

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, August 18, 2009** at **6:06 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 Michael Howard and Director Bob Thomson were 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: 07/21/09

A motion was made by Director Panaro to approve the minutes of the Regular Meeting of July 21, 2009 as amended. Director Hansen 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 July, 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, proposed meeting with Town Manager, and general direction from Board.

- District Manager reported the District's total recharge credit available as of July 31, 2009 was 350,957,979 gallons.
- All District facilities were in compliance with their respective permits during the month of July.
- Revised plans and specifications on the ASR Well No. 5 project should be received from CDM within the next three weeks.
- District Manager received a call from Don Kyle of the Elman Group regarding the former State Trust Land and will be having a meeting with him on September 9, 2009.

- The east digester rehabilitation has been completed for the Flow Equalization Basin Expansion/Interim Digester Mods. and Addition of Fifth Microfiltration Rack project. Clarifier No. 3 was completed and is now in service. Clarifier No. 1 is down and they are assessing the corrosion and wear and determining what needs to be done. Curb and pavement repair, painting, Clarifier 1 and 2 rehab, along with a few minor items are all that remain on the FEB project.
- The purchase agreement was executed on the Saguaro Woods property and delivered to the title company. An escrow was opened. The Saguaro Woods HOA claims to have their 80 percent signatures.
- There have been no comments returned from the SunRidge Canyon Golf Course staff on the Reclaimed Water Use Agreement.
- District Manager had a meeting with Rick Davis, Town Manager, on July 22, 2009. As a result of this meeting, several meetings between Town and District staff have been scheduled to discuss topics for an intergovernmental agreement (IGA). The IGA would list items that the Town and District will do for one another.

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's report shows the General Fund Income Statement for July was slightly favorable to budget.

There was one Sewer Service Agreement executed in July.

Billing is on track.

Agenda Item No. 6

Discussion and consideration to approve Resolution No. 245 directing staff to take action to cancel the November 3, 2009 election on August 20, 2009 pursuant to A.R.S. Section 48-2010(A).

District Manager informed the Board that no other candidates filed petitions by the deadline and the District has the ability to request the Board of Supervisors to cancel the election. Resolution No. 245 will allow staff to go to the county and request the County's approval to cancel the election.

Director Hansen made a motion to approve Resolution No. 245 requesting the Maricopa County Board of Supervisors to cancel the November 3, 2009 election. Vice Chairman Panaro seconded the motion which passed unanimously.

Agenda Item No. 7

Discussion and consideration to approve Resolution No. 246 which ratifies the District's policy entitled "Identity Theft Prevention and Mitigation Policy". This policy provides for District compliance with Federal and state requirements.

Legal Counsel informed the District that there was a deadline of August 1, 2009 to adopt a policy which was consistent with the 16 CFR Part 681 regulations issued by the Federal Trade Commission as part of implementation of the Fair and Accurate Credit Transaction Act of 2003 (FACT Act). District staff implemented this policy on August 1, 2009 and is asking the Board to ratify this policy by approving Resolution No. 246.

Vice Chairman Panaro made a motion to approve Resolution No. 246 as amended. Director Hansen seconded the motion which passed unanimously.

Agenda Item No. 8

Update on the District's effluent delivery study.

District Manager updated the Board on the Reclaimed Water Distribution System study being done by Valentine Engineers. Valentine Engineers was hired to look at the District's delivery system to existing customers and also future customers. The middle school, two elementary schools, and high school were included in the list.

Valentine will be supplying the District with a report that summarizes the study and recommendations for making the District's system better. The idea is to look at the computer model that Valentine Engineers has made, look at the deficiencies and try to have a single system where the District would be able to deliver from all sources to any one location.

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

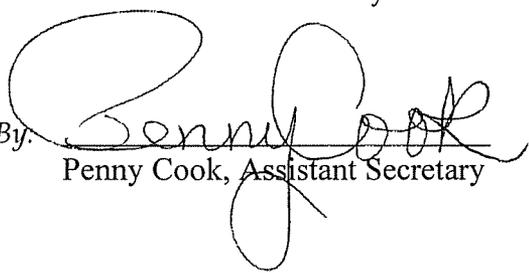
Adjournment.

Director Hansen made a motion to adjourn the meeting at 6:45 p.m. Vice Chairman Panaro seconded the motion which passed unanimously.

Dated this 20th day of August, 2009.

Fountain Hills Sanitary District

Minutes Prepared By.


Penny Cook, Assistant Secretary