

ICR SANITARY DISTRICT

PO Box 2344 Prescott, AZ 86302

Tuesday June 29, 2021

Date: Tuesday June 29, 2021

Time: 1:00 p.m.

Place: Prescott Adult Center, 1280 E. Rosser St. in Prescott, AZ

1. CALL TO ORDER *Mr. Summers called the meeting to order at 1:00 p.m.*

2. ROLL CALL *Present were: Mr. Bob Summers, Board Chairman; Mr. Jerry DeSantis, Board Member; Mr. Jeff McLeod, Board Member; Mr. Bob Busch, District Manager; and Ms. Isabel Yribe, Clerk*

3. Mr. Summers made a motion 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, Case No. P1300CV201800380 and Case No. P1300CV201900298 including, but not limited to: the remand to the lower court; possible mediation negotiations with Developer; Possible direction to the attorneys of the Inscription Canyon Ranch Sanitary District relating to the mediation and mediation -related issues, and the latest settlement offer from Talking Rock Land, LLC.

B. Legal advice regarding filing in Yavapai Superior Court by Allied World Insurance.

C. Legal advice concerning possible filing of liens for past due fees owed to the District, including those owed by rental properties.

D. Legal advice concerning Capacity Assurance forms submitted by Talking Rock Land, LLC for Talking Rock Ranch, phases 7 and 9D amended.

E. Legal advice concerning ratification of action during the Executive Session of June 17, 2021

Mr. DeSantis seconded the motion. The motion passed unanimously without discussion.

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

CONVENE INTO EXECUTIVE SESSION: 1:03 p.m.

RECONVENE INTO PUBLIC SESSION: 3:00 p.m.

1. CALL TO ORDER

Mr. Summers called the meeting to order at 3:00 p.m.

2. ROLL CALL

Present were Mr. Summers, Board Chairman; Mr. Jeff McLeod, Board Member; Mr. Jerry DeSantis, Board Member; Mr. Bob Busch, District Manager; and Ms. Isabel Yribe, Clerk.

Mr. Jim Cooper, Mr. Ray Damesek, and Mr. Bob Frisch were present in the audience.

3. CALL TO THE PUBLIC

There were no comments from the public at this time.

4. REPORTS

CHAIRMAN'S REPORT

The Chairman, Mr. Summers, read the following:

As I stated last meeting, some of the 2021 ARP money Yavapai County will receive will be set aside for infrastructure improvements, this includes Sanitary plant improvements. I have been contacted by Yavapai County to advise me they have received the ICR Sanitary District letter expressing interest in the 2021 ARP program and that they will keep the District informed. It sounds like the County will be developing an application process and this may take the County up to 6 months to finalize. The Sanitary District will be contacted as this application process is completed so your Sanitary District can apply for 2021 ARP funds. At this point, I believe the funds will be distributed in the form of grants, not loans. Thank you for your time.

MANAGER'S REPORT

Mr. Busch reported that Mr. Tom Severson initially submitted incomplete Capacity Assurance forms but has since made the necessary revisions and has resubmitted them to the District and currently await Board approval.

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

- Minutes of Public Meeting- May 11, 2021

Reimbursement to District Manager (\$20.17)

- GoDaddy – domain name renewal (icrsd.net) (\$20.17)

Mr. Summers made a motion to approve the consent agenda. Mr. secondeMcLeod seconded the motion. The motion passed unanimously without discussion.

6. OLD BUSINESS - DISCUSSION & POSSIBLE ACTION RE:

A. Discussion and possible action re: Talking Rock Land, LLC vs ICRSD, Case No. P1300CV201800380 and Case No. P1300CV201900298 including, but not limited to: the remand to the lower court; possible mediation negotiations with Developer; Possible direction to the attorneys of the Inscription Canyon Ranch Sanitary District relating to the mediation and mediation -related issues and the latest settlement offer from Talking Rock Land, LLC. Agenda items 6A and 6B were combined in one motion. Mr. Summers made a motion to authorize Mr. Kotalik to proceed as instructed in the executive session and also that Mr. Summers have the authority to communicate with Mr. Kotalik regarding settlement negotiations, also discussed in the executive session. Mr. DeSantis seconded the motion. The motion passed unanimously without discussion.

B. Possible action regarding a filing in Yavapai Superior Court by Allied World Insurance. *Agenda items 6A and 6B were combined in one motion. Mr. Summers made a motion to authorize Mr. Kotalik to proceed as instructed in the executive session and also that Mr. Summers have the authority to communicate with Mr. Kotalik regarding settlement negotiations, also discussed in the executive session. Mr. DeSantis seconded the motion. The motion passed unanimously without discussion.*

C. Discussion and possible action concerning filing of liens against properties with past due fees. *No action was taken on this agenda item at this time.*

D. Possible funding options for plant expansion *Mr. Summers restated that the District contacted Yavapai County with its interest to be considered for a portion of the \$10 million set aside from the \$46 million American Rescue Program set aside for Arizona. Mr. Summers also stated that Mr. McLeod was researching funding possibilities with the US Department of Agriculture.*

7. NEW BUSINESS - DISCUSSION & POSSIBLE ACTION RE:

A. Possible approval of Capacity Assurance forms submitted by Talking Rock Land, LLC for Talking Rock Ranch, phases 7 and 9D amended. *Mr. Busch stated that after talking to legal counsel, it was determined that the District was responsible for filling out the Capacity Assurance forms. Mr. Busch went over the figures with the Board and the forms were appropriately filled out. Mr. Summers made a motion to approve the Capacity Assurance forms submitted by Talking Rock Land, LLC for Talking Rock Ranch, Phases 7 and 9D amended. Mr. DeSantis seconded the motion. The motion passed unanimously without further discussion.*

B. Possible approval of Ratification Resolution 2021-4 concerning an action during the Executive Session of June 17th. *No action was taken on this agenda item at this time.*

8. ADJOURNMENT

Therefore, the meeting was adjourned at approximately 3:20 p.m.

Board Clerk

Date