

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, October 18, 2011** 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 Michael Howard, Vice Chairman Bruce Hansen, Director Bob Thomson, Director Tom Reski, and Director Glenn Panaro.

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: 09/20/11 and Special Meeting: 10/06/11

A motion was made by Vice Chairman Hansen to approve the minutes of the Regular Meeting of September 20, 2011 and Special Meeting of October 6, 2011 as presented. Director Panaro seconded the motion which passed unanimously.

Agenda Item No. 3

Presentation of audit report.

Controller presented the Board with the 2010/2011 draft financial statements and audit report. Marilyn Mays from Henry & Home pointed out a few items that are required to be reported to the Board and answered questions from the Board. Marilyn Mays reported that there were no significant issues found in the audit process.

Agenda Item No. 4

Discussion and consideration to accept FY 2010/2011 audit report and issue financial statements.

After a discussion, Director Thomson made a motion to accept the 2010/2011 audit report and financial statement for filing. Vice Chairman Hansen seconded the motion which passed unanimously.

Agenda Item No. 5

Call to public.

There was no public comment.

Agenda Item No. 6

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

- District Manager reported the District's total recharge credit available as of September 30, 2011 was 53,174,979 gallons.
- All facilities were in compliance with permit requirements for the month of September.
- ASR Well No. 5 should be up and running by November 2, 2011. There were issues that arose and all of the items are being tested and corrected. The line flushing and well pumping were both successful.
- A Reclaimed Water Use Agreement for Golden Eagle and Desert Vista Parks between the District and Town is still being reviewed by legal counsel and should be available for discussion at the November meeting.
- The location of the new chlorination building was moved across the service road from the existing facility and does not require the perimeter wall to be moved for the AWTF Chlorine Feed System Mods Project.

Agenda Item No. 7

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 unfavorable to budget which is typical for this early in the fiscal year.

There were no Sewer Service Agreements issued in the month of September.

Billing is on track.

Agenda Item No. 8

Discussion and direction to staff regarding procedure for selecting a candidate to fill the Board seat vacancy effective January 1, 2012.

After a discussion, direction was given to staff to place an article in the Times to request "Letters of Interest" along with "Background and Personal Data Outline" as the District has done in the past and interview candidates prior to or during the November 15, 2011 Board meeting. The new Board member will be selected at the November 15th or December 20th Board meeting.

Agenda Item No. 9

Discussion and direction to staff regarding "Policy and Procedures for Achieving Compliance After Performing On-site Fat, Oil, and Grease Inspections".

Direction was given to staff to modify the "Policy and Procedures for Achieving Compliance After Performing On-site Fat, Oil, and Grease Inspections" presented with changes as discussed.

Agenda Item No. 10

Discussion and direction to staff regarding Fountain Lake Water Quality including discussion regarding draft agreement between Town and District to design and construct a mechanical system for mixing and circulating water in Fountain Lake.

After a discussion, the Board decided it was not yet ready to present the Intergovernmental Agreement to the Town for their review.

Agenda Item No. 11

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

There was no discussion.

Agenda Item No. 12

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. 13

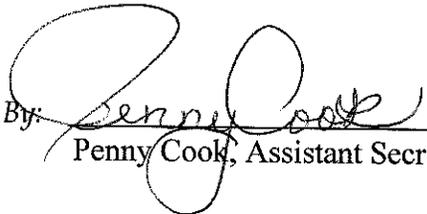
Adjournment.

Director Thomson made a motion to adjourn the meeting at 7:16 p.m. Director Reski seconded the motion which passed unanimously.

Dated this 19th day of October, 2011.

Fountain Hills Sanitary District

Minutes Prepared By:


Penny Cook, Assistant Secretary