

# **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, September 20, 2016** 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:*

Vice Chairman Robert Thomson, Director Tom Reski, Director Gregg Dudash, and Director Thom Besett.

*The following Executive Staff members were present:*

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

## **Agenda Item No. 2**

### **Discussion and possible assumption of Chairman's duties by Vice Chairman Robert Thomson for the time period September 20, 2016 through December 31, 2017.**

Director Reski moved to appoint Vice Chairman Robert Thomson as Chairman for the period September 20, 2016 through December 31, 2017. Director Besett seconded the motion which passed unanimously.

## **Agenda Item No. 3**

### **Discussion and possible election of new Vice Chairman for the period of September 20, 2016 through December 31, 2017.**

Director Dudash moved to appoint Director Tom Reski as Vice Chairman for the period September 20, 2016 through December 31, 2017. Director Besett seconded the motion which passed unanimously.

## **Agenda Item No. 4**

### **Approval of Minutes: Regular Meeting: August 16, 2016 and Special Meeting: August 23, 2016**

A motion was made by Director Besett to approve the minutes of the Regular Meeting of August 16, 2016 and Special Meeting of August 23, 2016 as presented. Vice Chairman Reski seconded the motion which passed unanimously.

## **Agenda Item No. 5**

### **Call to public.**

There was no public comment.

*Chairman Thomson moved Agenda Item No. 7 before Agenda Item No. 6*

**Agenda Item No. 6**

**District Manager's report; items to be discussed include plant and recharge statistics for August, permit compliance, Reclaimed Water Use Agreements for Desert Vista Park and Golden Eagle Park, Park Place, Pump Station No. 14 Improvements, Solids Handling and Headworks Improvement Project, Sanitary Sewer Rehabilitation Project FY 2015/2016, and general direction from Board.**

- District Manager reported the District's total recharge credit available as of August 31, 2016 was 576,341,284 gallons.
- All facilities were in compliance with permit requirements for the month of August.
- The engineer and architect for the Park Place project made corrections to the grading plan in the vicinity of the ASR #5 well. District staff received the corrected plans on September 20, 2016 and District Manager approved the changes and signed off on the Park Place Phase I grading permit.
- A new standby generator was delivered and set on the new slab constructed by the District for the Pump Station No. 14 Improvement Project. The underground propane tank for the generator was installed and electrical work is ongoing.
- The thickening and dewatering equipment was selected for the Solids Handling and Headworks improvement project. Design work can continue which incorporates the appropriate plumbing and electrical design. Completion of the plans and specifications are projected for January 31, 2017.
- District staff received the final pay request for the Sanitary Sewer Rehabilitation Project FY 2015/2016.

**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 District CPA's report shows the Income Statement for August was favorable to budget.

Billing is on track.

District CPA also informed the Board that the 2015/2016 Audit has been completed with no issues and will be presented at the October 18, 2016 regular Board meeting.

*Chairman Thomson moved Agenda Items No. 's 9, 10, and 11 before Agenda Item No. 8*

**Agenda Item No. 8**

**Discussion and consideration of N-Shea Group's August 9, 2016 letter requesting a reduction in Capacity Fees for the Park Place Project.**

Director Dudash moved and Vice Chairman Reski seconded to go into executive session pursuant to A.R.S. Section 38-431.03(3) for the discussion or consultation with District's legal counsel for legal advice on criteria for the establishment and/or collection of fees and service charges, including, but not limited to, any or all of the fees listed in subsection G of A.R.S. Section 48-2027. Motion carried and the regular session adjourned into an executive session at 6:29 p.m.

Fountain Hills Sanitary District  
Meeting Minutes  
September 20, 2016

Regular session resumed at 7:24 p.m.

Legal Counsel stated that the District had received a letter from N-Shea Group which includes data and in review, that the District does not know the source of the data, and some of the data seems to be incorrect by a significant amount. Rather than continuing to ask Mr. Shea to deal with this information, it now appears that the District's agreement with Chaparral City Water is about to be materialized and District staff can start getting data in the near future. He informed the Board that the better way to go would be for the District to collect the requested data.

Legal Counsel and District Manager will compose a letter to Mr. Shea stating the District's position to his request for fee reduction.

**Agenda Item No. 9**

**Discussion and direction to staff regarding revised Employee Handbook.**

District Manager informed the Board the revised Employee Handbook had been passed out at the last meeting for review and would be put on the agenda if requested by the Board. Director Dudash had requested that this item be placed on the agenda. Director Dudash has done some research pertaining to the protected class and suggests that District staff implement the changes made by the HR consultant.

**Agenda Item No. 10**

**Discussion and direction to staff regarding timetable for interviews and selection of Board member.**

District Manager informed the Board that the District has received two applications for the Board vacancy. The closing date for applications is September 30, 2016. District Manager is requesting that interviews be done prior to the October 2016 Board meeting. Chairman Thomson requested that the ad be placed in the September 28, 2016 edition of the Fountain Hills Times. After a discussion, it was decided that a date and time for interviews be determined at a later date depending on the amount of applicants.

**Agenda Item No. 11**

**Discussion regarding timetable of events associated with District Manager's retirement and hiring his replacement.**

District Manager informed the Board that the advertisement for the District Manager position was emailed to the Kachina News for the fall edition to be mailed on October 10, 2016. They have an online posting from which District Manager has received an application. The next posting will be the first Sunday in October in the Arizona Republic.

Chairman Thomson requested the position description and time frame of events for the District Manager position be included in the October 2016 Board meeting packet.

**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.**

The District Manager passed out revised copies of the budget.

Fountain Hills Sanitary District  
Meeting Minutes  
September 20, 2016

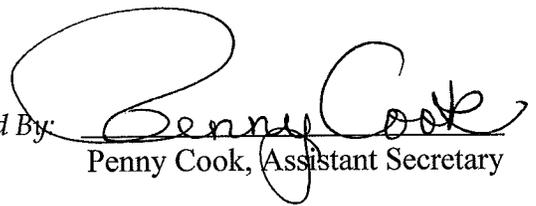
**Agenda Item No. 13**  
**Adjournment.**

Director Besett made a motion to adjourn the meeting at 7:24 p.m. Vice Chairman Reski seconded the motion which passed unanimously.

*Dated this 21st day of September, 2016*

Fountain Hills Sanitary District

Minutes Prepared By:

A handwritten signature in black ink that reads "Penny Cook". The signature is written in a cursive style with a large loop at the beginning of the word "Penny".

Penny Cook, Assistant Secretary