

MINUTES OF MEETING BOARD OF DIRECTORS FOUNTAIN HILLS SANITARY DISTRICT

The Board of Directors of the Fountain Hills Sanitary District met in a **Special Meeting** on **Wednesday, May 10, 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, Vice Chairman Tom Reski, Director Gregg Dudash, 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.

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 **Presentation by golf course operators regarding progress made as a result of the District's Sodium Remediation Credit Program.**

Craig Werline, Firerock Golf Club and Mike Reinecke, Eagle Mountain Golf Club each gave a brief presentation on how the sodium remediation program (SRP) has aided with improvements to their golf courses. In general, the SRP credit has been used for drainage improvements, such as sand, and additives to address high salinity levels. They thanked the Board and the District for their support and answered questions from the Board.

Ron Rupert, SunRidge Golf Club arrived a few minutes late and also gave a brief presentation on the sodium remediation program. He stated that they did not see any improvements in the current year due to a surge to the transformer which caught their pump station on fire. He indicated the SRP credit is primarily used for additives to mitigate the high salinity concentrations in the reclaimed water.

Agenda Item No. 3 **Work/study session with staff to discuss FY 2017/2018 preliminary budget and fee schedule.**

Overview

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

Highlights of the Proposed Budget are as follows:

Net Assessed Value of properties within the District increased 4.8% which will help the District fund increasing operating expenditures. The property tax rate used to determine each resident's property tax assessment will be slightly increased to help fund needed facility improvement projects.

After a discussion, it was proposed to increase Sewer User Fees to keep pace with increased operating costs. Residential customers will be raised \$2.00 per month, from \$25/month to \$27/month. Commercial minimum rates would also increase \$2.00 per month from \$33/month to \$35/month.

Total operating budget for fiscal year 2017-2018 is expected to increase 2.2% over the 2016-2017 adopted budget due to aging equipment needing be repaired and/or replaced and additional personnel.

Agenda Item No. 4

Discussion and consideration to approve the FY 2017/2018 preliminary budget and fee schedule for publication and to set public hearing thereon.

A motion was made by Director Dudash to approve the FY 2017/2018 preliminary budget and fee schedule for publication with modifications as discussed and set the public hearing for June 20, 2017. Vice Chairman Reski seconded the motion which passed unanimously.

Agenda Item No. 5

Approval of Minutes

A motion was made by Director Dudash to approve the minutes of the Regular Meeting of April 18, 2017 with discussed changes. Vice Chairman Reski seconded the motion which passed unanimously.

Agenda Item No. 6

Call to public.

There was no public comment.

Agenda Item No. 7

District Manager's report; items to be discussed include plant and recharge statistics for April, 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.

- Asst. District Manager reported the District's total recharge credit available as of April 30, 2017, was 743,457,284 gallons.
- All District facilities were in compliance with their respective permits for the month of April.
- Sewer service agreements for Park Place Buildings C and D will be revised to reflect the new multi-family fee. The agreements, along with statement of balance, will be sent to the developer.
- Carollo Engineers has revised plans and specifications for the Solids Handling and Headworks Improvements Project to incorporate District's comments. Plans and permit applications have been submitted to ADEQ and the County.

- To date, 15 out of 35 service lines have been repaired for the Eagle Mountain Parcel 15 Sewer Service Lines.
- After the District Chairman and District staff met with Town personnel on March 28, 2017 to discuss the State Trust Land, the Town Manager requested a letter from the District regarding its current and future treatment capacity availability. This letter was provided on May 1, 2017.

Agenda Item No. 8

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 that since the early timing of the meeting, the figures were not yet available for the April 2017 report. She will forward the April 2017 CPA report to the Directors and staff when the information becomes available.

Agenda Item No. 9

Discussion and direction to staff regard Board vacancy.

After a discussion, direction was given to revisit this item at the July 19, 2017 Regular Meeting when the Budget process has been completed.

Agenda Item No. 10

Discussion and consideration to authorize District Manager to execute contract for Phase 1 of the construction manager at risk (CMAR) work on the Solids Handling and Headworks Improvements Project in the amount of \$74,896.00.

Vice Chairman Reski made a motion to authorize District Manager to execute contract for Phase 1 of the construction manager at risk work on the Solids Handling and Headworks Improvements Project in the amount of \$74,896.00. Director Dudash seconded the motion which passed unanimously.

Agenda Item No. 11

Discussion and consideration to authorize District Manager to issue Purchase Order for the early procurement of long-lead equipment for the Solids Handling and Headworks Improvement Project.

Asst. District Manager informed the Board that due to the long delivery time of some of the mechanical equipment required as part of the Solids Handling and Headworks Improvement Project, that in order to facilitate the over-all project schedule, District staff would like the CMAR to issue purchase orders for the long-lead items as soon as possible.

A price has been negotiated in the amount of \$1,652,471.00 for sludge thickeners, screw presses, and influent pumps and Asst. District Manager is requesting authorization to issue a Purchase Order for these items.

Vice Chairman Reski made a motion to authorize District Manager to issue Purchase Order for the early procurement of long-lead equipment for the Solids Handling and Headworks Improvement Project in the amount of \$1,652,471.00. Director Butler seconded the motion which passed unanimously.

Agenda Item No. 12

Discussion and direction to staff regarding cancellation of May 16, 2016 regular meeting.

After a brief discussion, direction was given to staff to cancel the May 16, 2016 regular meeting.

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.

There were no comments.

Agenda Item No 14

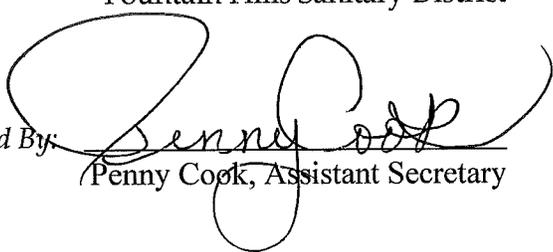
Adjournment.

Director Dudash made a motion to adjourn the meeting at 7:31 p.m. Director Butler seconded the motion which passed unanimously.

Dated this 12th day of May, 2017.

Fountain Hills Sanitary District

Minutes Prepared By:


Penny Cook, Assistant Secretary