

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 20, 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 Tom Reski, and Director Thom Besett. Director Glenn Panaro 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: 02/21/12**

A motion was made by Vice Chairman Thomson to approve the minutes of the Regular Meeting of February 21, 2012 as presented. Director Besett 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 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 February 29, 2012 was 134,839,979 gallons.
- All District facilities were in compliance with permit requirements for the month of February.
- Staff did some testing at ASR Well No. 5 to determine the cause of the vibration/noise that is being experienced inside the well vault. CDM's hydraulics expert was out and suggested changes to the piping. After making the changes, the vibration did not go away. CDM will be reviewing the situation further to see if they can find a solution.
- There has been no response from the Town on the Golden Eagle Park/Desert Vista Park Reclaimed Water Use Agreement.

- The AWTF Chlorine Feed System Mods Project has been advertised for bid and the bid opening is scheduled for April 5, 2012.

Agenda Item No. 5

Controller's report; items to be discussed include status of income and expenditures, billing, report on collection efforts to date, 2012/2013 budget schedule, 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 two new Sewer Service Agreements in the month of February.

Billing is on track.

Controller presented the Board with the proposed 2012/2013 budget schedule.

Agenda Item No. 6

Presentation by legal counsel on Open Meeting Law.

Legal Counsel presented the Board with the Arizona Open Meeting Law and Conflict of Interest and answered questions from the Board.

Agenda Item No. 7

Discussion and direction to staff re: reclaimed water shortage.

District Manager presented the Board with a graph indicating that there is more reclaimed water being used than there is water coming in to the WWTP. The District could essentially not have enough water to deliver to the Golf Courses and Town parks in August, 2012.

He indicated that CCWC has approached the Corporation Commission staff regarding the delivery of raw CAP water to the golf courses.

Legal counsel suggested that the District send out a formal notice to the Reclaimed Water users informing them of the District's possible water shortage.

After a discussion, direction was given to District Manager to look into other possible alternatives to increase the available water supply.

Agenda Item No. 8

Discussion and direction to staff re: draft Fountain Lake Intergovernmental Agreement (IGA).

District Manager presented a draft IGA for Fountain Lake to the Board and asked for comments. The Board reviewed the IGA and suggested changes.

Direction was given to Legal Counsel and District Manager to incorporate the Board's suggested changes into the IGA and present the revised version at the April 17, 2012 Board meeting for further review.

Agenda Item No. 9

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

Legal counsel informed the Board that he responded to the letter from Wendy R. Riddell, Esq. of Berry & Damore L.L.C. and has not received a response.

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.

There were no comments.

Agenda Item No. 11

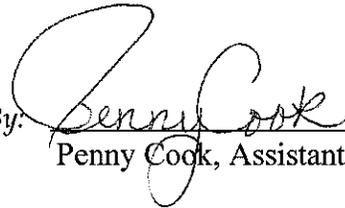
Adjournment.

Director Reski made a motion to adjourn the meeting at 7:34 p.m. Director Besett seconded the motion which passed unanimously.

Dated this 21st day of March, 2012.

Fountain Hills Sanitary District

Minutes Prepared By:



Penny Cook, Assistant Secretary