

# **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, May 27, 2014** 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**

*The following Directors were present*

Chairman Tom Reski, Vice Chairman Glenn Panaro, Director Thom Besett, Director Bruce Hansen and Director Robert Thomson.

*The following Executive Staff members were present:*

Ron Huber, District Manager, Bill Sullivan, Legal Counsel, Tori Myers, District CPA, and Penny Cook, Assistant Secretary.

## **Agenda Item No. 2**

### **Approval of Minutes**

A motion was made by Director Hansen to approve the minutes of the Regular Meeting of April 22, 2014 as presented. Director Panaro seconded the motion which passed unanimously.

## **Agenda Item No. 3**

### **Call to public.**

There was no public comment.

## **Agenda Item No. 4**

### **Discussion and direction to staff regarding overspray from fountain.**

Chairman Reski informed the Board that he is experiencing overspray from the fountain at his residence. District Manager has researched this situation and found the wind controls had been turned off at the fountain.

District Manager and Legal Counsel presented a draft letter to be sent to the Mayor and Town Council regarding this situation and after a discussion, direction was given to forward the letter to the Mayor and Town Council.

## **Agenda Item No. 5**

### **Presentation by Ron Rupert, SunRidge Canyon Golf Course, on the impact of salt in reclaimed water on the golf course operation.**

Ron Rupert, SunRidge Canyon Golf Course Supervisor, and Don Mishef, Owner of SunRidge Canyon Golf Course, explained issues they were having with the high concentration of sodium content contained in the reclaimed water they were receiving. They are requesting a rate reduction so they can take the monies to improve the agronomic conditions of the course and be able to compete with neighboring courses.

#### **Agenda Item No. 6**

**District Manager's report; items to be discussed include plant and recharge statistics for April, permit compliance, progress on ASR Well No. 5 Project, Reclaimed Water Use Agreements for Golden Eagle Park and Desert Vista Park, WWTP influent Screen and Pump Replacement, Ashbrook Wash Flood Control Project, and general direction from Board.**

- District Manager reported the District's total recharge credit available as of April 30, 2014 was 449,603,979 gallons.
- All District facilities were in compliance with their respective permits for the month of April.
- District staff is having an on-going conversation with the manufacturer of the well flow control valve installed in ASR Well No. 5. The valve design has been modified since they were installed in the ASR wells in 2001 and the manufacturer is looking at the design changes made to the valve. Staff noticed that when a new valve was installed in ASR Well No. 1, it was having the same vibration issues as experienced in ASR Well No. 5.

Staff is also looking at another brand of flow control valves in case a resolution of this problem can't be achieved.

- Staff met with the manufacturer of the existing screen for the WWTP Influent Screen and Pump Replacement Project. The 17 year old influent screens and pumps need to be replaced. District staff has been looking at new types of screens and found it would require much less construction modification if a screen could be found that fit in the existing structure. The only problem found with the existing screen is the conveyance of the screened material out of the unit. District staff will discuss with the manufacturer the problem with the conveyance of screened material and see if they have made improvements to the current production run. If that is the case, then the District could go ahead and just replace the existing screens with the new version.
- The Flood Control District of Maricopa County submitted 70% plans for the District for review on the Ashbrook Wash Flood Control Project. District staff has completed the review and emailed comments back to them. A meeting has been scheduled for June 2, 2014.

#### **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.**

The Controller reported the General Fund Income Statement for April was slightly favorable to budget.

Billing is on track.

#### **Agenda Item No. 8**

**Discussion and direction to staff regarding preliminary FY 2014/15 budget.**

District Manager explained that the original proposed budget was presented with a 1.5% COLA and at the April Budget Workshop, Director Hansen requested that the COLA be increased to 3% and the budget was published at the 3% rate.

After a discussion, Director Hansen made a motion to give all hourly and salaried employees a 3% COLA and adjust all pay ranges accordingly. Director Thomson seconded the motion which passed with a vote of 4 to 1.

Direction was given to staff to look at the budget to see if there is money available to offer a credit program to the golf courses for turf improvements needed as a result of the high sodium content of the District's effluent.

**Agenda Item No. 9, 13, & 14**

**Discussion and consideration to approve District CPA's contract for FY 2014/2015.**

Director Thomson requested the item be considered in executive session pursuant to A.R.S. Sections 38-431.03(A)(1)&(4).

Chairman Reski suggested the executive session be combined with Item No. 13

**Agenda Item No. 13**

**VOTE TO GO INTO EXECUTIVE SESSION FOR THE FOLLOWING PURPOSE: pursuant to A.R.S. Section 38-431.03(A)(1) discussion and consideration of District Manager's performance and annual salary for FY 2014/2015.**

Director Thomson moved and Director Besett seconded to go into executive session pursuant to A.R.S. Section 38-431.03(A)(1)&(4) for the following purposes: (1) discussion and direction relating to the District CPA's contract for FY 2014/2015 and (2) discussion and consideration of District Manager's performance and annual salary for FY 2014/2015. Motion carried and the regular session adjourned into an executive session at 7:28 p.m.

**Agenda Item No. 14**

**RETURN TO REGULAR SESSION.**

Regular session resumed at 7:42 p.m.

**Agenda Item No. 9 (continued)**

**Discussion and consideration to approve District CPA's contract for FY 2014/2015.**

Vice Chairman Panaro made a motion to approve the District CPA's contract for FY 2014/2015 as presented. Director Hansen seconded the motion which passed unanimously.

**Agenda Item No. 10**

**VOTE TO GO INTO EXECUTIVE SESSION FOR THE FOLLOWING PURPOSE: pursuant to A.R.S. Section 38-431.03(A)(3)&(4) discussion and consultation with legal counsel for legal advice and to consider District's position and instruct legal counsel regarding Reclaimed Water Use Agreements for Golden Eagle Park and Desert Vista Park.**

**Agenda Item No. 11**

**RETURN TO REGULAR SESSION.**

The Board decided there was not a need to go into executive session for Item No. 10.

**Agenda Item No. 12**

**Discussion and direction to staff regarding Reclaimed Water Use Agreements for Golden Eagle Park and Desert Vista Park.**

District Manager presented the Board draft Reclaimed Water Use Agreements for Golden Eagle Park and Desert Vista Park.

After a discussion, direction was given to legal counsel to change the language as discussed for Item #11 (Commodity Rate) and present the revised draft to the Board for approval.

**Agenda Item No. 15**

**Consideration to set District Manager's salary for FY 2014/2015.**

Director Hansen moved to increase the upper limit of the District Manager's salary to \$140,000 and give the District Manager a three percent increase over today's current salary. Director Thomson seconded the motion which passed unanimously.

**Agenda Item No. 16**

**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 if the budget does not need to be revised and ratified, the next meeting will be posted as a special meeting on June 10, 2014 for a Public Hearing and to approve the proposed 2014/15 Budget and Fee Schedule.

The regular meeting of June 24, 2014 will be cancelled and the District Manager's and District CPA's reports for May will be emailed to the Directors when they are completed.

**Agenda Item No. 17**

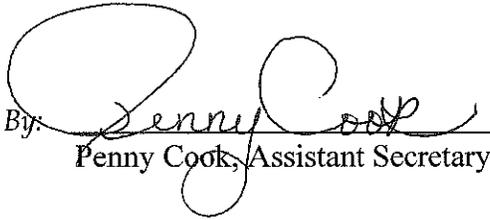
**Adjournment.**

Director Hansen made a motion to adjourn the meeting at 7:59 p.m. Director Besett seconded the motion which passed unanimously.

*Dated this 28th day of May, 2014.*

Fountain Hills Sanitary District

Minutes Prepared By:

  
Penny Cook, Assistant Secretary