

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, October 18, 2016** 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 Robert Thomson, Vice Chairman 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, and Penny Cook, Assistant Secretary.

Agenda Item No. 2

VOTE TO GO INTO EXECUTIVE SESSION FOR THE FOLLOWING PURPOSE: Pursuant to A.R.S. Section 38-431.03(A)() interview candidates for Director vacancy.

Vice Chairman Reski moved and Director Dudash seconded to go into executive session pursuant to A.R.S. Section 38-431.03(A)(1) interview candidates for Director vacancy. Motion carried and the regular session adjourned into an executive session at 5:01 p.m.

Agenda Item No. 3

RETURN TO REGULAR SESSION

Regular Session resumed at 6:02 p.m.

Agenda Item No. 4

Approval of Minutes: Regular Meeting: September 20, 2016

A motion was made by Director Besett to approve the minutes of the Regular Meeting of September 20, 2016 as presented. Director Dudash seconded the motion which passed unanimously.

Agenda Item No. 5

Call to public.

There was no public comment.

Agenda Item No. 6

Presentation, discussion, and direction to staff regarding Park Place Project and Capacity Fee.

Bart Shea of N-Shea Group is requesting they be issued a permit and pay 25% of the existing Capacity Fee immediately, 25% by the end of December, and the balance after staff has completed their study of the Epcor information which could determine the multi-family fee.

Legal counsel suggested that an agreement be drafted stating that Mr. Shea agrees that this is what the fee is and agrees to pay it in full under this schedule. Include a paragraph stating that District staff is intending to examine the rates and if determined that a rate change is warranted it would be retroactive to a date that would cover the N-Shea Group agreement.

After a discussion, direction was given to Legal Counsel and staff to draft an agreement for Board approval.

Agenda Item No. 7

Presentation, discussion, and direction to staff regarding a possible change in financial advisor and plan provider for District employee's retirement plan.

District Manager informed the Board that the District had been approached by Terry Cox of Raymond James regarding the employee's retirement plan.

After the District Manager met with staff to discuss their satisfaction with the current financial advisor, he believes that a change is warranted.

Terry Cox, along with Monica Stark, Office Administrator, and Adam Johnson from John Hancock presented their retirement plan, its advantages as well as the advantages of using him as an advisor.

After a discussion, direction was given to staff to look into other types of plans to compare with the John Hancock plan.

Agenda Item No. 8

District Manager's report; items to be discussed include plant and recharge statistics for September, 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 September 30, 2016 was 549,987,284 gallons.
- All facilities were in compliance with permit requirements for the month of September.
- Installation of the propane tank along with the gas line to the standby generator for the Pump Station No. 14 Improvement project has been completed. Work continues on the electrical and control work.
- Work continues on the detailed design of the Solids Handling and Headworks Improvement Project.

Fountain Hills Sanitary District
Board Meeting Minutes
October 18, 2016

- The final contract price for the Sanitary Sewer Rehabilitation Project FY 2015/2016 was \$590,757.27. This was an increase of \$17,761.27 over the original contract price of \$572,996.00. There was one change order written for \$17,761.27. This increase was for a curve in the 8-inch sewer on Yerba Buena which required that the line be cut out so that the liner could be installed in either direction from the excavation and also the bypass pumping exceeded the allowance.

Agenda Item No. 9

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 reported the General Fund Income Statement for September was slightly favorable to budget.

Billing is on track.

Agenda Item No. 10

Discussion and consideration to accept FY 2015/2016 audit report and financial statement as issued.

District CPA presented the FY 2015/2016 audit report and financial statement to the Board and indicated that there were no issues.

After a discussion, Director Dudash made a motion to accept the FY 2015/2016 audit report and financial statement as issued. Vice Chairman Reski seconded the motion which passed unanimously.

Agenda Item No. 11

Discussion and possible selection of candidate to fill Director vacancy for the term effective immediately through December 31, 2019.

Director Dudash made a motion to select Jerry Butler to fill the Director vacancy for the term effective immediately through December 31, 2019. Director Besett seconded the motion which passed unanimously.

Agenda Item No. 12

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

District Manager informed the Board that to-date, the District has received seven applications for the District Manager position.

Agenda Item No. 13

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.

Chairman Thomson thanked Bill Cunningham and his staff for the work they did for David Fields who was very happy with the service he was given.

Fountain Hills Sanitary District
Board Meeting Minutes
October 18, 2016

Agenda Item No. 14
Adjournment.

Director Besett made a motion to adjourn the meeting at 7:20 p.m. Vice Chairman Reski seconded the motion which passed unanimously.

Dated this 19th day of October, 2016.

Fountain Hills Sanitary District

Minutes Prepared By. 
Penny Cook, Assistant Secretary