace Woodyard of 15345 Chloe Trail for repairs to sewer lateral caused by line blockage.
- J. Possible ratification of actions taken since November 2018.
- K. Documents posted on the District website.
- L. Status of Robert S. Lynch as special legal counsel for the District.

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

RECONVENE INTO PUBLIC SESSION: 3:00 PM

5. CONSENT AGENDA (Routine items that may be approved by one motion)

Minutes of Meetings

Public Meeting Minutes of March 27, 2020

Executive Session Minutes for:

- January 14, 2020
- January 21, 2020
- February 7, 2020
- February 19, 2020
- March 12, 2020
- March 27, 2020

Reimbursement to District Manager (\$95.00)

- Wingspace – Conference Room Rental -May 14th 2020 (\$95.00)

6. REPORTS

- A. Report from District Manager
 - Status of Plant Upgrade Project
 - Recent Infrastructure Repairs
 - Financial Reports
 - Cash Flow Status
- B. Report from Board member DeSantis
 - District Legal Fees

7. OLD BUSINESS - DISCUSSION & POSSIBLE ACTION RE:

- A. Talking Rock Land, LLC vs ICRSD, Cause No. P1300CV20180038 including, but not limited to: participation in mediation negotiations with Developer. Possible direction to legal counsel re: formal mediation with a mediator. Possible directions to legal counsel relating to said mediation and mediation related issues; issue relating to pending judgment for attorney's fees. Selection of Board Member to represent the District at formal mediation with Talking Rock Land, LLC.
- B. Status and possible action concerning Quo Warranto case.
- C. Possible preparation of newsletter for distribution to property owners.

8. NEW BUSINESS - DISCUSSION & POSSIBLE ACTION RE:

- A. Approval of proposed operating and capital budget for 2020-21; approval to publish same and setting the time and date for Rate and Budget Hearings.
- B. Possible termination of current accounting contract with MDI Taxes & Accounting and awarding contract to Wallace Utility Billing Services or other billing service provider.
- C. Possible appointment of legal counsel to respond to, and possible directions to legal counsel relating to declaratory action filed by Allied World Specialty Insurance Co., seeking a declaratory judgement relating to insurance coverage in the Talking Rock lawsuit; possible response to letter received from Allied World Specialty Insurance Co., re: coverage issues.
- D. Possible amendment of budget to permit the expenditure of additional funds (and possible modification or suspension of Bylaws to accommodate the same).
- E. Possible transfer of funds from the Unrestricted Capital fund or possible imposition of fees including, but not limited to: user fees.
- F. Possible revision of Amended and Restated Development Agreement to include Copper Tree Construction and SR Talking Rock Land, LLC; possible additional revisions to Amended and Restated Development Agreement to permit additional revenues.
- G. Approval of Financial Reports for February and March, 2020.
- H. Possible action against Best Pick Disposal for damage to ICRS property on Spotted Eagle Dr.
- I. Possible action against Bruce & Grace Woodyard of 15345 Chloe Trail for repairs to sewer lateral caused by line blockage.
- J. Possible declaration of vacancy on the Board of Directors and approval to publish notice seeking candidates.
- K. Discussion and possible approval of Engagement letter for Alyx Cohan, CPA for preparation of Financial Review Report for fiscal year 2019-20. The cost of the review is estimated at from \$5,100 to \$6,300.
- L. Possible ratification of actions taken since November 2018 by less than a quorum of valid Board Members.
- M. Possible direction re: posting of latest Court orders on District website.
- N. Possible use of Robert S. Lynch as special legal counsel for the District.

9. ADJOURNMENT

Persons with a disability may request a reasonable accommodation by contacting District Manager Bob Busch at r.busch@icrsd.net calling 713-0548. Requests should be made as early as possible to arrange the accommodation.

CERTIFICATION OF POSTING OF NOTICE

The undersigned hereby certifies that a copy of the attached notice was duly posted on the District's website: www.icrsd.net on May 12, , 2020 at 6:00 PM in accordance with the statement filed by the ICR Sanitary District.

Dated this 12th day of May, 2020.

By: Robert Busch

Robert M. Busch

Signature