

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, August 16, 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

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.

Agenda Item No. 2

Approval of Minutes: Regular Meeting: 07/19/11

A motion was made by Director Panaro to approve the minutes of the Regular Meeting of July 19, 2011 as presented. Director Reski seconded the motion which passed unanimously.

Agenda Item No. 3

Call to public.

There was no public comment.

Agenda Item No. 4

Presentation by Carollo Engineers regarding purpose of P.E.C.E. charge.

John Puzauskas of Carollo Engineers explained to the Board the purpose of the P.E.C.E. charges quoted in their contract for the AWTF Chlorine Feed System Modifications Project.

Agenda Item No. 5

Discussion and possible consideration to amend contract with Carollo Engineers for the design of the AWTF Chlorine Feed System Modifications Project.

Chairman Howard moved and Director Panaro 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 contract negotiations. Motion carried with a vote of 3 to 2 and the regular session adjourned at 6:09 p.m.

Regular session resumed at 6:15 p.m. Director Reski voluntarily removed himself from the discussion on personal privilege issues. After a discussion, Director Thomson made a motion to change the contract for the AWTF Chlorine Feed System Modifications Project that was approved at the last meeting from a not to exceed cost to a "lump sum". Director Panaro seconded the motion which passed unanimously.

Agenda Item No.6

District Manager's report; items to be discussed include plant and recharge statistics for July, 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, and general direction from Board.

- District Manager reported the District's total recharge credit available as of July 31, 2011 was 125,123,979 gallons.

Director Panaro suggested that the District Manager meet with golf course personnel and let them know that the recharge credits are getting low and they may want to start using more potable water in their mix.

- All District facilities were in compliance with their respective permits during the month of July.
- Backfill was placed around the vault on the ASR Well No. 5 Project. Piping into and out of the vault was completed. Electrical work (wiring) at the AWTF is currently being accomplished.
- District Manager is working on a draft IGA based on the guidance given at the July 19, 2011 meeting for the Fountain Lake Water Quality and reviewing with legal counsel. The draft should be ready for Board review at the September meeting. A kickoff meeting with the consultant doing the lake maintenance management plan was held on Wednesday, July 10, 2011. The draft plan is expected to be delivered for review in October.
- Legal Counsel is reviewing the Reclaimed Water Use Agreements with Town for Golden Eagle Park and Desert Vista Park.

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 July was favorable to budget.

There were no Sewer Service Agreement issued in July.

Billing is on track.

Agenda Item No. 8

Discussion and consideration to approve Resolution No. 252 requesting cancellation of the November 8, 2011 District election.

District Manager informed the Board that only two persons filed petitions for the three positions open for the Board of Directors. Statutes allow the Board of Supervisors to cancel the election if the number of candidates is less than or equal to the number of seats up for election. Resolution No. 252 would be contingent on no write in candidates by August 24, 2011 and will allow the District to ask the Board of Supervisors to cancel the election.

After a discussion Director Thomson made a motion to approve Resolution No. 252 requesting cancellation of the November 8, 2011 District election. Director Hansen seconded the motion which passed unanimously.

Agenda Item No. 9

Discussion and possible direction to staff regarding completion of sidewalk on the Saguaro Blvd. side of the WWTP.

District Manager explained that the sidewalk in front of the WWTP was not completed due to the possible repaving project of Saguaro Blvd.

Agenda Item No. 10

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

District Manager informed the Board that he had a brief meeting with Don Kyle and his hydrogeological consultant from Southwest Groundwater. After the discussion regarding whether or not the design should be done to do a test well that could be a monitor well or whether it should be a test well that would become an ASR well, a mutual decision was made that a meeting with the regulatory agencies should be scheduled to find out what they would recommend or what they think we could do. There is a meeting set up with both ADWR and ADEQ on August 23, 2011. District Manager will attend with Don Kyle and Bill Greenslade from Southwest Groundwater.

The Board would like to reiterate that there has been no commitment on the part of the District to provide sewer service at this time and that the sense of this Board remains that an annexation agreement acceptable to this Board would have to be a prerequisite.

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

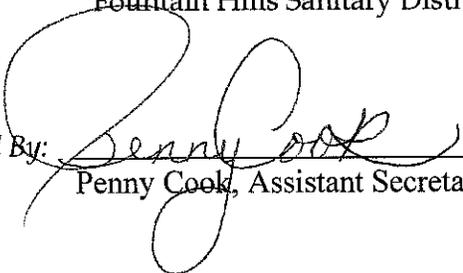
Adjournment.

Director Reski made a motion to adjourn the meeting at 6:45 p.m. Director Hansen seconded the motion which passed unanimously.

Dated this 17th day of August, 2011.

Fountain Hills Sanitary District

Minutes Prepared By:


Penny Cook, Assistant Secretary