

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, March 21, 2017** 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 Robert Thomson, Vice-Chairman Tom Reski, Director Gregg Dudash, Chairman Thom Besett, and Director Jerry Butler.

The following Executive Staff members were present:

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

Agenda Item No. 2 **Approval of Minutes: Regular Meeting: February 21, 2017 and Special Meeting: March 13, 2017.**

A motion was made by Director Dudash to approve the minutes of the Regular Meeting of February 21, 2017 and Special Meeting of March 13, 2017 with suggested changes. Director Besett seconded the motion which passed unanimously.

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

There was no public comment.

Agenda Item No. 4 **"Official" introduction of new Assistant District Manager.**

District Manager officially introduced Dana Trompke as the new Assistant District Manager.

Agenda Item No. 5 **District Manager's report; items to be discussed include plant and recharge statistics for February, permit compliance, Reclaimed Water Use Agreements for Desert Vista Park and Golden Eagle Park, Park Place, Solids Handling and Headworks Improvement Project, Eagle Mountain Parcel 15 Sewer Service Lines, Fountain Park Improvements Committee Meeting, and general direction from Board.**

- District Manager reported the District's total recharge credit available as of February 28, 2017 was 684,476,284 gallons.

- All District facilities were in compliance with their respective permits for the month of February.
- District staff is currently reviewing 90% plans and specifications for the Solids Handling and Headworks Improvement Project. A notice of request for “Statements of Qualifications” (SOQ) for a construction manager at risk has been advertised in the Arizona Business Gazette, with SOQ’s due April 7, 2017. Selection will be presented at the April meeting.
- Ten of the 35 service lines have been repaired in Eagle Mountain Parcel 15.
- The District Manager was invited to attend a Fountain Park Improvements Committee meeting on March 9, 2017 at Town Hall. There is a company called Crystal Lagoons that develops swimmable water bodies. They want to transform 5.5 acres of Fountain Park into a swimmable body of water complete with beach and boat ramp. The area would be separated with a wall. The committee wanted the District Manager’s input on what issues he sees from the Sanitary District’s aspect. There are regulatory issues stating no full body contact allowed with the non-potable water in the lake. In order to do the lagoon, it would have to be separated from Fountain Lake and would need to be potable water. The fountain, when it went off and because of the overspray, would need to be run off the potable water side of the lagoon. The District also has an effluent easement over the entire park.

Agenda Item No. 6

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 February was favorable to budget.

Billing is on track.

Agenda Item No. 7

Discussion regarding District’s Capacity Fees including action proposing revised Capacity Fees and call a public hearing on the proposed Capacity Fees.

District Manager informed the Board that the water use figures previously used do not truly represent what is going into sewer system. Assistant District Manager researched the water use figures and found that there are “industry” standard numbers for reduction of flows of water use which actually go into the sewer that can be used from a very reputable text book. Using the revised figure of \$25,300,000, the updated Epcor data, and apply the percentages for single family and multifamily, District staff came up with a revised set of numbers. Assistant District Manager has participated in various master plans and extensive flow study testing in various communities in the valley and is confident in the new numbers presented to the Board.

After a discussion, a motion was made by Director Butler to accept the revised Capacity Fees and call a public hearing on what has been proposed. Director Besett seconded the motion which passed unanimously.

Agenda Item No. 8

Discussion regarding State Trust Land, MAG 208 Plan, and Master Plan.

District Manager informed the Board that the Town Mayor, some Council Members, and Town staff had a meeting with the State Land Department regarding the State Trust Land. The State Land Department stated they had a concern with the District's cap on the amount of homes that could be built on the State Trust Land. The District has not set a cap on the number of homes. It merely indicated that it could not serve within its 11 acre facility any more than 1,350. If there were to be more than 1,350, there would be extensive expense that would have to be borne by the developer of that property to be able to allow more to be served. There is a meeting set up with Chairman Thomson, District Manager, Assistant District Manager, Town Mayor, and Town Manager to get everyone up to speed as to what was said by the Sanitary District in 2006 and get everybody to understand what the issues are with sewers and State Trust Land.

Vice Chairman Reski suggested that District staff arrange for the Mayor, Town Manager, Councilmen attend a Board meeting so the other Directors can participate in the discussion.

District Manager also explained to the Board what the MAG 208 plan is and its purpose and answered questions from the Board.

Agenda Item No. 9

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.

Director Besett informed the Board that he is leaving Arizona and will be resigning from the Board upon sale of his home. He would like to continue as Director until the sale of his property.

Agenda Item No. 10

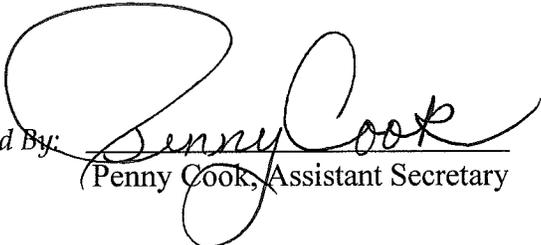
Adjournment.

Director Dudash made a motion to adjourn the meeting at 7:40 p.m. Vice Chairman Reski seconded the motion which passed unanimously.

Dated this 22nd day of March, 2017.

Fountain Hills Sanitary District

Minutes Prepared By:


(Penny Cook, Assistant Secretary)