

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 **Wednesday, October 17, 2012** 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 Bruce Hansen, Vice Chairman Bob Thomson, Director Tom Reski, and Director Thom Besett. Director Glenn Panaro 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: 09/19/2012 and Special Meeting: 9/26/2012

A motion was made by Vice Chairman Thomson to approve the minutes of the Regular Meeting of September 19, 2012 and Special Meeting of September 26, 2012 as presented. Director Besett seconded the motion which passed unanimously.

Agenda Item No. 3

Presentation of Service Recognition Award to Jim Seyb for 20 years of District service.

District Manager thanked Jim Seyb for his 20 years of service and presented him with a service recognition award

Agenda Item No. 4

Call to public.

There was no public comment.

Agenda Item No. 5

District Manager's report; items to be discussed include plant and recharge statistics for September, permit compliance, ASR Well No. 5 Project, status of former State Trust Land, Reclaimed Water Use Agreements with Town, AWTF Chlorine Feed System Mods Project, Diffuser Failure in Digester, and general direction from Board.

- District Manager reported the District's total recharge credit available as of September 30, 2012 was 55,961,979 gallons.
- All facilities were in compliance with permit requirements for the month of September.

Maricopa County Environmental Services Department was at the WWTP on October 16, 2012 for their annual inspection and found no issues.

- Testing was completed after the installation of the ASR Well No. 5 pump and at lower flows, there were still vibration issues. CDM, the design engineer, is going to employ the services of a vibration expert.
- Concrete block work was started on the chlorination building for the AWTF Chlorine Feed System Mods Project. Underground electrical is ongoing.
- Staff visited three wastewater treatment plants in Michigan which utilize Flex Cap diffusers in sludge holding tanks. Their use was not exactly the same as the District's, but the performance of the diffusers was impressive. Staff generated a number of questions related to the operational differences and are awaiting a response from the manufacturer.

Agenda Item No. 6

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 September was slightly unfavorable to budget.

Billing is on track.

Agenda Item No. 7

Presentation of 2011/2012 audit report.

Controller presented the 2011/2012 audit report to the Board and answered questions.

Agenda Item No. 8

Discussion and consideration to accept FY 2011/2012 audit report and issue financial statements.

There were no issues and the Board requested the final 2011/2012 audit report be presented at the November 21, 2012 Board meeting for acceptance.

Agenda Item No. 9

Discussion and direction to staff concerning Reclaimed Water Use Agreement for Fountain Lake.

Vice Chairman Thomson moved and Director Reski 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 Reclaimed Water Use Agreement for Fountain Lake. Motion carried unanimously and the regular session adjourned at 6:35 p.m.

Regular session resumed at 6:49 p.m. There was no discussion.

Agenda Item No. 10

Discussion and direction to staff re: draft Fountain Lake intergovernmental agreement (IGA).

There was no discussion.

Agenda Item No. 11

Discussion and consideration to approve IGA with Town of Fountain Hills to perform various services for each other.

There was no discussion.

Agenda Item No. 12

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

District Manager reported that the draft agreement that was discussed at the last Board meeting was sent to Mariscal, Weeks, McIntyre & Friedlander for review and comment. Comments were returned. District Manager and legal counsel will be reviewing their comments.

Agenda Item No. 13

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.

It was discussed to change the meeting time for the November 21, 2012 regular meeting to 1:30 p.m.

Agenda Item No. 14

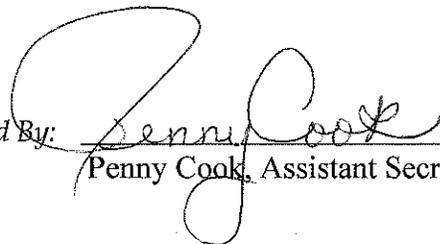
Adjournment.

Vice Chairman Thomson made a motion to adjourn the meeting at 6:51 p.m. Director Reski seconded the motion which passed unanimously.

Dated this 18th day of October, 2012.

Fountain Hills Sanitary District

Minutes Prepared By:


Penny Cook, Assistant Secretary