

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, July 22, 2014** 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 Thom Besett, and Director Bruce Hanson. Director Robert Thomson was absent.

The following Executive Staff members were present:

Ron Huber, District Manager, Bill Sullivan, Legal Counsel, Tori Myers, District CPA, and Penny Cook, Assistant Secretary.

Agenda Item No. 2

Approval of Minutes: Special Meeting: 06/10/14

A motion was made by Vice Chairman Panaro to approve the minutes of the Special Meeting of June 10, 2014 as presented. Director Besett seconded the motion which passed unanimously.

Agenda Item No. 3

Call to public.

There was no public comment.

Agenda Item No. 4

Presentation of Service Recognition Award to Clark Moskop for 25 years of District service.

District Manager thanked Clark Moskop for his 25 years of service and presented him with a service recognition 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 Project, Reclaimed Water Use Agreements for Golden Eagle Park and Desert Vista Park, WWTP Influent Screen and Pump Replacement, Ashbrook Wash Flood Control Project, and general direction from Board.

- District Manager reported the District's total recharge credit available as of June 30, 2014 was 390,551,414 gallons.
- District facilities were in compliance with all permit requirements for the month of June.
- Baski Company is providing two brand new redesigned flow control valves for both ASR Well No. 5 and ASR Well No. 1. The new valves should be received sometime in September.

- The Flood Control District of Maricopa County is in the process of completing the plans and specifications for the Ashbrook Wash Flood Control Project.

Agenda Item No. 6

District CPA's report; items to be discussed include status of income and expenditures, billing, report on collection efforts to date, and general direction from Board.

District CPA reported that the General Fund Income Statement for June and 2013/14 fiscal year was favorable to budget.

Billing is on track.

Agenda Item No. 7

Discussion and consideration to engage Henry & Horne LLP to conduct the FY 2013/2014 financial audit of the District.

District CPA informed the Board that the fee for the FY 2013/2014 financial audit will be \$11,000 which is the same fee charged for the FY 2012/2013 financial audit. District staff had requested a few wording changes in the engagement letter and the District should be receiving the revised letter July 23, 2014.

Director Hanson made a motion to engage Henry & Horne LLP to conduct the FY 2013/2014 financial audit of the District subject to legal review of the revised letter. Vice Chairman Panaro seconded the motion which passed unanimously.

Agenda Item No. 8

Discussion and approval to purchase new sewer camera truck for \$270,174.27 from Ibak.

District Manager informed the Board that the District purchased a 1995 used sewer camera truck with approximately 200,000 miles on the engine in 2001. Repairs have been made over the years and the technology is now becoming antiquated.

District staff found two sewer camera trucks on state contract and were able to have demo's done on both units and found they liked the Ibak unit better. District Manager is requesting authorization to purchase the Ibak sewer camera truck for \$270,174.27.

Vice Chairman Panaro made a motion to authorize District Manager to purchase the new sewer camera truck for \$270,174.27 from Ibak. Director Besett seconded the motion which passed unanimously.

Agenda Item No. 9

Discussion and direction to staff regarding Reclaimed Water Use Agreements for Desert Vista and Golden Eagle Parks.

District Manager presented revised draft Reclaimed Water Use Agreements for Desert Vista and Golden Eagle Parks. He informed the Board that the only change from the previous agreements is to Paragraph 11, Commodity Rate. District Manager is requesting that discussion on this item be postponed until the August meeting. The Board members agreed that discussions be postponed until a later date.

Agenda Item No. 10

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 informed the Board that he has had an opportunity to meet with golf course personnel and will agendaize the Sodium Remediation Program on the August 2014 meeting agenda.

Agenda Item No. 13

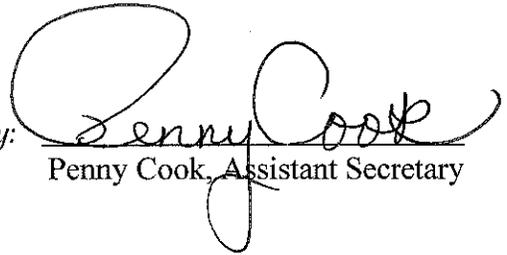
Adjournment.

Director Besett made a motion to adjourn the meeting at 6:28 p.m. Vice Chairman Panaro seconded the motion which passed unanimously.

Dated this 23rd day of July, 2014.

Fountain Hills Sanitary District

Minutes Prepared By:

A handwritten signature in cursive script that reads "Penny Cook". The signature is written over a horizontal line.

Penny Cook, Assistant Secretary