

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 21, 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, and Director Bruce Hansen. Director Bob Thomson arrived a few minutes late and Director Mike 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: 06/20/07**

A motion was made by Director Hansen to approve the minutes of the Regular Meeting of June 16, 2009 as presented. Vice Chairman Panaro seconded the motion which passed unanimously.

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

There was no public comment.

Agenda Item No. 4 **Presentation of employee award to Clark Moskop for 20 years of service.**

District Manager thanked Clark Moskop for his 20 years of service and presented him with an award.

Agenda Item No. 5 **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, 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, proposed meeting with Town Manager, proposed paving at Pump Station No. 4, and general direction from Board.**

- District Manager reported the District's total recharge credit available as of June 30, 2009 was 391,500,979 gallons.

- There was one reported bad fecal coliform sample from the effluent pump station during June. The appearance of the sample should have been a clue that the sampling port needed to be cleaned before another sample was taken and analyzed. The sample port spigot has been cut off and capped so this incident will not occur in the future. All future samples will be taken as grab samples from within the basin. A 30 day report has been sent to ADEQ.
- The final draft of the plans and specifications for the ASR Well No. 5 project is scheduled to be delivered to the District on August 4, 2009. The District should be able to advertise for a CM@Risk sometime in October.
- The renovated west digester is operating on the Flow Equalization Basin Expansion/Interim Digester Mods. and addition of Fifth Microfiltration Rack project. Renovation of the east digester is under way. Demolition of the contents of the old digester blower building is also under way.
- It was found that the legal description of the Saguaro Woods property was incorrect. The correct legal description is being incorporated into the transaction.
- Staff made corrections to the Reclaimed Water Use Agreement and it is being sent to SunRidge Canyon Golf Club for their review.
- The proposed meeting with the Town Manager to discuss things that the District charges the Town for and things the Town charges the District for is scheduled for July 22, 2009.
- The District's proposal to pave only the north/south portion of the alley immediately adjacent to Pump Station No. 4 was approved by Town Staff.

Agenda Item No. 6

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 June and 08/09 fiscal year was favorable to budget.

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

Billing is on track.

Agenda Item No. 7

Discussion and consideration to engage Angela Bertram to conduct the FY 08/09 financial audit of the District.

The controller informed the Board that she had obtained quotes from three additional local firms to conduct the District's 2008/2009 audit which ranged from \$7,500 to \$17,500. Considering price, consistency, availability, and familiarity with District practices, staff recommends engagement of Ms. Bertram for the 2008-2009 fiscal year.

After a discussion, Director Hanson made a motion to execute the engagement letter presented by Angela Bertram to conduct the FY 08/09 financial audit. Director Thomson seconded the motion which passed unanimously.

Agenda Item No. 8

Consideration to ratify increased engineering expenditures for Pump Station No. 4/Force Main projects.

District Manager is requesting the Board to ratify the increased engineering expenditures for Pump Station No. 4/Force Main projects from Moore and Assoc. Due to splitting the contract documents into two projects, adding the renovation of the old pump station, and unforeseen site conditions (including redesign of the force main at proposed Town's storm drain crossing), Moore and Assoc. has requested an additional \$40,600.00.

After a discussion, a motion was made by Director Thomson to ratify the increased engineering expenditures of \$40,600.00 for the Pump Station No. 4/Force Main projects. Director Hansen seconded the motion which passed unanimously.

Agenda Item No. 9

Discussion and consideration to staff regarding the procurement of consulting services from Wayne Bailey, Water and Energy Science, Inc. to help the District secure a grant from SRP for FEB construction in progress.

District Manager met with Mr. Bailey and was informed that the District could qualify for an SRP grant of \$150,000. District Manager is asking the Board for direction to engage Mr. Bailey at a cost of \$7,000.00 to file the paperwork to secure this grant from SRP. Since the grant is only available for projects in which the final payment has not been made to the contractor, District Manager has to act rather quickly.

After a discussion, the Board gave direction to the District Manager to enter into an agreement with Water & Energy Science, Inc. to file the paperwork for the SRP grant.

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.

There were no comments.

Agenda Item No. 10

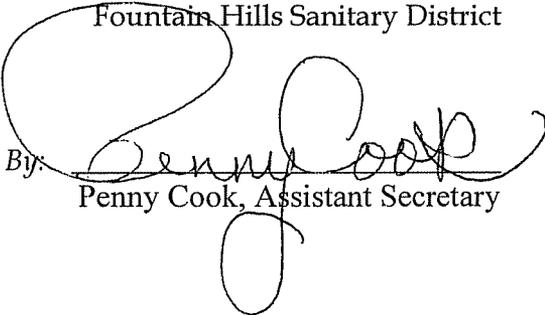
Adjournment.

Director Hansen made a motion to adjourn the meeting at 6:33 p.m. Vice Chairman Panaro seconded the motion which passed unanimously.

Dated this 30th day of July, 2009.

Fountain Hills Sanitary District

Minutes Prepared By:


Penny Cook, Assistant Secretary