

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, November 21, 2012** at **1:30 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, Director Tom Reski, Director Glenn Panaro, and Director Thom Besett. Vice Chairman Bob Thomson arrived a few minutes late.

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: 10/17/12

A motion was made by Director Panaro to approve the minutes of the Regular Meeting of October 17, 2012 as presented. Director 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 October, permit compliance, progress on ASR Well No. 5 Project, Fountain Lake Water Quality, 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 October 31, 2012 was 77,191,979 gallons.
- All facilities were in compliance with permit requirements for the month of October.
- An engineer specializing in harmonics performed a vibration analysis at ASR Well No. 5. The harmonic resonance of the flow in the pipe at the operating flow range matches the natural frequency of the well vault divider wall which caused the vibration. A report was received describing the placement of necessary bracing on the divider wall.

- The masonry work as well as the underground utility work has been completed on AWTF Chlorine Feed System Mods project. The holes in the old chlorination building have been patched. The interior walls have been painted and they are working on the roof structure.
- Answers were received to the questions posed to the Flexcap engineers pertaining to the Flexcap Diffuser System. A proposal from Flexcap was received for the down structure equipment at a price of \$146,752 which is less than the cost of the original equipment..

District Manager would like to issue a purchase order to purchase the equipment since it takes 10 to 12 weeks to go through the process and get it delivered. Chairman Hansen requested that this item be agendaized at the December meeting to ratify the purchase of the Flexcap Diffuser System. Director Reski requested that MGC Contractors purchase the equipment to continue the system warranty of the construction contract.

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 October was unfavorable to budget.

Billing is on track.

Agenda Item No. 6

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

Controller is requesting approval of the final FY 2011/2012 audit report and authorization to issue financial statements.

Director Reski made a motion to accept the FY 2011/2012 audit report for filing and issue financial statements. Director Panaro seconded the motion which passed unanimously.

Agenda Item No. 7

Consideration to approve the purchase of holiday gift cards for the District employees.

Director Panaro made a motion to approve the purchase of holiday gift cards for the District employees. Director Reski seconded the motion which passed unanimously.

Agenda Item No. 8

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

District Manager informed the Board that the Town's legal counsel contacted District's legal counsel regarding the Reclaimed Water Use Agreement for Fountain Lake.

Bill Sullivan, legal counsel, requested that the Town's legal counsel make a list of substantive issues that he felt the Town could not deal with and explain why he needed the specific change. The list has not yet been received.

Agenda Item No. 9

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

Chairman Hansen would like this item agendized at the December 2012 Board meeting to discuss whether the District wants to move forward with the Fountain Lake improvements or withdraw the District's offer to take over the lake.

The Board requested that at the December Board meeting, the District Manager present a list of projects that were delayed in order to fund the lake improvement project.

Agenda Item No. 10

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

Vice Chairman Thomson requested that this IGA be presented at the December 2012 Board Meeting for discussion.

Agenda Item No. 11

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

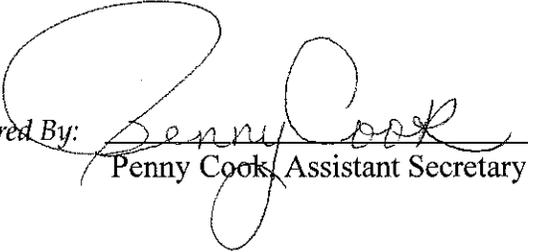
Adjournment.

Vice Chairman Thomson made a motion to adjourn the meeting at 2:21 p.m. Director Reski seconded the motion which passed unanimously.

Dated this 26th day of November, 2012.

Fountain Hills Sanitary District

Minutes Prepared By:


Penny Cook, Assistant Secretary