

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 18, 2017** 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, Director Gregg Dudash, Director Thom Besett, and Director Jerry Butler. Vice-Chairman Reski arrived a few minutes late.

The following Executive Staff members were present:

Ron Huber, District Manager, Dana Trompke, Assistant 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, Kirsten DeBie, Administrative Services Manager, and Chris Kiriluk, Asst. District Engineer.

Agenda Item No. 2 **Workshop with staff to discuss FY 2017/2018 preliminary Budget and Fee Schedule.**

Overview

District CPA presented to the Board of Directors staff proposals for the fiscal year 2017/2018 budget and fee schedule.

(The Budget discussion was suspended at 5:53 to conduct the public hearing, Agenda Item No. 6. A recess was called at 6:14 and the Budget discussion resumed at 6:24.)

After a discussion regarding revenues and transferring of funds, it was decided the District CPA will revamp the Budget and present the new version of the draft budget at a Special Meeting to be held at 5:00 p.m. on Wednesday, May 10, 2017.

Agenda Item No. 3 **Discussion and consideration to approve the FY 2017/2018 preliminary budget and fee schedule for publication and to set public hearing thereon.**

There was no discussion.

Agenda Item No. 4

Approval of Minutes: Regular Meeting: March 21, 2017

A motion was made by Director Besett to approve the minutes of the Regular Meeting of March 21, 2017 as presented. Director Butler seconded the motion which passed unanimously.

Agenda Item No. 5

Call to public.

There was no public comment.

Agenda Item No. 6

Public Hearing concerning an amendment to the FY 2016/2017 fee schedule.

Vice Chairman Thomson opened the public hearing concerning an amendment to the FY 2016/2017 fee schedule.

Bart Shea of N-Shea Group expressed his concern with the Capacity Fee for multi-family and would like to see the fee lowered to \$5,000. He presented no documentation to support his recommendation.

There was no further discussion.

Chairman Thomson closed the Public Hearing.

Agenda Item No. 7

Consideration to approve Resolution No. 266, Amended FY 2016/2017 fee schedule.

A motion was made by Director Besett to approve Resolution No. 266, Amended 2016/2017 fee schedule. Vice Chairman Reski seconded the motion which passed unanimously.

A recess was called at 6:14 and the Budget Work/Study resumed at 6:24.

The regular meeting resumed at 7:22 p.m.

Agenda Item No. 8

District Manager's report; items to be discussed include plant and recharge statistics for March, 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, State Trust Land, and general direction from Board.

- District Manager reported the District's total recharge credit available as of March 31, 2017 was 721,678,284 gallons.
- All District facilities were in compliance with their respective permits for the month of March.
- Staff comments on the 90% plans and specifications for the Solids Handling and Headworks Improvements Project were returned to Carollo Engineers for corrections.

- To date, 13 out of 35 service lines have been repaired for the Eagle Mountain Parcel 15 Sewer Service Lines.
- On Tuesday, March 28, 2017, the Chairman, District Manager, and the Assistant District Manager met with the Mayor, Councilman Yates, Councilman Tolis, and the Town Manager regarding the State Trust Land. There was a discussion about the limitations of the existing plant footprint and the options for increasing the number of persons that the District can serve. It was also discussed who would pay for the increase over and above the existing footprint. They were asked what they expected the buildout population would be considering buildout with the State Trust Land and their response was 40,000. It was suggested that some entity other than the District fund a study which would look at possibilities for modifying the current processes in the plant to enable it to serve additional population. The District volunteered to secure a proposal from Carollo Engineers to perform the study.

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 March was favorable to budget.

Billing is on track.

Agenda Item No. 10

Consideration to approve Resolution No. 267, call for a non-partisan election November 7, 2017.

District Manager informed the Board that Vice-Chairman Reski and Director Dudash terms will expire December 31, 2017 and an election must be called for November 7, 2017 to elect two persons to the Board.

Director Butler made a motion to approve Resolution No. 267, call for a non-partisan election November 7, 2017. Director Besett seconded the motion which passed unanimously.

Agenda Item No. 11

Discussion and consideration to authorize District Manager to negotiate contract for Phase 1 of the construction manager at risk (CMAR) contract for the Solids Handling and Headworks Improvements Project.

District Manager informed the Board that four interested contractors were present for the pre-submittal conference for the Solids Handling and Headworks Improvements Project and only one contractor submitted an SOQ.

Vice-Chairman Reski made a motion to authorize District Manager to negotiate contract for Phase 1 of the construction manager at risk contract for the Solids Handling and Headworks Improvements Project. Director Dudash seconded the motion which passed unanimously.

Agenda Item No. 12

Discussion and consideration to authorize District Manager to execute task order with Carollo Engineers to perform construction phase services for Solids Handling and Headworks Improvement Project.

District Manager is requesting authorization to execute task order with Carollo Engineers to perform construction phase services for Solids Handling and Headworks Improvement Project in the amount of \$538,958 plus an additional \$53,381 for an arc flash electrical study. Vice Chairman Reski suggested that the District obtain additional bids for the arc flash electrical study and not include it in the task order for the Solids Handling and Headworks Improvement Project.

Director Butler made a motion to authorize District Manager to execute task order with Carollo Engineers to perform construction phase services for Solids Handling and Headworks Improvement Project in the amount of \$538,958. Vice Chairman Reski seconded the motion which passed unanimously.

Agenda Item No. 13

Discussion regarding increasing WWTP capacity within existing plant footprint.

Assistant District Manager presented the Board with a list of items that will need to be addressed in the District's Master Plan scheduled to begin January 2018. During this master plan process, an evaluation will be completed to determine the amount of total treatment capacity that will be able to physically fit within the current property limits.

Agenda Item No. 14

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.

Vice Chairman Reski suggested the District look into incorporating an economist prediction when making out future budgets and look at what the economist thinks is going to happen 2-3-5-10 years out.

Director Dudash and the rest of the Board wished Director Besett a fond farewell and good future in his move to Nebraska.

Agenda Item No. 15

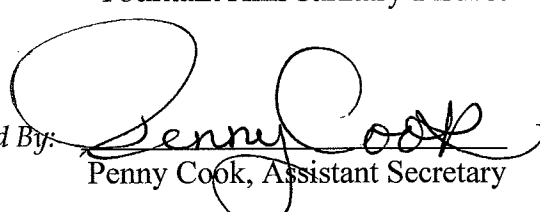
Adjournment.

Vice Chairman Reski made a motion to adjourn the meeting at 7:49 p.m. Director Dudash seconded the motion which passed unanimously.

Dated this 20th day of April, 2017

Fountain Hills Sanitary District

Minutes Prepared By:


Penny Cook, Assistant Secretary