

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 24, 2013** 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 Robert Thomson, Vice Chairman Tom Reski, Director Glenn Panaro, and Director Bruce Hansen. Director Thom Besett 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: Regular Meeting: 08/27/13

A motion was made by Director Hansen to approve the minutes of the Regular Meeting of August 27, 2013 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 August, permit compliance, progress on ASR Well No. 5 Project, Fountain Lake IGA, status of former State Trust Land, Reclaimed Water Use Agreements for Golden Eagle Park and Desert Vista Park, AWTF Chlorine Feed System Mods Project, diffuser failure in digester, AWTF Membrane System Replacement Project, and general direction from Board.

- District Manager reported the District's total recharge credit available as of August 31, 2013 was 296,699,979 gallons.
- District facilities exceeded the turbidity discharge limit maximum of 5.0 NTU for 6 minutes on 8/28/13. There have been three additional exceedances so far in September.
- ASR Well No. 5 project has been placed on hold until after the completion of the AWTF Membrane System Replacement Project. Testing is scheduled for the week of November 4, 2013.

- District Manager met with the Town Manager on September 17th to discuss his comments to the District Manager's comments on Andrew McGuire's redline on the Fountain Lake IGA. Both parties agreed that for the IGA to be successful, the operation of the fountain needed to be removed from the agreement. Based upon the discussion, District staff will make another attempt at a draft agreement although no timeframe was given for completion.

- District Manager will look at addressing the Reclaimed Water Use Agreements for Golden Eagle Park and Desert Vista Park after the AWTF is up on line.

- The AWTF Chlorine Feed System Mods project is on hold until the AWTF Membrane System Replacement project is completed. Testing of the Chlorine Feed System is scheduled for the week of November 11, 2013.

Completion of replacing parts in the UV system that have corroded over time will be tested the week of November 18, 2013.

CIP and CEB system construction completion is scheduled for testing the week of October 28, 2013.

- Both digester cells are operating with the new diffusers in place. District Manager is working on getting some type of compensation from the previous manufacturer for the old equipment.

- Water is running through the membranes for the AWTF Membrane System Replacement Project. This project should be up and running by the end of the week of October 6, 2013.

Agenda Item No. 5

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

The District CPA reported the General Fund Income Statement for August was favorable to budget.

Billing is on track.

Agenda Item No. 6

Discussion and consideration to accept FY 2012/2013 audit report and issue financial statements.

Director Hansen made a motion to accept the FY 2012/2013 audit report for filing and issue financial statements. Vice Chairman Reski seconded the motion which passed unanimously.

Agenda Item No. 7

Discussion and consideration to approve Type 2 Water Right Lease Agreement with the Phoenix Country Club.

After a discussion, Director Panaro made a motion to approve the Type 2 Water Lease Agreement with the Phoenix Country Club. Vice Chairman Reski seconded the motion which passed unanimously.

Agenda Item No. 8

Discussion and direction to staff regarding the resignation of Jeff Lessig as general manager of the SunRidge Canyon Golf Club and the “Kick-the-Salt” program.

It was decided that the District would not further pursue the “Kick-the-Salt” program at this time.

The Board directed staff to budget in FY 2014/2015 a study for reverse osmosis or some other solution to the water quality supplied to the golf courses.

Agenda Item No. 9

Update and discussion concerning unauthorized discharges into District’s System.

District Manager informed the Board that the District started to notice a spike in turbidity between July 18, 2013 and July 31, 2013. The spike was not high enough to pose any violation issues. District Manager presented the Board with pictures of two different types of discharges that had entered the WWTP. Samples were sent in for lab testing and one came back with a non-detect and the other came back as grease.

Because of the turbidity, the District has reported five violations. One of the issues has been determined to be coming from a chiller at the High School. District staff is still researching to see where the grease issue is originating.

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.

There were no comments.

Agenda Item No. 11

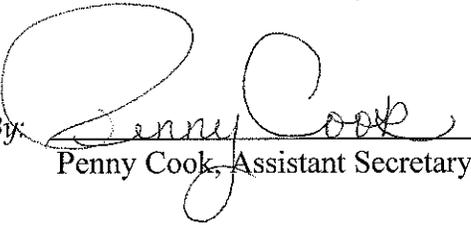
Adjournment.

Vice Chairman Reski made a motion to adjourn the meeting at 7:00 p.m. Director Hansen seconded the motion which passed unanimously.

Dated this 25th day of September, 2013.

Fountain Hills Sanitary District

Minutes Prepared By:


Penny Cook, Assistant Secretary