

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 **Wednesday, June 20, 2012** 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 Bruce Hansen, Vice Chairman Bob Thomson, Director Tom Reski, Director Glenn Panaro and Director Thom Besett.

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: 05/16/12

A motion was made by Director Panaro to approve the minutes of the Regular Meeting of May 16, 2012 as presented. Director Reski 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 Project, Fountain Lake Water Quality, status of former State Trust Land, Reclaimed Water Use Agreements with Town, AWTF Chlorine Feed System Mods Project, Diffuser Failure in Digester, and general direction from Board.

- District Manager reported the District's total recharge credit available as of May 31, 2012 was 106,005,979 gallons.
- All District facilities were in compliance with their respective permits for the month of May.
- Data pertaining to pumping tests performed by District staff in conjunction with the vibrating experienced in the well vault was given to CDM for review and analyzed for the ASR Well No. 5 Project. CDM did comment that the pump might be a little too big and is now looking at the piping profile and placement of the air release valve.

- District Manager has rewritten the draft Reclaimed Water Use Agreements with the Town for both Desert Vista Park and Golden Eagle Park. Also, an agreement has been drafted and will be as an exhibit to the IGA for Fountain Lake. These agreements will be agendized at the July 2012 meeting for discussion.
- There has been no mobilization to the site for the AWTF Chlorine Feed System Mods Project. Equipment is in the process of being ordered for this project. Building construction should be started the week of June 25, 2012.
- The District has experienced a diffuser failure in the aeration system installed inside each of the two aerobic digesters. Carollo Engineers is looking into an alternative aeration method. Digesters have been placed back in service but only in the constant aeration mode and will continue to be operated in that manner until a different diffuser system can be located which is capable of operating in a cyclical manner.

Legal counsel is looking at our “legal options”.

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 May continues to be positive.

There were two new Sewer Service Agreements issued in May.

Billing is on track.

Agenda Item No. 6

Public hearing concerning FY 2012/2013 fee schedule.

Chairman Hansen opened the public hearing for the FY 2012/2013 fee schedule. There was no public comment. District Controller went over the changes to the fee schedule which is increasing the sewer user fee by \$2.00 per month, related changes to deposits, and commercial minimum increase.

A letter from Frances L. Ganard was received requesting that some regard be made for part-time residents and not be charged the full quarterly fee. Vice Chairman Thomson requested staff send a reply to Ms. Ganard indicating that the District is not in a position at this time to lower the fees for part-time residents.

Chairman Hansen closed the public hearing.

Agenda Item No. 7

Consideration to approve Resolution No. 254, the FY 2012/2013 fee schedule.

Vice Chairman Thomson made a motion to approve Resolution No. 254, the FY 2012/2013 fee schedule. Director Panaro seconded the motion which passed unanimously.

Agenda Item No. 8
Public hearing concerning FY 2012/2013 budget.

Chairman Hansen opened the public hearing for the FY 2012/2013 budget. There was no public comment.

Chairman Hansen closed the public hearing.

Agenda Item No. 9
Consideration to approve FY 2012/2013 budget.

Vice Chairman Thomson made a motion to approve the FY 2012/2013 budget. Director Reski seconded the motion which passed unanimously.

Agenda Item No. 10
Discussion and direction to staff re: draft Fountain lake intergovernmental agreement (IGA).

District Manager submitted the draft IGA to the Town and has not received any comments.

Agenda Item No. 11
Discussion and direction to staff re: reclaimed water shortage.

District Manager informed the Board that the applications for the permits for the non-exempt wells were submitted to ADWR. The District does have a draft lease agreement with the lessor that is going to lease the District water. Licensing time frame for a non-exempt well permit is 60 days.

Agenda Item No.12
Discussion and direction to staff regarding annexation of former state trust land.

Legal Counsel and District Manager had a meeting with Don Kyle of the Ellman Companies and their legal counsel on May 24, 2012. They had questions regarding the draft annexation agreement and the one issue that was discussed was the legal description of the land that will be annexed into the District.

Agenda Item No. 13
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 2012/2013.

Director Besett moved and Vice Chairman Thomson 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 2012/2013 and the regular session adjourned at 6:30 p.m.

Agenda Item No. 14
RETURN TO REGULAR SESSION

Regular session resumed at 6:38 p.m.

Agenda Item No. 15

Consideration to set District Manager's salary for FY 2012/2013.

Vice Chairman Thomson moved that the District Manager's salary be increased by \$4,000.00 annually. Director Panaro seconded the motion which passed unanimously.

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. 16

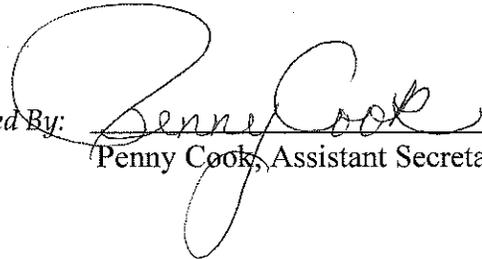
Adjournment.

Director Reski made a motion to adjourn the meeting at 6:39 p.m. Director Besett seconded the motion which passed unanimously.

Dated this 21st day of June, 2012

Fountain Hills Sanitary District

Minutes Prepared By:



Penny Cook, Assistant Secretary