

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 16, 2009** 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 Tom Reski, Vice Chairman Glenn Panaro, Director Bruce Hansen, and Director Bob Thomson. Director Michael Howard was absent.

The following Executive Staff members were present:

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

Agenda Item No. 2 **Approval of Minutes: Regular Meeting: 05/19/09**

A motion was made by Vice Chairman Panaro to approve the minutes of the Regular Meeting of May 19, 2009 as amended. Director Thomson seconded the motion which passed unanimously.

Agenda Item No. 3 **Call to public.**

There was no public comment.

Agenda Item No. 4 **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 State Trust Land, Flow Equalization Basin Expansion/Interim Digester Mods project and addition of fifth microfiltration rack, Saguaro Woods property, Reclaimed Water Use agreement, Town Square / Downtown Area, and general direction from Board.**

- District Manager reported the District's total recharge credit available as of May 31, 2009 was 434,004,979 gallons.
- All District facilities were in compliance with their respective permits for the month of May.
- The District is waiting for CDM's final revisions to the plans and specifications on the ASR Well No. 5 project.
- Completion of the return activated sludge pumping station modifications on the Flow Equalization Basin Expansion/Interim Digester Mods. and addition of Fifth Microfiltration Rack project will enable Clarifier No. 3 to startup. Piping has been completed, backfill is being done, and Clarifier No. 3 should startup shortly. Once Clarifier No. 3 is running for a week, one of the other clarifiers will be taken down for rehab work.

Testing will take place within a week on the newly refurbished west digester cell. Once that is placed into operation, renovation of the east cell can begin.

The microfiltration equipment is on order.

- An ALTA survey has been performed on the Saguaro Woods Property and has been given to the title company. The Saguaro Woods HOA is still securing owner signatures. A draft purchase agreement has been reviewed by District staff and the HOA's attorney.

Agenda Item No. 5

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 May was favorable to budget.

The number of new Sewer Service Agreements is still below budget.

Billing is on track.

Agenda Item No. 6

PUBLIC HEARING concerning the FY 2009/2010 fee schedule.

The public hearing concerning the FY 2009/2010 fee schedule was opened by Chairman Reski. There was no public comment. Chairman Reski closed the public hearing.

Agenda Item No. 7

Consideration to approve Resolution No. 243, the FY 2009/2010 fee schedule.

Director Thomson made a motion to approve Resolution No. 243, the FY 2009/2010 fee schedule, as presented. Director Hansen seconded the motion which passed unanimously.

Agenda Item No. 8

VOTE TO GO INTO EXECUTIVE SESSION FOR THE FOLLOWING PURPOSE: pursuant to A.R.S Section 38-431.03(A)(1) evaluation of District Manager's performance, discussion regarding District Manager's annual salary for FY 2009/2010.

Director Thomson moved and Vice Chairman Panaro seconded to go into executive session pursuant to A.R.S. § 38-431.03(A)(1), for the purpose of evaluation of the District Manager's performance and discussion regarding District Manager's annual salary for FY 2009/2010. Motion carried unanimously and the regular session adjourned at 6:12 p.m.

Agenda Item No. 9

RETURN TO REGULAR SESSION

Regular Session resumed at 6:20 p.m.

Agenda Item No. 10

Consideration to set District Manager's salary for FY 2009/2010.

Director Hansen commended the District Manager on an outstanding job and due to the economic times, made a motion to maintain the District Manager's salary for the 2009/2010 fiscal year at its present level. Director Thomson seconded the motion which passed unanimously.

Agenda Item No. 11
PUBLIC HEARING concerning FY 2009/2010 budget.

Chairman Reski opened the public hearing concerning the FY 2009/2010 budget. There was no public comment. Chairman Reski closed the Public Hearing.

Agenda Item No. 12
Consideration to approve FY 2009/2010 budget.

Director Hansen made a motion to approve the 2009/2010 budget. Vice Chairman Panaro seconded the motion which passed unanimously.

Agenda Item No. 13
Discussion and possible direction to staff regarding the concept of charging the Town for reclaimed water.

Director Hansen requested that the Board look into charging the Town for the Reclaimed Water used at Town Parks and suggested that this be discussed with the Town before anything is done. After a discussion, it was decided that the District Manager would meet with the Town Manager and discuss fees in general, i.e. what each other is being charged.

Agenda Item No. 14
Consideration to approve Resolution No. 244, call for a non-partisan election on November 3, 2009.

Director Thomson made a motion to approve Resolution No. 244, call for a non-partisan election on November 3, 2009. Director Hansen seconded the motion which passed unanimously.

Agenda Item No. 15
Discussion and direction to staff regarding a Reclaimed Water Use Agreement with SunRidge Canyon Golf Course.

A draft Reclaimed Water Use Agreement was given to SunRidge Canyon Golf Course for their review. The one major comment that was received from them had to do with the term of the agreement and being able to lock in a price per acre foot for the term of the agreement. SunRidge would like a 10 year agreement with the price locked in for 10 years.

After a discussion, direction was given to staff to meet with SunRidge Canyon Golf Course and suggest a 10 year agreement at a cost not to exceed \$380 per acre foot with a price adjustment to be done after 5 years. The adjustment would not exceed 75 percent of potable water cost.

Agenda Item No. 16
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.

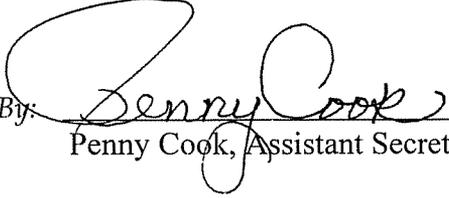
There were no comments.

Agenda Item No. 17
Adjournment.

Director Hansen made a motion to adjourn the meeting at 7:17 p.m. Vice Chairman Panaro seconded the motion which passed unanimously.

Dated this 17th day of June, 2009.

Fountain Hills Sanitary District

Minutes Prepared By: 
Penny Cook, Assistant Secretary