

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 17, 2008** 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 Bob Thomson, Director Glenn Panaro, Director Mike Howard, and Director Bruce Hansen. Vice Chairman Tom Reski was absent.

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: 05/20/08

A motion was made by Director Hansen to approve the minutes of the Regular Meeting of May 20, 2008 as presented. Director Howard 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 former State Trust Land, Pump Station No. 4 Modifications, Force Main Replacement, Flow Equalization Basin Expansion/Interim Digester Mods project and addition of fifth microfiltration rack, tracer study, Saguaro Woods property, and general direction from Board.

- District Manager reported the District's total recharge credit available as of May 31, 2008 was 394,056,979 gallons.
- All District facilities were in compliance with their respective permits for the month of May.
- CDM is approximately 30-35% complete with the design of the ASR Well No. 5 Project. This includes the work at AWTF, the line to the well, and the waste line from the well but does not include the recovery line.

- The Force Main Replacement project construction is as far as it is going into the WWTP. The District has encountered some conflicts in which the District Manager is going to allow MGC and their electrical subcontractor to deal with as a change to their scope. This involved approximately 30 lineal feet of pipe and two manholes. There is a conflict with an electrical duct bank, an electrical conduit that is not encased, and the 30 inch influent sewer line.
- The FEB excavation is complete and the floor of the addition is being formed for the FEB Expansion/Interim Digester Mods and Addition of Fifth Microfiltration Rack project. The underground electrical conduits for the storage building have been installed and the footers are being excavated for the building.
- District Manager contacted CK Appraisal Services for an appraisal on the Saguaro Woods property.

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 that the General Fund Income Statement for April continues to be positive.

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

Billing is on track.

Agenda Item No. 6

Public hearing concerning FY 2008/2009 fee schedule.

Chairman Thomson opened the public hearing for the FY 2008/2009 fee schedule. There was no public comment.

Chairman Thomson closed the public hearing.

Agenda Item No. 7

Consideration to approve Resolution No. 242, the FY 2008/2009 fee schedule.

Director Hansen made a motion to approve Resolution No. 242, the FY 2008/2009 fee schedule. Director Howard seconded the motion.

Director Panaro requested information for the basis of increasing the capacity fees. District Controller, Tori Sawyer, explained that the calculations used were determined by the growth projects needed to serve the remaining connections within the current District boundaries. Based on the estimated costs of future projects divided by the remaining number of connections, the proposed capacity fee was determined.

After a discussion, the motion passed unanimously.

Agenda Item No. 8
Public hearing concerning FY 2008/2009 budget.

Chairman Thomson opened the public hearing for the FY 2008/2009 budget. There was no public comment.

Chairman Thomson closed the public hearing.

Agenda Item No. 9
Consideration to approve FY 2008/2009 budget.

Director Hansen made a motion to approve the FY 2008/2009 budget. Director Panaro seconded the motion. After a discussion the motion, passed unanimously.

Agenda Item No. 10
Discussion and consideration to approve Controller's contract for FY 2008/2009.

Director Panaro made a motion to approve the Controller's contract for FY2008/2009. Director Hansen seconded the motion. After a discussion, the motion passed unanimously.

Chairman Thomson requested that in future years that the option be available to go into executive session to discuss the Controller's contract.

Agenda Item No. 11
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 2008/2009.

Director Hansen made a motion to go into Executive Session at 6:40 p.m. Director Panaro seconded the motion which passed unanimously.

Agenda Item No.12
RETURN TO REGULAR SESSION

Regular Session resumed at 6:50 p.m.

Agenda Item No. 13
Consideration to set District Manager's salary for FY 2008/2009.

Director Hansen made a motion to increase the District Manager's salary for the FY 2008/2009 to \$126,000.00. Director Panaro seconded the motion which passed unanimously.

Agenda Item No. 14
Discussion and possible direction to staff regarding annexation of former state trust land.

Director Panaro moved and Director Hansen 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 advise regarding the annexation process of the former state trust land. Motion carried unanimously and the regular session adjourned at 6:52 p.m.

Motion by Director Hansen and seconded by Director Panaro to reconvene into regular session. Motion carried unanimously and the regular session resumed at 7:45 p.m. There was no discussion and no direction given to staff.

Agenda Item No. 15
Presentation of final report on tracer study with discussion.

District Manager presented the completed tracer study report to the Board. He explained that five tracers were injected into ASR-2 and movement was observed for the five elements in the old Monitor Well No. 4 and new Monitor Well No. 4. The results of the study were that it took five to seven days to see movement from time of injection in ASR-2 to observing the elements in the old Monitor Well No. 4. In the New Monitor Well No. 4, over the 170 day time period, none of the elements were observed during that time at 200 gallons a minute. The study also showed a decrease of THM's in the new monitor well from the beginning of the study to the end of the study.

Chairman Thomson requested that a comparison chart for several years of recharge statistics be included on the District Managers report.

Agenda Item No. 16
Discussion and possible direction to staff regarding reverse osmosis process for District.

District Manager presented the Board with "ball park" pricing for RO.

Chairman Thomson requested that an agenda item be kept at the bottom of the agenda for future discussion.

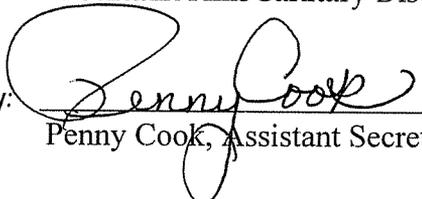
Agenda Item No. 17
The chairman, the individual members of the board and the district manager will each be permitted to provide a brief summary of current events. The Board will not propose, discuss, deliberate or take legal action at the meeting on any matter addressed in the summaries, unless the specific item is otherwise properly noticed.

Chairman Thomson requested that at a future meeting, the Board discuss the use of solar energy for the plant.

Agenda Item No. 18
Adjournment.

Director Hansen made a motion to adjourn the meeting at 8:07 p.m. Director Howard seconded the motion which passed unanimously.

Dated this 18th day of June, 2008.

Fountain Hills Sanitary District
Minutes Prepared By: 
Penny Cook, Assistant Secretary