

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, March 16, 2010** 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 Glenn Panaro, Vice Chairman Michael Howard, Director Bruce Hansen, Director Bob Thomson, and Director Tom Reski.

The following Executive Staff members were present:

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

Agenda Item No. 2

Approval of Minutes: Regular Meeting: 02/19/08

A motion was made by Director Thomson to approve the minutes of the Regular Meeting of February 16, 2010 as presented. Director Hansen 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 February, permit compliance, progress on ASR Well No. 5, status of former State Trust Land, Flow Equalization Basin Expansion/Interim Digester Mods project and addition of fifth microfiltration rack, Reclaimed Water Use Agreements – FireRock, Eagle Mountain, and Town, Aquifer Protection Permit Amendment, SRP Grant/Rebate, Utilizing Solar Energy at District Facilities, and general direction from Board.

- District Manager reported the District's total recharge credit available as of February 28, 2010 was 370,443,979 gallons.
- The WWTP suffered one more four day period where fecal coliform was not zero. The cloth on two of the three disk units has been replaced and the units installed. Since the first filter disks were replaced in the first unit, another four day episode has not occurred.
- District staff met with CDM on February 17th and 25th to discuss comments on the review of the final draft of the plans and specifications for the ASR Well No. 5 project.
- Corrective action is currently being performed on the digester air diffuser piping and Clarifier No. 3 for the Flow Equalization Basin Expansion/Interim Digester Mods Project. There was a problem with the shear pin breaking on the rake arm of the refurbished Clarifier No. 1. MGC will be repairing the rake arm.

The Fifth Microfiltration Rack is completed and operating.

- The District received a Reclaimed Water Use Agreement back from FireRock with comments. District Manager has a meeting with FireRock staff Friday, March 19th, to go over their comments.
- District received a draft Aquifer Protection Permit and District Manager sent comments back to ADEQ by the due date of March 12th. The permit has been advertised and a Notice of Intent has been issued.
- Nexant has sent a waiver letter to SRP on the SRP Grant/Rebate. SRP is considering the waiver letter.

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's report stated that the General Fund Income Statement for February was slightly favorable to budget.

The District received four new Sewer Service Agreements in the month of February which is over what was budgeted.

Billing is on track.

Agenda Item No. 6

Discussion and consideration to approve new General Drug and Alcohol Policy.

After a discussion, Director Reski made a motion to approve the General Drug and Alcohol Policy as presented. Directed Hansen seconded the motion which passed unanimously.

Agenda Item No. 7

Discussion and consideration to approve the purchase of a Ricoh MPC7500 Digital Copier from Ikon in the amount of \$15,164.76.

After a discussion, Director Hansen made a motion to table this item until the April Board meeting after staff has researched additional copiers/printers. Director Thomson seconded the motion which passed unanimously.

Agenda Item No. 8

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

Agenda Item No. 9

Discussion and possible direction to staff regarding the District's potential expansion of power of permissible activities.

Director Thomson moved and Director Reski 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. Also, for the purpose of discussion with the District's legal counsel for legal advice regarding the scope of the District's and Board's powers and/or to consider the District's position and instruct its counsel regarding potential expansion thereof. Motion carried unanimously and the regular session adjourned at 6:30 p.m.

Regular session resumed at 7:30 p.m. There was no discussion and no direction given to staff.

Agenda Item No. 10

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 Thomson requested legal counsel look into how E-Session materials are to be sent via e-mail.

Agenda Item No. 11

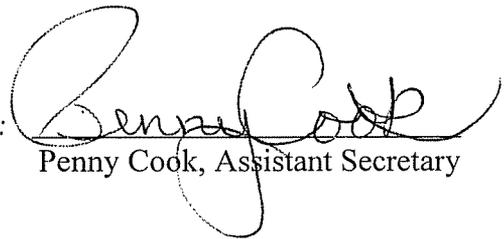
Adjournment.

Director Hansen made a motion to adjourn the meeting at 7:31 p.m. Director Reski seconded the motion which passed unanimously.

Dated this 17th day of March, 2010.

Fountain Hills Sanitary District

Minutes Prepared By:

A handwritten signature in black ink, appearing to read "Penny Cook". The signature is written in a cursive style with a large loop at the end.

Penny Cook, Assistant Secretary