

MINUTES OF MEETING BOARD OF DIRECTORS FOUNTAIN HILLS SANITARY DISTRICT

The Board of Directors of the Fountain Hills Sanitary District met in a **Regular Meeting** on **Tuesday, February 21, 2012** at 6:00 p.m. in the District's Board Room located at 16941 E. Pepperwood Circle, Fountain Hills, Arizona.

Agenda Item No. 1 Call to order and roll call

Upon roll call, the following Directors were present:

Chairman Bruce Hansen, Vice Chairman Bob Thomson, Director Glenn Panaro, and Director Thom Besett. Director Tom Reski was absent.

The following Executive Staff members were present:

Ron Huber, District Manager, Bill Sullivan, Legal Counsel, Tori Sawyer, Controller, and Penny Cook, Assistant Secretary.

Agenda Item No. 2 Approval of Minutes: Regular Meeting: 01/17/12

A motion was made by Director Thomson to approve the minutes of the Regular Meeting of January 17, 2012 as presented. Director Panaro seconded the motion which passed unanimously.

Agenda Item No. 3 Call to public.

There was no public comment.

Agenda Item No. 4 District Manager's report; items to be discussed include plant and recharge statistics for January, permit compliance, progress on ASR Well No. 5 Project, Fountain Lake Water Quality, status of former State Trust Land, Reclaimed Water Use Agreements with Town, AWTF Chlorine Feed System Mods Project, and general direction from Board.

- District Manager reported the District's total recharge credit available as of January 31, 2012 was 116,648,979 gallons. District Manager informed the Board that he had a meeting with the three golf course operators and informed them that the District may not be able to supply them with water towards the end of the year. Chaparral is looking into the possibility of supplying raw CAP water to the District.
- District facilities were in compliance with all permit requirements for the month of January.
- The contractor made the electrical corrections to the ASR Well No. 5 project. The focus now is on eliminating the vibration in the well vault. CDM, the design engineer, has been contacted and a meeting is scheduled for March 12, 2012 to meet with their hydraulics specialist to try to come up with a reason and a cure for the vibration occurring in the well vault.

- There has been no response from the Town on the draft reclaimed water use agreements.
- The final draft of the plans and specifications for the AWTF Chlorine Feed System Mods project has been received by the District. District Manager will be sending comments to the engineer.

Agenda Item No. 5

Controller's report; items to be discussed include status of income and expenditures, billing, report on collection efforts to date, and general direction from Board.

The Controller reported that the General Fund Income Statement for January was slightly favorable to budget.

There were no new Sewer Service Agreements issued in January.

Billing is on track.

Agenda Item No. 6

Presentation by legal counsel on Open Meeting Law.

Chairman Hansen asked that this item be agendized at the March 20, 2012 Board meeting.

Agenda Item No.7

Presentation by staff on District's fat, oil, and grease (FOG) inspection program.

Chris Kiriluk presented the Board with an update and progress of the District's FOG inspection program and answered questions from the Board.

Agenda Item No. 8

Discussion and consideration to approve Accounts Receivable Collections Policy.

Controller pointed out minor changes to the Accounts Receivable Collections Policy and requested approval of the policy.

After a discussion, Director Panaro made a motion to approve the Accounts Receivable Collections Policy as presented. Director Besett seconded the motion which passed unanimously.

Agenda Item No. 9

Discussion and consideration to partner with Town on hazardous waste event.

After a discussion, it was decided that the hazardous waste event was mainly a solid waste issue and the District would not be contributing to the event.

Agenda Item No. 10

Discussion and direction to staff regarding Fountain Lake Water Quality.

After a discussion, it was decided that the District will not send out the survey letter. Direction was given to District Manager to draft an IGA between the District and Town for review at the March 20, 2012 Board meeting. Also, a meeting with Town Council will need to be scheduled to present the District's plans and get their approval to go forward with the project.

Legal Counsel suggested that a Public Hearing be held to present the proposed project.

Agenda Item No. 11

Discussion and direction to staff regarding annexation of former state trust land.

Vice Chairman Thomson moved and Director Panaro seconded to go into executive session pursuant to A.R.S. § 38-431.03(A)(3) & (4), for the purpose of discussion or consultation with the District's legal counsel for legal advice regarding the annexation process and/or to consider the District's position and instruct its counsel regarding a pre-annexation (or similar) agreement involving the former state trust land. Motion carried unanimously and the regular session adjourned at 7:36 p.m.

Regular session resumed at 7:57 p.m. Chairman Hansen directed Legal Counsel to respond to the letter received from Wendy R. Riddell, Esq. of Berry & Damore L.L.C.

Agenda Item No. 12

The Chairman, the individual members of the Board and the District Manager will each be permitted to provide a brief summary of current events. The Board will not propose, discuss, deliberate or take legal action at the meeting on any matter addressed in the summaries, unless the specific item is otherwise properly noticed.

Vice Chairman Thomson asked if the 2012/2013 budget schedule will be available soon.

Agenda Item No. 13

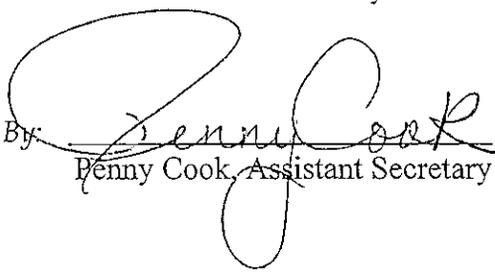
Adjournment.

Vice Chairman Thomson made a motion to adjourn the meeting at 8:00 p.m. Director Besett seconded the motion which passed unanimously.

Dated this 23rd day of February, 2012.

Fountain Hills Sanitary District

Minutes Prepared By:


Penny Cook, Assistant Secretary