

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, December 15, 2009** 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 Tom Reski, Vice Chairman Glenn Panaro, Director Michael Howard, Director Bruce Hansen and Director Bob Thomson.

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: 11/17/09**

A motion was made by Director Thomson to approve the minutes of the Regular Meeting of November 17, 2009 as presented. Vice Chairman Panaro seconded the motion which passed unanimously.

Agenda Item No. 3 **Call to public.**

There was no public comment.

Agenda Item No. 4 **Presentation of Service Recognition Award to Jeff Stowasser for 20 years of District service.**

District Manager thanked Jeff Stowasser for his 20 years of service and presented him with a service recognition award.

Agenda Item No. 5 **District Manager's report; items to be discussed include plant and recharge statistics for November, permit compliance, progress on ASR Well No. 5, status of former State Trust Land, Flow Equalization Basin Expansion/Interim Digester Mods project and addition of fifth microfiltration rack, Reclaimed Water Use agreements – FireRock and Eagle Mountain, Aquifer Protection Permit (APP) amendment, SRP Grant, Reclaimed Water System Panning Project, and general direction from Board.**

- District Manager reported the District's total recharge credit available as of November 30, 2009 was 258,517,979 gallons.

- All District facilities were in compliance with their respective permit requirements for the month of November.
- The District should receive the final draft of the plans and specifications for the ASR Well No. 5 project by the end of December.
- Rehabilitation of Clarifier No. 1 continues on the Flow Equalization Basin Expansion/Interim Digester Mods project. Sandblasting has been completed and the blasted metal is now being recoated. Punch list items continue to be addressed. Piping and electrical work continue on the addition of the fifth microfiltration rack project.
- On December 3, 2009, the engineer responded to ADEQ's request for a map showing the pollutant management area and discharge impact area for the Aquifer Protection Permit (APP) Amendment.
- The next step in obtaining the SRP Grant is for the District's consultant to submit a preliminary assessment to SRP's consultant for the Grant, Nexant. After Nexant reviews the assessment, they will determine whether or not the District gets a rebate application.
- The engineer continues to work on questions and comments brought up concerning the draft final report on the Reclaimed Water System Planning Project. There has been additional discussion with staff concerning the addition of ASR Well No. 5 to the system.

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 November was favorable to budget.

The number of new Sewer Service Agreements is still below budget.

Billing is on track.

Agenda Item No. 7

Discussion regarding the status of the Town/District IGA.

The District Manager reviewed the activities which have taken place to date regarding the development of a draft IGA between the Town and District. The IGA will list what each entity does or might do for the other in typical day to day operations.

Agenda Item No. 8

Discussion regarding the status of District energy savings activities including solar energy.

District Manager informed the Board that after reviewing the operation of the District's current facility that includes the new construction that is nearing completion, the following was found: Comparing average flows for January through September of both 2008 and 2009, there has been a five percent decrease of sewage flows into the plant. The average monthly power use for the same period has gone down 17 percent. Not all of the new blowers were in service during the entire time and the power savings could be around 25 percent. Also, with changes made as a result of the FEB project, chlorine usage has gone down, polymer usage has been reduced, and sludge production has been cut almost in half.

District Manager has scheduled meetings with regards to solar energy to see if it would benefit the District.

Agenda Item No. 9

Discussion and consideration to approve the following policies and/or policy amendments: Accounts Receivable Collection, Inventory, Public Records Disclosure, Travel Reimbursement, and Property Disposition.

After a discussion Director Thomson made a motion to approve the Accounts Receivable Collection Policy, Public Records Disclosure Policy, and the Travel Reimbursement Policy as amended. Director Hansen seconded the motion which passed unanimously.

The Inventory Policy and Property Disposition Policy were tabled until a later date.

Agenda Item No. 10

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

Director Thomson 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 advice 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 6:55 p.m.

Motion by Director Thomson and seconded by Director Hansen to reconvene into regular session. Motion carried unanimously and the regular session resumed at 7:09 p.m. There was no discussion and no direction given to staff.

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.

District Manager informed the Board that the Maricopa County Board of Supervisors had cancelled the November 3, 2009 election and appointed both Tom Reski and Glenn Panaro as Fountain Hills Sanitary District Board members.

Agenda Item No. 12

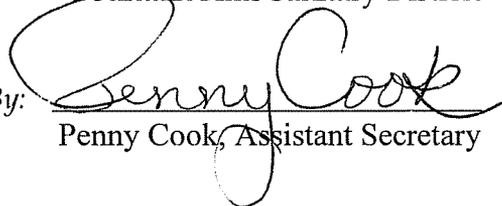
Adjournment.

Director Hansen made a motion to adjourn the meeting at 7:11 p.m. Director Thomson seconded the motion which passed unanimously.

Dated this 16th day of December, 2009.

Fountain Hills Sanitary District

Minutes Prepared By:


Penny Cook, Assistant Secretary