

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 19, 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, Director Mike Howard, and Director Bruce Hansen.

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: 07/15/08**

A motion was made by Director Hansen to approve the minutes of the Regular Meeting of July 15, 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 July, 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, Saguaro Woods property, and general direction from Board.**

- District Manager reported the District's total recharge credit available as of July 31, 2008 was 324,272,979 gallons.
- All District facilities were in compliance with their respective permits for the month of July.
- The District Manager has received a preliminary report on the ASR Well No. 5 project from CDM and will be reviewing shortly.
- The wetwell was constructed for the Pump Station No. 4 Modifications project and passed the static water test. Technology Construction has backfilled over halfway up the wetwell wall. Compaction test results have met the minimum requirements of the specifications which is 95% compaction. Concrete is being poured for the piping pit foundation slab and the pump pre-rotation basins inside the wetwell.

The piping done by T&T Construction outside of the pump station did not meet the depth requirement and is too shallow. A special fitting will need to be constructed to enable the fiberglass pipe that was installed by T&T to meet up with what Technology has installed. The District will back bill the cost of the special fitting to T&T.

Some minor excavation has been performed north of the existing Pump Station #4 for the connection to the new force main. The termination of the force main inside the plant has been completed by MGC with minimal conflicts to the plant expansion project.

- Punch list items have been completed on the Force Main Replacement project.
- The walls have been poured and the forms are being put in place for the roof of the Flow Equalization Basin Expansion. The roof concrete is expected to be poured Friday, August 22nd. The foundation slab for the storage building has been poured and masonry work has begun. Conduit has been put in place in the blower building for the switchgear and work will soon commence on the pads for the new blowers. Excavation is slowly progressing for the new clarifier as MGC looks for existing lines in that area and how to relocate them.

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 Income Statement for July was slightly favorable to budget.

There were no new Sewer Service Agreements for the month of July which is below budget.

Billing is on track.

Agenda Item No. 6

Discussion and consideration to engage Angela Bertram to conduct the FY 07/08 financial audit of the District.

The controller pointed out a few minor changes from the engagement letter submitted by Angela Bertram for the 07/08 financial audit to the 06/07 engagement letter.

After a discussion, a motion was made by Director Hansen to execute the engagement letter presented by Angela Bertram to conduct the FY 07/08 financial audit with changes as discussed. Director Reski seconded the motion which passed unanimously.

Agenda Item No. 7

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

After a discussion, the Board decided it was not necessary to adjourn into executive session.

Agenda Item No. 8

Discussion and possible direction to staff regarding customer request to pay her sewer user fees in January and not have to pay possible rate increases effective with the new budget in July.

After a discussion, Director Howard made a motion to authorize staff to allow this customer to take the discount of \$12.00 since she paid in January for the full year. Director Panaro seconded the motion which passed unanimously.

The Board requested that an agenda item be on the September agenda to discuss how the District should handle rate increases for customers who pay user fees for a full year.

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. 9

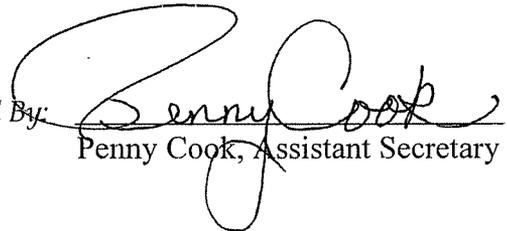
Adjournment.

Director Hansen made a motion to adjourn the meeting at 6:28 p.m. Director Reski seconded the motion which passed unanimously.

Dated this 21st day of August, 2008.

Fountain Hills Sanitary District

Minutes Prepared By:

A handwritten signature in black ink, appearing to read "Penny Cook", written over a horizontal line.

Penny Cook, Assistant Secretary