

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, June 15, 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 Mike 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, Tori Sawyer, Controller, and Penny Cook, Assistant Secretary.

Agenda Item No. 2 **Approval of Minutes: Regular Meeting: 05/18/10**

A motion was made by Director Thomson to approve the minutes of the Regular Meeting of May 18, 2010 as presented. Director Hansen seconded the motion which passed unanimously.

Agenda Item No. 3 **Presentation by the Fountain Hills Investment Co., LLC. (Ellman Cos.) regarding the Master Wastewater Report for the former State Trust Land.**

Representatives from the Fountain Hills Investment Co., LLC. presented their Master Wastewater Report for the former State Trust Land to the Board and answered questions.

Agenda Item No. 4 **Call to public.**

There was no public comment.

Agenda Item No. 5 **District Manager's report; items to be discussed include plant and recharge statistics for May, permit compliance, progress on ASR Well No. 5, status of former State Trust Land, Reclaimed Water Use Agreements – Eagle Mountain and Town, Aquifer Protection Permit Amendment, SRP Grant/Rebate, Utilizing Solar Energy at District Facilities, WWTP Landscape Project, Fountain Lake Water Quality, and general direction from Board.**

- District Manager reported the District's total recharge credit available as of May 31, 2010 was 332,451,979 gallons.
- All District facilities were in compliance with their respective permits for the month of May.

District staff hired Tetra Tech to investigate the fecal coliform issues the District has been experiencing.

- Final plans and specifications for the ASR Well No. 5 project have been submitted to the Maricopa County Environmental Services Department and the Town of Fountain Hills for review and approval.
- A submission was made with all the data requirements needed for the SRP Grant/Rebate.
- The WWTP Landscape Project is close to be completed. Granite has been placed by staff, all of the plants and trees are in, wall has been raised, and all that remains is completion of the sign and painting of wall.
- Research is being performed to determine what options are available for improving the water quality in Fountain Lake.

Agenda Item No. 6

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 May continues to be positive.

There was one new Sewer Service Agreement issued in May.

Billing is on track.

Agenda Item No. 7

Public hearing concerning FY 2010/2011 fee schedule.

Chairman Panaro opened the public hearing for the FY 2010/2011 fee schedule. There was no public comment. District Controller went over the minor changes to the verbiage and informed the Board that there were no fee changes from the previous year.

Chairman Panaro closed the public hearing.

Agenda Item No. 8

Consideration to approve Resolution No. 2482, the FY 2010/2011 fee schedule.

Director Thomson made a motion to approve Resolution No. 248, the FY 2010/2011 fee schedule. Director Hansen seconded the motion which passed unanimously.

Agenda Item No. 9

Public hearing concerning FY 2010/2011 budget.

Chairman Panaro opened the public hearing for the FY 2010/2011 budget. There was no public comment. District Controller went over a few changes to the budget and informed the Board that the only major project on the budget for the 2010/2011 fiscal year is the ASR Well No. 5 project which is a carryover from the 2009/2010 budget. The property tax rate was decreased from .73 per hundred to .60 per hundred.

Chairman Panaro closed the public hearing.

Agenda Item No. 10

Consideration to approve FY 2010/2011 budget.

Director Thomson made a motion to approve the FY 2010/2011 budget. Director Hansen seconded the motion which passed unanimously.

Agenda Item No. 11

Discussion and consideration to select audit firm to perform FY 2009/2010 audit.

District Controller presented two quotes received from Audit firms to perform the 2009/2010 audit. After a discussion, Director Hansen made a motion to award the firm of Henry & Horne to perform the 2009/2010 District Audit. Vice Chairman Howard seconded the motion and the motion passed with a vote of 4 to 0 with Director Thomson abstaining.

Agenda Item No. 12

Discussion and consideration to approve IGA with Town of Fountain Hills regarding the provision of GIS and CAD services to the District by the Town.

After a discussion Director Thomson made a motion to approve the IGA with Town of Fountain Hills regarding the provision of GIS and CAD services to the District by the Town as amended. Director Reski seconded the motion which passed unanimously.

Agenda Item No.13

Discussion and consideration to approve constructing wall surrounding former Saguaro Woods property.

District Manager is requesting that the budget item to construct a wall around the former Saguaro Woods property be moved from July of 2012 to the 2010/2011 fiscal year. He explained that there will be excess funds from WWTP Landscaping Project to cover the approximate cost of \$35,000 to construct the wall.

Director Hansen made a motion to authorize District Manager to solicit bids to construct wall around the former Saguaro Woods property. Director Reski seconded the motion which passed unanimously.

Agenda Item No. 14

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

Director Reski 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. Motion carried unanimously and the regular session adjourned at 7:06 p.m.

Regular session resumed at 7:24 p.m. Chairman Panaro directed District Manager to draft letter to the Ellman Companies with regards to the proposed Master Wastewater Report and directed staff to work on developing an amended annexation agreement to be presented back to the Board at the July 20, 2010 meeting.

Agenda Item No. 15

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.

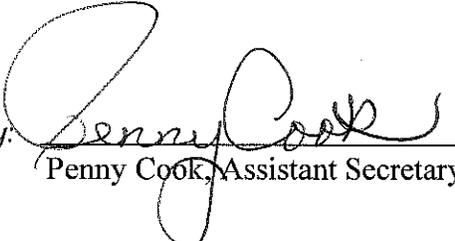
Agenda Item No. 16

Adjournment.

Director Hansen made a motion to adjourn the meeting at 7:25 p.m. Director Reski seconded the motion which passed unanimously.

Dated this 16th day of June, 2010

Fountain Hills Sanitary District

Minutes Prepared By: 
Penny Cook, Assistant Secretary