

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 16, 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, and Director Bruce Hansen. Director Michael 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: 08/19/08

A motion was made by Director Hansen to approve the minutes of the Regular Meeting of August 19, 2008 as presented. Vice Chairman Reski 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, 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 August 31, 2008 was 321,142,979 gallons.
- All facilities were in compliance with permit requirements for the month of August.
- The preliminary design report for the ASR Well No. 5 project and 30% plans were returned by the District to CDM with comments.
- Work on the Pump Station No. 4 Modifications project is continuing with backfilling and piping.
- The District has received a final pay application for the Force Main project from T & T Construction.

- The storage building walls are at their finished height in the FEB/Interim Digester Modifications project. The FEB lid has been constructed and all the forms have been removed from that structure. Backfill on that project should be started soon. The leak test was performed on September 15, 2008. The excavation for the clarifier is now at the required grade and forming for building clarifier floor will begin.

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 August was slightly unfavorable to budget.

The number of new Sewer Service Agreements is below budget.

Billing is on track.

Agenda Item No. 6

- a. Discussion and possible direction to staff on how the District should handle rate increases for customers who pay for a full year with one payment.**
- b. Discussion and possible direction to staff re: wording changes to the fee schedule that would specifically cover item 6a.**
- c. Discussion and possible direction to staff re: issuing credits to customers who paid a year in advance but not on a fiscal year basis.**

After a discussion, it was decided that the wording in the fee schedule be changed to specifically state how the District will handle payments received from customers for a full year.

A motion was made by Director Hansen to authorize staff to publish the wording changes to the District Fee Schedule as discussed. Director Panaro seconded the motion which passed unanimously.

Chairman Thomson moved Agenda Item No. 8 before Agenda Item No. 7

Agenda Item No. 8

Discussion and possible direction to staff re: correspondence concerning plant noise and odor.

Mr. Caribaldi and Mr. Bridges, who both live on the corner of Hamilton Dr. and Saguaro Blvd., have sent e-mails regarding noise complaints and also odor complaints.

There was an instance when SRP power into the plant was irregular and standby generators had to be fired up and were in use for three days. During this time period, there was a noise from three generators operating 24 hours a day. District Manager apologized for the inconvenience that it had caused anyone.

Mr. Bridges has also complained about back-up alarms and contractor start times. The contractor start time is now 6:00 a.m. However, due to OSHA regulations, some of the District's equipment is required to have back-up alarms. The District is looking into different styles of back-up alarms which have a variable volume.

Mr. Bridges has also pointed out a number of days in which he has experienced odors. District staff has had meetings and no-one to date has detected odors. District Manager has asked Mr. Bridges to call him immediately when he smells odors so the District can try to detect where they are coming from.

Agenda Item No. 9

Discussion and possible direction to staff re: Saguaro Woods property appraisal.

Vice Chairman Reski moved and Director Hansen seconded to go into executive session pursuant to A.R.S. § 38-431.03(A)(3) & (7), for the purpose of discussion or consultation with the District's legal counsel regarding the purchase of a parcel of land from Saguaro Woods. Motion carried unanimously and the regular session adjourned at 6:45 p.m.

Motion by Director Panaro and seconded by Director Hansen to reconvene into regular session. Motion carried unanimously and the regular session resumed at 6:56 p.m.

Direction was given to staff to obtain a preliminary title report to determine if there are any restrictions attached to the Saguaro Woods parcel.

Agenda Item No. 7

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

Director Panaro moved and Director Hansen 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 advise regarding the annexation process and/or to consider the District's position and instruct its counsel regarding a pre-annexation (or similar) agreement involving the former state trust land. Motion carried unanimously and the regular session adjourned at 6:58 p.m.

Motion by Vice Chairman Reski and seconded by Director Panaro to reconvene into regular session. Motion carried unanimously and the regular session resumed at 7:14 p.m. There was no discussion and no direction given to staff.

Agenda Item No. 10

Discussion and possible direction to staff re: Joint Town Council/Sanitary District Board workshop.

After a discussion, it was decided that a Joint Council Meeting would not be necessary at this time.

Agenda Item No. 11

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.

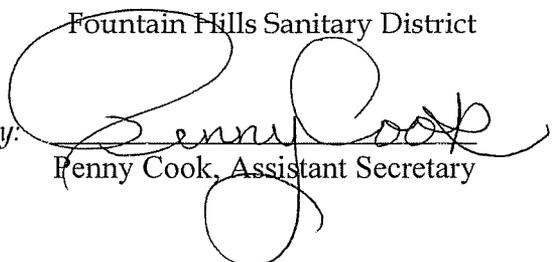
There were no comments.

Agenda Item No. 12

Adjournment.

Vice Chairman Reski made a motion to adjourn the meeting at 7:24 p.m. Director Panaro seconded the motion which passed unanimously.

Dated this 19th day of September, 2008.

Fountain Hills Sanitary District
Minutes Prepared By: 
Penny Cook, Assistant Secretary