

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, April 23, 2013** at **5:00 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 Bob Thomson, Vice Chairman Tom Reski, Director Glenn Panaro, Director Thom Besett, and Director Bruce Hansen.

The following Executive Staff members were present:

Ron Huber, District Manager, Bill Sullivan, Legal Counsel, Tori Sawyer, Controller, and Penny Cook, Assistant Secretary.

Also in attendance:

Bill Cunningham, Collection Services Operations Manager, Clark Moskop, Plant Operations Manager, Hazel Cunningham, Administrative Services Manager, and Chris Kiriluk, Asst. District Engineer.

Agenda Item No. 2

Workshop with staff to discuss FY 2013/2014 preliminary Budget and Fee Schedule.

Overview

The District Controller presented to the Board of Directors staff proposals for the fiscal year 2013/2014 budget and fee schedule.

The Controller reviewed each section of the proposed budget and answered questions asked by the Board.

Highlights of the Proposed Budget are as follows:

Net assessed property values within the District decreased 2.63%. Property tax rate will increase to \$0.7984 per \$100 in AV for the 2013/2014 fiscal year.

No increase in Sewer User Fees is proposed.

Total operating budget for fiscal year 2013-2014 is expected to increase 1.23% over the 2012-2013 adopted budget.

District staff determined that the organization and categorization of certain operating expenses be segregated as "Common" expenses and distributed by department.

Agenda Item No. 3

Discussion and consideration to approve the FY 2013/2014 preliminary budget and fee schedule for publication and to set public hearing thereon.

A motion was made by Vice Chairman Reski to approve the FY 2013/2014 preliminary budget and fee schedule for publication with modifications as discussed and set the public hearing for June 11, 2013. Director Hansen seconded the motion which passed unanimously.

Agenda Item No. 4

Approval of Minutes

A motion was made by Director Hansen to approve the minutes of the Regular Meeting of March 26, 2013 as presented. Vice Chairman Reski seconded the motion which passed unanimously.

Agenda Item No. 5

Call to public.

There was no public comment.

Agenda Item No. 6

District Manager's report; items to be discussed include plant and recharge statistics for March, permit compliance, progress on ASR Well No. 5 Project, Fountain Lake IGA, status of former State Trust Land, Reclaimed Water Use Agreements for Golden Eagle Park and Desert Vista Park, AWTF Chlorine Feed System Mods Project, diffuser failure in digester, AWTF Membrane Replacement and EFM/CIP Project, Replacement of Influent Screens and Influent Pumps Project, and general direction from Board.

- District Manager reported the District's total recharge credit available as of March 31, 2013 was 281,186,979 gallons.
- All District facilities were in compliance with their respective permits for the month of March.
- The CDM engineer on the ASR Well No. 5 project sent a memo regarding their further analysis indicating that they felt that the pipe that goes through the center wall of the vault needed to be isolated from the vault. District Manager responded with questions regarding their analysis and is awaiting a response.
- All that remains on the AWTF Chlorine Feed System Mods Project is placement of the third chlortainer and all three chlorine cylinder roller assemblies.
- The third submittal received from Mooers Products on the diffuser replacements has been approved so they are going to go ahead and start the manufacturing process. The diffusers and supports should be delivered and installed by August.
- Approval to construct the AWTF Membrane Replacement and EFM/CIP project was received from Maricopa County. 100% plans should be done Friday, April 26, 2013 and then the contractor will be able to provide the District with a guaranteed maximum price.

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 March was favorable to budget.

Billing is on track.

Agenda Item No. 8

Discussion and consideration to authorize District Manager to purchase service truck to replace S-19.

Director Besett made a motion to authorize District Manager to purchase service truck to replace S-19 in the amount of \$64,368.35. Director Panaro seconded the motion which passed unanimously.

Agenda Item No. 9

Follow-up discussion re: reclaimed water quality and golf courses.

District Manager had a meeting on Thursday, April 18, 2013 with the three golf course operators. They would like the District to participate with them in providing free potassium chloride for water softeners in Fountain Hills to transition from sodium based water softener salt. They would like the Town Council to consider an ordinance that bans sodium based water softeners.

Agenda Item No. 10

VOTE TO GO INTO EXECUTIVE SESSION FOR THE FOLLOWING PURPOSE: pursuant to A.R.S. Section 38-0431.03(A)(1) evaluation of District Manager's performance, discussion regarding District Manager's annual salary for FY 2013/2014.

Vice Chairman Reski and Director Besett seconded to go into executive session pursuant to A.R.S. Section 38-431.03(A)(1), for evaluation of District Manager's performance, discussion regarding District Manager's annual salary for FY 2013/2014 and the regular session adjourned at 7:22 p.m.

Agenda Item No. 11

RETURN TO REGULAR SESSION

Regular session resumed at 7:29 p.m.

Agenda Item No. 12

Consideration to set District Manager's salary for FY 2013/2014.

Director Hansen moved that the District Manager's salary be increased by \$3,000.00 annually. Director Panaro seconded the motion which passed unanimously.

Agenda Item No.13

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.

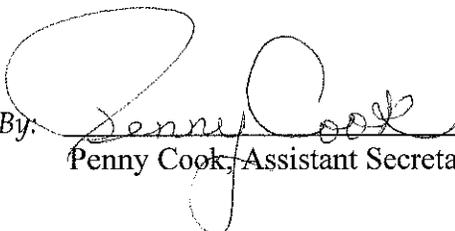
Agenda Item No. 14
Adjournment.

Director Hansen made a motion to adjourn the meeting at 7:30 p.m. Vice Chairman Reski seconded the motion which passed unanimously.

Dated this 24th day of April, 2013.

Fountain Hills Sanitary District

Minutes Prepared By:


Penny Cook, Assistant Secretary