

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, April 19, 2011** at **5:00** 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 Michael Howard, Vice Chairman Bruce Hansen, Director Bob Thomson, Director Tom Reski, and Director Glenn Panaro.

The following Executive Staff members were present:

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

Also in attendance:

Bill Cunningham, Field Services Manager, Clark Moskop, Plant Operations Manager, Hazel Cunningham, Administrative Services Manager, and Chris Kiriluk, Asst. District Engineer.

Agenda Item No. 2

Workshop with staff to discuss FY 2011/2012 preliminary Budget and Fee Schedule.

Overview

The District Controller presented to the Board of Directors staff proposals for the fiscal year 2011/2012 budget and fee schedule.

The Controller reviewed each section of the proposed budget and answered questions asked by the Board.

Highlights of the Proposed Budget are as follows:

Property tax rates for the 2011/2012 tax year will increase but revenues will decrease due to decreased property assessed values.

No increase in Sewer User Fees is proposed.

Increase in operating cost is due to oil price increases affecting the price of petroleum products.

Agenda Item No. 3

Discussion and consideration to approve the FY 2011/2012 preliminary budget and fee schedule for publication and to set public hearing thereon.

A motion was made by Director Thomson to approve the FY 2011/2012 preliminary budget and fee schedule for publication with modifications as discussed and set the public hearing for June 21, 2012. Director Panaro seconded the motion which passed unanimously.

Agenda Item No. 4

Approval of Minutes

A motion was made by Director Thomson to approve the minutes of the Regular Meeting of March 15, 2011 as amended. Vice Chairman Hansen seconded the motion which passed unanimously.

Agenda Item No. 5

Call to public.

There was no public comment.

Agenda Item No. 6

District Manager's report; items to be discussed include plant and recharge statistics for March, permit compliance, progress on ASR Well No. 5 Project, Fountain Lake Water Quality, status of former State Trust Land, Reclaimed Water Use Agreements – Eagle Mountain and Town, and general direction from Board.

- District Manager reported the District's total recharge credit available as of March 31, 20 was 293,784,979 gallons.
- All District facilities were in compliance with their respective permits for the month of March.
- The electrical subcontractor started construction of the electrical pad at the well site of the ASR Well No. 5 Project. Punch list items were completed by T&T.
- First meeting of the Fountain Lake Joint Study Group took place on March 24, 2011. A number of items were discussed of which one was that the Town did note that they were placing \$100,000 in their budget to improve the lake aeration system. District Manager mentioned that they needed to be cautious that if the \$100,000 was for something that couldn't be used as part of a permanent solution that it would be a waste of \$100,000. District Manager along with Doug Kobrick, and Clark Moskop have a meeting set up with Rick Amalfi, the Town's Lake Manager Consultant on Thursday, April 21, 2011. The next meeting of the Joint Study Group is to be held on Thursday, April 28, 2011.

Director Reski requested that the Directors receive the minutes of the Fountain Lake Joint Study Group meetings.

Agenda Item No. 7

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 the General Fund Income Statement for March was favorable to budget.

There were no new Sewer Service Agreements issued in March.

Billing is on track.

Agenda Item No. 8

Discussion and consideration to approve Resolution No. 249 amending the District's Rules and Regulations by amending Article VIII, Section 7, Disconnect for Delinquency.

Director Thomson made a motion to approve Resolution No. 249 amending the District's Rules and Regulations by amending Article VIII, Section 7, Disconnect for Delinquency. Director Hansen seconded the motion which passed unanimously.

Agenda Item No. 9

Discussion and consideration to approve revised FireRock Reclaimed Water Use Agreement or direction to staff.

Director Thomson made a motion to approve the revised FireRock Reclaimed Water Use Agreement. Director Panaro seconded the motion.

Legal Counsel pointed out that the priority for receiving water was changed from Municipalities being second in priority to being last. After a discussion, it was decided that the priority not be changed from the previous agreements and Municipalities remain second in delivery of water.

Director Thomson amended his motion to approve the FireRock Reclaimed Water Use agreement with changes to keep Municipalities second as discussed. Director Panaro seconded the motion which passed unanimously.

Agenda Item No. 10

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

There was no discussion.

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.

There were no comments.

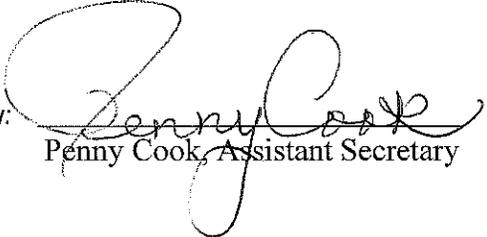
Agenda Item No. 12
Adjournment.

Director Reski made a motion to adjourn the meeting at 6:17 p.m. Director Panaro seconded the motion which passed unanimously.

Dated this 20th day of April, 2011.

Fountain Hills Sanitary District

Minutes Prepared By:


Penny Cook, Assistant Secretary