

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, July 15, 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, Vice Chairman Tom Reski, Director Glenn Panaro, and Director Bruce Hansen. Director Michael Howard 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: 06/17/08

A motion was made by Director Hansen to approve the minutes of the Regular Meeting of June 17, 2008 as presented. Director Panaro 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 June, 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, Saguario Woods property, and general direction from Board.

- District Manager reported the District's total recharge credit available as of June 30, 2008 was 348,051,979 gallons.
- There was a discharge limit violation for fecal coliform for a sample taken on June 14, 2008 at the WWTP effluent pump station. The chlorine residual levels were not checked before the sample was taken. The plant monitoring system has now been modified to alarm when the chlorine residual falls to .75 mg/l.
- On July 7, 2008, the District received a preliminary design report and drawings for review on the ASR Well No. 5 project.

- Technology Construction began the backfill operation surrounding the wet well at the Pump Station No. 4 Modifications project. When the backfill is complete, the building as well as adjacent piping can be constructed.
- Punch list items are being addressed for the Force Main Replacement project.
- The floor of the FEB was poured on July 8, 2008 for the Flow Equalization Basin Expansion/Interim Digester Modifications and Addition of Fifth Microfiltration Rack project.
- The District received an appraisal for the Saguaro Woods property adjacent to the WWTP. The appraisal was \$125,000 for the 12,783 sq. ft. or approximately .29 acre.

The Board requested the District Manager talk to the appraiser regarding his calculations after legal counsel has had a chance to review the appraisal.

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 June and 07/08 fiscal year was favorable to budget.

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

Billing is on track.

Agenda Item No. 6

Discussion and possible authorization for District Manager to purchase a Dump Truck at a not to exceed price of \$52,000.

A motion was made by Director Hansen to authorize District Manager to purchase a dump truck at a not to exceed price of \$52,000. Vice Chairman Reski seconded the motion which passed unanimously.

Agenda Item No. 7

Discussion and possible direction to staff regarding annexation of former state trust land.

Vice Chairman Reski 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 and/or to consider the District's position and instruct its counsel regarding a pre-annexation (or similar) agreement involving the former state trust land. Motion carried unanimously and the regular session adjourned at 6:25 p.m.

Motion by Vice Chairman Reski and seconded by Director Hansen to reconvene into regular session. Motion carried unanimously and the regular session resumed at 7:50 p.m. There was no discussion and no direction given to staff.

Agenda Item No. 8

Discussion and possible direction to staff regarding reverse osmosis process for District.

This item was postponed until the September meeting.

Agenda Item No. 9

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.

District Manager gave the Board an e-mail received from a customer regarding when fees are paid. This item will be agendized at the August meeting.

Agenda Item No. 10

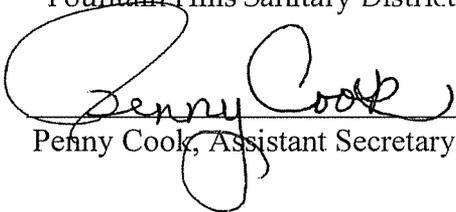
Adjournment.

Director Hansen made a motion to adjourn the meeting at 7:55 p.m. Vice Chairman Reski seconded the motion which passed unanimously.

Dated this 16th day of July, 2008.

Fountain Hills Sanitary District

Minutes Prepared By:


Penny Cook, Assistant Secretary