

**MINUTES OF SPECIAL MEETING
BOARD OF DIRECTORS
FOUNTAIN HILLS SANITARY DISTRICT**

The Board of Directors of the Fountain Hills Sanitary District met in a **Work/Study Session** on **Thursday, February 28, 2019** at **4:00** p.m. in the District's Board Room located at 16941 E. Pepperwood Circle, Fountain Hills, AZ 85268.

Agenda Item No. 1

Call to order and roll call

The following Directors were present:

Chairman Greg Dudash, Vice Chairman Jerry Butler, Director Michael Maroon, Director Robert Thomson, and Director Tom Reski.

(Note: Unanimous votes refer to all Directors present)

The following Executive Staff members from the Sanitary District were present:

Dana Trompke, District Manager, Bill Sullivan, Legal Counsel (telephonically), and Penny Cook, Assistant Secretary.

Agenda Item No. 2

Call to public.

There was no comment.

Agenda Item No. 3

Discussion regarding long term recycled water demand, availability, and pricing.

Vice Chairman Butler indicated that he was struggling with the three tier pricing systems discussed at the February 20th meeting and the implications it would mean to the golf courses. He indicated that it should be a supply and demand issue not a pricing issue. He suggested the District sit down with the golf courses and explain that our supply is going down and the water sent to them by the District needs to decrease. He suggested that the District focus more on the water issues in Arizona.

Director Maroon stated that the District could not possibly be aware of all of the recycled water user needs in a way that is fare and equitable. The economics of a pricing structure would allow the economics to curb water use behaviors and forcibly find some alternative solutions.

District Manager presented the Board with a report showing supply and demand over the last sixteen years. District Manager also presented the Board with an alternate plan to consider regarding pricing to golf courses.

Director Reski suggested District Manager talk to golf course personnel without presenting any numbers but just informing them that there may be a deficit of supply in the future and try to get them on board with helping the District solve this problem. Explain to them the situation regarding the ground water lease and its effect on ground water table.

Direction was given to District Manager to put a presentation together to present to golf course owners and managers regarding our future reclaimed water supply and ask for them to work together to solve the issue.

Agenda Item No. 4

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 address in the summaries, unless the specific item is otherwise properly noticed.

Chairman Dudash thanked District Manager for the great work she put into the documents that were prepared and presented regarding the District's current state of recycled water demand, availability, and pricing.

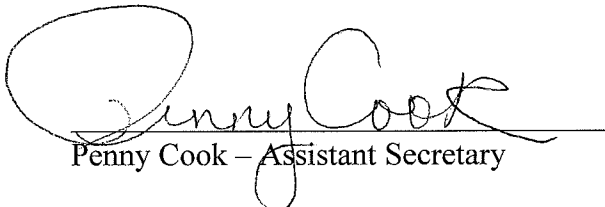
Agenda Item No. 5

Adjournment.

Director Thomson made a motion to adjourn the meeting at 5:32 p.m. Director Reski seconded the motion which passed unanimously.

Dated this 1st day of March, 2019.

Fountain Hills Sanitary District



Penny Cook – Assistant Secretary