

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 25, 2014** 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 Tom Reski, Vice Chairman Glenn Panaro, Director Thom Besett, Director Bruce Hansen, and Director Robert Thomson.

The following Executive Staff members were present:

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

Agenda Item No. 2

Approval of Minutes: Regular Meeting: 01/28/14

A motion was made by Vice Chairman Panaro to approve the minutes of the Regular Meeting of January 28, 2014 as presented. Director Thomson 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 IGA, Reclaimed Water Use Agreements for Golden Eagle Park and Desert Vista Park, AWTF Membrane System Replacement Project, AWTF Chlorine Feed System Mods Project, and UV System Restoration, and general direction from Board.

- District Manager reported the District's total recharge credit available as of January 31, 2014 was 362,690,979 gallons.
- District facilities were in compliance with all permit requirements for the month of January.
- District staff is waiting for further recommendations from the engineer on ASR Well No. 5.
- Punch list work and "tweaks" are being completed on the AWTF Membrane Replacement Project, AWTF Chlorine Feed System Mods Project, and UV System Restoration.

Agenda Item No. 5

District CPA's report; items to be discussed include status of income and expenditures, billing, report on collection efforts to date, 2014/2015 budget schedule, and general direction from Board.

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

Billing is on track.

Budget and fee schedule calendar of Events for 2014-2015 Budget was presented for review. The only change to the proposed schedule was that the June 10, 2014 meeting will be scheduled as a Special Meeting.

Agenda Item No. 6

Consideration to authorize District Manager to purchase two half-ton pickup trucks from Sanderson Ford for \$40,767.96.

District Manager is requesting authorization to purchase two half-ton pickup trucks from Sanderson Ford for a total cost of \$40,767.96.

Director Thomson made a motion to authorize District Manager to purchase two half-ton pickup trucks from Sanderson Ford for \$40,767.96. Vice Chairman Panaro seconded the motion which passed unanimously.

Agenda Item No.7

Consideration to authorize District Manager to execute an agreement with Carollo Engineers to perform Solids Handling Restoration Feasibility Study for a lump sum fee of \$19,400.00.

District Manager is requesting authorization to execute an agreement with Carollo Engineers to perform Solids Handling Restoration Feasibility Study for a lump sum fee of \$19,400.00. This study will help determine what the District options are with respect to replacement of the existing centrifuges with new equipment. The Solids Handling Restoration Project is scheduled for the 2014-2015 budget.

After a discussion, Vice Chairman Panaro made a motion to authorize District Manager to execute an agreement with Carollo Engineers to perform Solids Handling Restoration Feasibility Study for a lump sum fee of \$19,400.00. Director Thomson seconded the motion which passed with a vote of 4-0 with Director Besett abstaining.

Agenda Item No. 8

Discussion and possible direction to staff regarding the Town/Flood Control District Ashbrook Wash Drainage Improvements Project and necessary sewer line relocation.

District Manager informed the Board that the Town of Fountain Hills and Flood Control District of Maricopa County are sharing in the cost of a project which will keep eight homes situated adjacent to Ashbrook Wash from being in the 100 year flood plain. Part of the project will replace the existing box culvert under Saguardo Blvd. At a February 5, 2014 meeting, staff was informed that unless it had a legitimate prior rights claim, the District would be responsible for relocating any of its facilities which are in conflict with the construction. The cost of relocation could be as much as \$300,000.

Pursuant to Arizona Revised Statutes Sections 38-431.03A(3)&(4) for the purposes of discussion or consultation with its attorneys for legal advice, Director Thomson moved to go into executive session at 6:21 p.m.. Director Hanson seconded the motion which passed unanimously.

Regular session resumed at 6:35. No direction was given to staff.

Agenda Item No. 9

Discussion and direction to staff regarding Fountain Lake IGA.

After a discussion, it was decided that the District would not pursue the Fountain Lake IGA at this time.

The Board requested that the District Manager send a letter to the Town indicating that the District will not be continuing any discussions on the Fountain Lake IGA at this time and could possibly revisit the IGA at some point in the future.

Agenda Item No. 10

Update on HB 2386 and 2379.

Legal Counsel updated the Board on HB 2386 and 2379.

Agenda Item No. 11

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.

Director Besett informed the Board that he attended a webinar on direct potable reuse. He gave the District Manager a flash drive of this webinar and requesting that he look at it and present the Board with his thoughts on the presentation.

Agenda Item No. 12

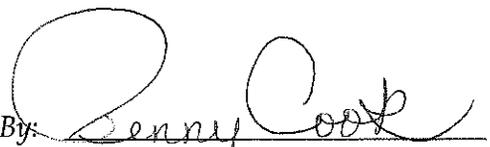
Adjournment.

Director Hansen made a motion to adjourn the meeting at 6:48 p.m. Director Besett seconded the motion which passed unanimously.

Dated this 26th day of February, 2014.

Fountain Hills Sanitary District

Minutes Prepared By:


Penny Cook, Assistant Secretary