

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 20, 2010** 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 Glenn Panaro, Director Bruce Hansen, Director Bob Thomson, and Director Tom Reski. Vice Chairman Michael Howard arrived a few minutes late.

The following Executive Staff members were present:

Ron Huber, District Manager, Larry Udall, 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 2010/2011 preliminary Budget and Fee Schedule.**

Overview

The District Controller presented the Board of Directors staff proposals for the fiscal year 2010/2011 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 2010/2011 tax year will decrease.

No increase in Sewer User Fees is proposed.

No cost-of-living increase was included in the 2010/2011 budget.

Due to the age of some of the District's facilities and equipment, there is an increase in operation and maintenance expenses projected for the 2010/2011 fiscal year.

Agenda Item No. 3

Discussion and consideration to approve the FY 2010/2011 preliminary budget and fee schedule for publication and to set public hearing thereon.

After a discussion, Director Thomson moved to approve the FY 2010/2011 preliminary budget and fee schedule for publication and to set public hearing thereon. Director Reski seconded the motion which passed unanimously.

Agenda Item No. 4

Approval of Minutes: Regular Meeting: 03/16/10

A motion was made by Director Thomson to approve the minutes of the Regular Meeting of March 16, 2010 as amended. Director 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, 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 March 31, 2010 was 385,635,979 gallons.
- All facilities were in compliance with permit requirements for the month of March.
- CDM is still working on addressing District comments on the ASR Well No. 5 project.
- Repairs to Clarifier 3 and old Clarifier 1 have been completed on the Flow Equalization Basin Expansion/Interim Digester Mods Project. MGC is performing the rehab of Clarifier 2. Repairs were also made to the diffusers in both digesters. Both digesters will be taken down for inspection in early July to make sure the repairs are holding up.
- District Manager met with Kenny Watkins of the FireRock Country Club Golf Course on March 19, 2010 regarding comments made on the Reclaimed Water Use draft agreement. Final agreement will be presented at the next Board meeting for approval.
- The final draft of the APP Amendment including a second round of District comments is being reviewed by ADEQ management for final issuance.
- District received a rebate application approval from SRP on March 22, 2010. The rebate amount is approximately \$80,000 and could be up to 20% more if the District shows that the savings is more than the original claim. Final data will be submitted to SRP by June 17, 2010.

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 that the General Fund Income Statement for March continues to be positive.

The number of new Sewer Service Agreements is above budget projections.

Billing is on track.

Agenda Item No. 8

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

After a discussion, Director Hansen made a motion to approve the purchase of a Ricoh MPC7500 Digital Copier from Ikon in the amount of \$15,164.76. Director Thomson seconded the motion which passed with a vote of four to one.

Agenda Item No. 9

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

Agenda Item No. 10

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

Director Hansen moved and Director Thomson 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 6:51 p.m. There was no discussion and no direction given to staff.

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 Hansen requested that an agenda item be placed on the May meeting agenda to discuss Fountain Lake.

District Manager updated the Board on the landscaping in progress along Saguaro Blvd. and Pepperwood Circle.

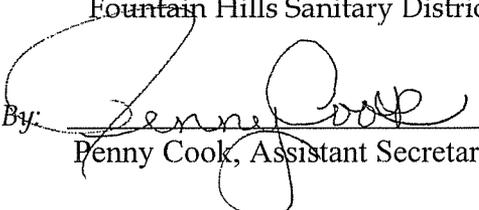
Agenda Item No. 12
Adjournment.

Director Hansen made a motion to adjourn the meeting at 6:55 p.m. Director Thomson seconded the motion which passed unanimously.

Dated this 21st day of April, 2010.

Fountain Hills Sanitary District

Minutes Prepared By:


Penny Cook, Assistant Secretary