**MAGMA FLOOD CONTROL DISTRICT**

**MINUTES OF THE**

**TUESDAY, JULY 12, 2011 MEETING**

The meeting was called to order at 4:05 p.m. at the Florence Unified School District - Anthem K-8 Band Room, 2700 N. Anthem Way, Florence, Arizona. The meeting was properly posted within the boundaries of the District and a phone number of 1-800-920-7487 was provided for individuals residing within and without the District to appear telephonically for the meeting. The Meeting was called to order by President Vincent Dobson. Director Ty LeSueur and Director Le Smith appeared telephonically at the meeting. Others present were Kent Pace, General Manager, and Larry Pfeiffer, Assistant Secretary to the Board. Appearing telephonically was District Counsel Stephen Cooper. No member of the public was present.

Given the small number of attendees at the meeting, the Welcome and Introductions were dispensed with.

The next item of business was approval of the Minutes of May 23, 2011. A motion was made by Ty LeSueur and was seconded by Vincent Dobson. Thereafter the Minutes were approved.

The next item of business was a “Call to the Public” and a “Question and Answer” session. Since no one public member was present, this matter was dismissed.

In the next item of business, Kent Pace presented the following General Manager Report:

* Status of the Dam Rehabilitation Construction: It was noted that dam repair construction had not yet begun as only one (the CQC Plan) of the four work plans [the Fill Plan, the Excavation Plan, the Construction Quality Control (“CQC”) Plan, and the Operation Plan—all of which are required to be approved by the District’s Engineer before construction can begin] has been approved.
* Status of Federal funding/reimbursements from NRCS: It was noted that the District had recently submitted two reimbursement requests to NRCS, and that the first reimbursement in the amount of $34,696.43 had been received, and the second reimbursement request in the amount of $56,380.17 is being processed and is expected to be received in the near future.
* Prior Year Expenditures: It was noted that the District had complied with its requirements to stay within the confines of the total approved budget for Fiscal Year 2011. Mr. Pace noted in a comparison review of the Budget versus Actual expenditures that two individual line items exceeded the amounts initially approved and required funding from other budget line items to cover the shortfall. These items were:
  + IT Consulting and Website services: The budget was increased by $870 to allow for the establishment of a File Transfer Protocol Site to assist the District in distributing information during the construction bidding process.
  + Design & Engineering of Repair to MFCD Structures: The budget was increased by $243,322 to cover the additional costs relating to 1) the redesign of the Dam when ADWR granted a waiver of the freeboard requirements, 2) additional engineering time needed to respond to the voluminous design comments received from ADWR and NRCS, and 3) design and quality control/assurance services associated with the relocation of the El Paso Natural Gas line.
* Proposed Budget for Fiscal Year 2011-2012 (Property Tax Year 2011): General Manager Pace presented the proposed fiscal year 2011-2012 budget for the Magma Flood Control District. General Manager Pace noted the District would have total budget of $14,952,496.00 dollars. The District was carrying forward the amount of $2,633,492.00 dollars from the last fiscal year. The 2011-2012 tax levy would be $1,079,700.00 dollars. $11,117,304.00 dollars is budgeted as the maximum amount of grant funding that could be received from NRCS items relating to repairing the dam.
* Proposed Contract with General Manager for fiscal year 2011-2012: General Manager Pace stated that the proposed contract is identical to the prior General Manager contract, with one exception—the hourly compensation rate.
* Status of Oct. 5th, 2011 District Board Member Election: General Manager Pace noted that according to the Pinal County Elections Department only two individuals (Tyler LeSueur and Wayne Dames) had filed paperwork to be candidates in the District’s election of two board members. Since there were only two candidates, the Pinal County Elections Director was in the process of reviewing the file to determine if the election could be cancelled (thus saving the District the cost of holding an undisputed election) and, in turn, have the two candidates appointed to the four year term board member positions by the Pinal County Board of Supervisors.

The next item of business was the proposed Fiscal Year 2012 Quarterly Board Meeting schedule. A motion was made by Director LeSueur to approve the Magma Flood Control District Fiscal Year 2012 Quarterly Board Meeting schedule of Tuesday, September 6, 2011; Tuesday, December 6, 2011; Tuesday, March 6, 2012; & Tuesday, June 5, 2012. The motion was seconded by Director Smith, and thereafter it was approved. Note: All meetings will convene telephonically at 4:00 p.m. at the F.U.S.D. Anthem K-8 School - Band Room, located at 2700 N. Anthem Way, Florence, AZ, 85232. To participate telephonically dial 1-800-920-7487 and when prompted, enter the Participant Code 44317254#.

The next item of business was approval of the fiscal year 2011-2012 annual budget. President Dobson thanked General Manager Pace for his preparation of the budget and his continuing efforts to assist in the dam repair and rehabilitation. As the Budget was discussed in full detail in Agenda Item #4 (the General Manager’s Report). A motion was made to approve the Magma Flood Control District annual budget for the fiscal year 2011-2012 by President Dobson. The motion was seconded by Director Smith, and thereafter it was approved.

The next item of business was the 2011-2012 tax levy which was also discussed in full detail in Agenda item 4 (the General Manager’s Report). It was noted that the proposed tax levy generates a tax rate that is consistent with the prior year tax rate–approximately 2.6132%. It was also noted that both the proposed tax levy had been communicated to the public in each of the public meetings held during the public outreach efforts associated with developing the Watershed Work Plan and Environmental Assessment Report as well as the previous board meetings attended by the public. Thereafter, a motion was made by President Dobson to approve a tax levy which would generate a property tax revenue of $1,079,700.00 dollars. This motion was seconded by Director LeSueur and thereafter was approved.

The next item of business was discussion of Resolution 2012-07-01 a resolution authorizing the County Treasurer to invest excess funds of the District in the coming year. It was noted that this is an annual financial policy required by both the District and the County to make sure the County has legal authority to invest the District’s funds. A motion was made by Director LeSueur to authorize County Treasurer to invest excess funds and it was seconded by Director Smith and thereafter this motion passed.

The next item of business was discussion of Resolution 2012-07-02 a Resolution authorizing that District warrants must be signed by two officers of the District. The District Officers authorized to sign warrants are District Manager Pace, President Vinson Dobson, Board Member LeSueur and Assistant Secretary Larry Pfeiffer. The Resolution further noted for conflict of interest and safe accounting practices that any warrant issued to General Manager Pace or Cogitate Inc., cannot be issued with the signature of General Manager Pace. A motion was made to approve the Resolution by President Dobson. The motion was seconded by Director LeSueur and thereafter it was approved.

The next item of business was discussion of Resolution 2012-07-03 a Resolution authorizing District Manager Pace and Assistant Secretary Larry Pfeiffer to electronically provide warrant information to the Pinal County Treasurer. A motion was made by President Dobson to approve the Resolution. The motion was seconded by Director LeSueur, and thereafter it was approved.

The next item of business was to consider action on the continued employment with Kent Pace General Manager of the District. Mr. Pace did not participate in the discussion of this matter. Vinson Dobson noted the Board was pleased with the duties performed by General Manager Pace and the suggested hourly fee offered by Mr. Pace was less than what we were paying consultants on a per hour basis. President Dobson also noted Mr. Pace’s knowledge and experience would streamline the completion of the dam repairs and the cost to repair the dam. A motion was made by Director LeSueur to approve the employment contract and was seconded by Director Smith. The motion was thereafter unanimously approved.

The next item of business was the District Board Member Election to be held on Wednesday, October 5, 2011. This matter was tabled to the next District Meeting in September.

The next item of business was Board reports. There were no reports to come before the Board.

The next item of business was other business that may become before the Board.

There being no further business, the meeting was adjourned at 4:46 p.m.

**RESPECTULLY SUBMITTED** this \_\_\_\_ day of July, 2011.

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**STEPHEN R. COOPER, Attorney for**

**MAGMA FLOOD CONTROLDISTRICT**