

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, May 17, 2011** 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

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.

Agenda Item No. 2

Approval of Minutes

A motion was made by Director Thomson to approve the minutes of the Regular Meeting of April 19, 2011 as presented. Vice Chairman 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 April, permit compliance, progress on ASR Well No. 5 Project, Fountain Lake Water Quality, status of former State Trust Land, Reclaimed Water Use Agreement – Eagle Mountain and Town, and general direction from Board.

- District Manager reported the District's total recharge credit available as of April 30, 2011 was 275,112,979 gallons.

Director Thomson requested that the Recharge Statistic graph for the previous year reflect the month end credit which would then be comparable with the current month graph.

- All District facilities were in compliance with their respective permits for the month of April.
- The ASR Well No. 5 Project is on hold until the contractor receives the vertical turbine pumps for the A WTF product water tank and well vault. The pumps and vault are expected to be received by mid-June and construction should resume by the end of June.

Director Reski asked if the VFD's in this project would be eligible for an SRP grant. District Manager will check to see if there is anything available.

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 reported the General Fund Income Statement for April was favorable to budget.

There were two new Sewer Service Agreements issued in April.

Billing is on track.

Agenda Item No. 6

Discussion and direction to staff regarding Fountain Lake Water Quality.

District Manager had a meeting with the Town's lake management consultant and after that meeting staff was ready to make a recommendation as to what should be done as far as the first phase of a project and what that project should consist of if it goes forward. The number one thing is a comprehensive lake maintenance management plan. The plan does need to be done by a lake management consultant. The second item would be to design and construct a piping system in the lake which is capable of mixing vertically to eliminate thermal stratification and circulating horizontally to eliminate dead zones. He would like to see the District take over the operation of the lake.

District Manager is asking for direction and if the Board is willing to go forward with this project. If both governing bodies are willing to go forward, the next joint study group meeting would start to enumerate points that each side felt needed to be in an IGA. From that meeting, draft an IGA and forward it back for review to the two governing bodies.

After a discussion, the Board gave direction to staff to continue with the Fountain Lake Water Quality Joint Study Group and try and work out key points to be included in an IGA. This meeting will also depend on if the Town Council agrees to go forward at the May 19, 2011 Council Meeting.

Agenda Item No. 7

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

There was no discussion.

Agenda Item No. 8

Discussion and consideration to approve Controller's contract for FY 2011/2012.

Director Thomson and Director Reski requested changes to the Controller's contract. After a discussion, it was decided that Legal Counsel will review and modify the contract which will be presented at the June 21, 2011 for approval.

Agenda Item No. 9

VOTE TO GO INTO EXECUTIVE SESSION FOR THE FOLLOWING PURPOSE: pursuant to A.R.S. Section 38-431.03(A)(1) evaluation of District Manager's performance, discussion regarding District Manager's annual salary for FY 2011/2012.

Director Thomson moved and Director Reski seconded to go into executive session pursuant to A.R.S. § 38-431.03(A)(1), for the purpose of evaluation of the District Manager's performance and discussion regarding District Manager's annual salary for FY 2011/2012. Motion carried unanimously and the regular session adjourned at 6:56 p.m.

Agenda Item No.10
RETURN TO REGULAR SESSION.

Regular session resumed at 7:05 p.m.

Agenda Item No.11
Consideration to set District Manager's salary for FY 2011/2012.

Director Thomson moved to set the same compensation of \$127,000 for the District Manager's salary for FY 2011/2012. Vice Chairman Hansen seconded the motion which passed unanimously.

Agenda Item No. 12
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 thanked District Manager for cleaning up the parking lot and having the striping redone.

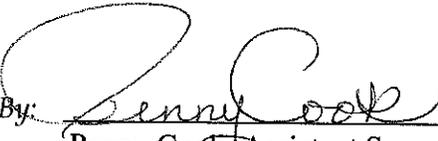
Agenda Item No. 13
Adjournment.

Director Panaro made a motion to adjourn the meeting at 7:06 p.m. Director Reski seconded the motion which passed unanimously.

Dated this 18th day of May, 2011.

Fountain Hills Sanitary District

Minutes Prepared By:


Penny Cook, Assistant Secretary