

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, April 22, 2014** at **5:00 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 Thom Besett, and Director Bruce Hansen. Director Robert Thomson 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.

Also in attendance:

Bill Cunningham, Collection System Operations Manager, Clark Moskop, Plant Operations Manager, Hazel Cunningham, Administrative Services Manager, and Chris Kiriluk, Asst. District Engineer.

Agenda Item No. 2 **Workshop with staff to discuss FY 2014/2015 preliminary Budget and Fee Schedule.**

Overview

The District CPA presented to the Board of Directors staff proposals for the fiscal year 2014/2015 budget and fee schedule.

The District CPA reviewed each section of the proposed budget and answered questions asked by the Board.

Highlights of the Proposed Budget are as follows:

Net Assessed Value of properties within the District increased 10.4% which will help the District fund increasing operating expenditures without significantly increasing the property tax rate.

No increase in Sewer User Fees is proposed.

Total operating budget for fiscal year 2014-2015 is expected to increase 2.6% over the 2013-2014 adopted budget.

A 1.5% cost of living increase was proposed. Director Hansen requested that the proposed cost of living percentage be raised to 3%.

The additional increase in personnel costs is due to rising insurance costs.

There is no Sewer User fee discount proposed for the 2014-2015 fiscal year.

Agenda Item No. 3

Discussion and consideration to approve the FY 2014/2015 preliminary budget and fee schedule for publication and to set public hearing thereon.

A motion was made by Vice Chairman Panaro to approve the FY 2014/2015 preliminary budget and fee schedule for publication with modifications as discussed and set the public hearing for June 10, 2014. Director Besett seconded the motion which passed unanimously.

Agenda Item No. 4

Approval of Minutes

A motion was made by Director Hansen to approve the minutes of the Regular Meeting of March 25, 2014 as presented. Vice Chairman Panaro 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 March, permit compliance, progress on ASR Well No. 5 Project, Reclaimed Water Use Agreements for Golden Eagle Park and Desert Vista Park, Solids Handling Restoration Feasibility Study, and general direction from Board.

- District Manager reported the District's total recharge credit available as of March 31, 2014 was 431,886,979 gallons.
- All District facilities were in compliance with their respective permits for the month of March.
- District staff will be discussing the flow control valve that was installed in ASR Well No. 5 with the valve supplier. Recently, the original flow control valve in ASR Well No. 1 was replaced with a new control valve and has experienced the same vibration and noise as ASR Well No. 5. The new flow control valve in ASR Well No. 1 is the same flow control valve that was installed in ASR Well No. 5.
- Staff received a draft report on the Solids Handling Restoration Feasibility Study giving the District a recommendation regarding replacement of its centrifuges. The recommendation is to replace the four existing units with four centrifuges with a slightly larger capacity. The larger capacity will allow for the processing of sludge produced at build out at an estimated cost of \$3.3 M.

Agenda Item No. 7

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

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

Billing is on track.

Agenda Item No.8

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 passed out his evaluation forms to the Board members for their review at the May meeting.

Agenda Item No. 9

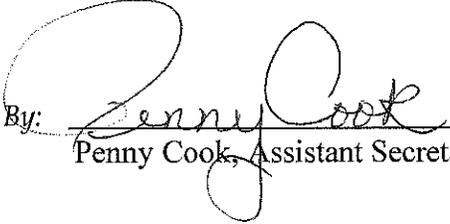
Adjournment.

Vice Chairman Panaro made a motion to adjourn the meeting at 6:27 p.m. Director Besett seconded the motion which passed unanimously.

Dated this 23rd day of April, 2014.

Fountain Hills Sanitary District

Minutes Prepared By:


Penny Cook, Assistant Secretary