

# 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, September 15, 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, Director Michael Howard, Director Bruce Hansen, and Director Bob Thomson.

*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: 08/21/07**

A motion was made by Director Thomson to approve the minutes of the Regular Meeting of August 18, 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**

**District Manager's report; items to be discussed include plant and recharge statistics for August, 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, Aquifer Protection Permit (APP) amendment, SRP Grant, Reclaimed Water System Planning Project, and general direction from Board.**

- District Manager reported the District's total recharge credit available as of August 31, 2009 was 302,797,979 gallons.
- All facilities were in compliance with permit requirements for the month of August.

- The plans and specs for the ASR Well No. 5 project have been delayed until September 28, 2009. There has been an ongoing discussion regarding the ASR well controls which has delayed the completion of the final draft plans and specifications.
- District Manager met with the developer of the former State Trust Land on September 9, 2009. Don Kyle indicated that they were ready to move slowly forward with the project. First, he was interested in determining whether the Hawk School site would provide them with an adequate ASR well. Then he would like to revisit the "Pre-Annexation and Development Agreement".
- All that remains on the Flow Equalization Basin Expansion/Interim Digester Mods and addition of Fifth Microfiltration Rack is final testing of the aerations systems for both the aeration basins and aerobic digesters, pavement replacement and additions, and clarifier rehabilitation. Clarifier rehab will not be finalized until January of next year. However, everything else on the FEB Expansion/Interim Digester Mods portion of the project will be complete by the end of September 2009.

The equipment for the fifth microfiltration rack is scheduled for delivery in December.

- The Saguaro Woods HOA received the required ratification for the sale of the property and a closing package is being prepared. The Board should be able to take action at the October 20, 2009 meeting to authorize closing.
- District Manager received an executed reclaimed water reuse agreement from SunCor Golf. The agreement has not yet been signed by the District. District Manager will give FireRock Golf Club a copy of the revised for their signature.

Legal Counsel suggested that the minutes be checked to see if the form was approved and finalized and authorized for signature. If the form was not finalized, the agreement will be presented and agendaized at the October 2009 meeting for approval.

- District submitted an APP Amendment to ADEQ on June 30, 2009. The application requested a capacity increase from 2.6 MGD to 2.9 MGD in light of the improvements constructed under the FEB Expansion/Digester Aeration Modifications Project. The 2.9 MGD figure represents the build out capacity of the District without the former state trust land.

On August 13, 2009, ADEQ determined that the District's application is administratively correct and will begin the review process.

- SRP has accepted the District's grant proposal for assessment. The assessment is being performed by the District's consultant and SRP has agreed to pay the consultant's cost.
- A final draft report has been received on the reclaimed water planning project. District Manager is in the process of reviewing the report.

#### **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 the General Fund Income Statement for August was favorable to budget.

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

Billing is on track.

The Controller presented a new Budget vs. Capital Outlay graph to the Board for their comments. After a discussion, it was requested that this graph be included in the Controller's monthly report.

**Agenda Item No. 6**

**Discussion and direction to staff regarding the implementation of solar energy for District facilities.**

Director Hansen and Director Thomson are requesting that the District look into utilizing solar energy for District facilities.

After a discussion, direction was given to staff to look into the feasibility and costs involved in utilizing solar energy.

**Agenda Item No. 7**

**Discussion and direction to staff regarding the District's involvement in Fountain Park and Fountain Lake.**

Director Hansen is requesting that the District look into putting gravel around the wells at Fountain Park, since the District has to replace the grass every time they do work on the wells. District Manager informed the Board that due to the heavy watering done in the park, very severe corrosion has been found in the well vaults that were installed in 2001.

Director Thomson is requesting that the District have a discussion with the Town regarding the aeration system of the lake.

After a discussion, direction was given for the District Manager to have a meeting with the Town Manager to discuss the issues pertaining to Fountain Park and Fountain Lake.

**Agenda Item No. 8**

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

Vice Chairman Panaro moved and Director Thomson 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 advice regarding the annexation of the former state trust land. Motion carried unanimously and the regular session adjourned at 6:55 p.m.

Motion by Director Thomson and seconded by Chairman Reski to reconvene into regular session. Motion carried unanimously and the regular session resumed at 7:12 p.m. There was no discussion and no direction given to staff.

**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.**

Director Thomson informed the Board that he was asked by Jerry Miles, who is putting together a history of the town, to prepare a history of the Sanitary District in 1,000 words.

Chairman Reski requested that the District look at televising the Board meetings on the Cox channel that televises the Town meetings.

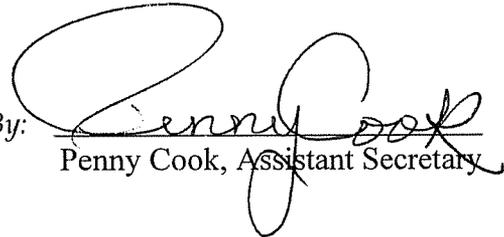
**Agenda Item No. 10**  
**Adjournment.**

Director Hansen made a motion to adjourn the meeting at 7:15 p.m. Director Howard seconded the motion which passed unanimously.

*Dated this 16th day of September, 2009.*

Fountain Hills Sanitary District

Minutes Prepared By:

A handwritten signature in black ink, appearing to read "Penny Cook", written over a horizontal line. The signature is stylized with large loops and a long tail.

Penny Cook, Assistant Secretary