

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, July 18, 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, and Director Jerry Butler.

The following Executive Staff members were present:

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

Agenda Item No. 2 **Approval of Minutes: Regular Meeting: 06/20/2017**

A motion was made by Director Dudash to approve the minutes of the Regular Meeting of June 20, 2017 as presented. Director Butler seconded the motion which passed unanimously.

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

There was no public comment.

Agenda Item No. 4 **Historical review of the management of reclaimed water including facilities and easements in Fountain Park.**

District Manager presented the Board with a timeline and historical review of the management of reclaimed water including facilities and easements in Fountain Park.

Agenda Item No. 5 **Discussion and consideration to make appointment to fill the vacant Board seat.**

After a brief discussion, Director Reski made a motion to appoint Michael Maroon, who was interviewed by the Board on October 18, 2017, as Director to fill the vacant Board seat. Director Butler seconded the motion which passed unanimously.

Agenda Item No. 6

District Manager's report; items to be discussed include plant and recharge statistics for June, permit compliance, New and Existing Sewer Services, Solids Handling and Headworks Improvement Project, State Trust Land, Reclaimed Water Use Agreements for Desert Vista Park and Golden Eagle Park, Utility Assistance, and general direction from Board.

- 93,048,000 gallons of effluent was delivered in the month of June to the various reusers.
- Asst. District Manager reported the District's total recharge credit available as of June 30, 2017 was 621,253,512 gallons.
- District facilities were in compliance with all permit requirements for the month of June.
- There were 9 new sewer services issued in the month of June.
- To date, 23 of the 35 service lines have been repaired in Eagle Mountain Parcel 15.
- A purchase order for the long-lead equipment was approved at the May 10, 2017 Board meeting for the Solids Handling and Headworks Improvements Project. A PO in the amount of \$1,652,471 was issued to MGC and these items are anticipated to arrive in November or December of this year.
- District staff is completing a review of utility assistance programs.

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.

Asst. District Manager reported the General Fund Income Statement for June and fiscal year end was favorable to budget.

Billing is on track.

Agenda Item No. 8

Discussion and consideration to engage Henry & Horne LLP to conduct the FY 2016/2017 financial audit of the District.

A motion was made by Vice Chairman Reski to engage Henry & Horne LLP to conduct the FY 2016/2017 financial audit of the District. Director Butler seconded the motion which passed unanimously.

Director Butler requested that in future engagement letters, that a time frame for completion is included.

The Board directed staff to request proposals from various audit firms for the 2017/2018 audit.

Agenda Item No. 9

Discussion and consideration to authorize District Manager to execute contract for Phase 2 of the construction manager at risk (CMAR) work on the Solids Handling and Headworks Improvement Project in the amount of \$5,171,142.

Asst. District Manager informed the Board that the guaranteed maximum price came in higher than anticipated. The difference between the budgeted amount and the total cost of the project, including engineer services, is approximately \$763,000.

Staff has reviewed the scope of the project and deleted from the project scope; the refurbishing of the existing grit basin, new grit pump, new grit classifier, piping, valves, replacing digester aeration piping, couplings, and diffusers, and adding self-cleaning strainer and valves for non-potable water system. These items will be delayed and added to a future budget year.

Staff has proposed to make some modifications to the current fiscal year budget which would delay the paving of lift station access roads, Phase 2 of the sliplining project, and decrease the allotment for unspecified equipment replacement. These projects add up to approximately \$280,000 leaving the District short about \$483,000. Staff would also like to postpone the update to the District Master Plan which was estimated at \$300,000.

Direction was given to delay the District Master Plan for one year to free up the \$300,000 for the Solids Handling and Headworks Improvement Project.

Direction was given to staff to present a modified Capital Budget to reflect the changes in the items being delayed at the August 15, 2017 regular meeting

After further discussion, Director Dudash made a motion to execute contract for Phase 2 of the construction manager at risk (CMAR) work on the Solids Handling and Headworks Improvement Project in the amount of \$5,171,142. Vice Chairman Reski seconded the motion which passed unanimously.

Agenda Item No. 10

Discussion and consideration to approve Social Media Policy.

Chairman Thomson postponed this item until the August 15, 2017 regular meeting.

Agenda Item No. 11

Discussion and consideration to approve revised Purchasing Policy.

Chairman Thomson postponed this item until the August 15, 2017 regular meeting.

Agenda Item No. 12

Discussion and direction to staff regarding position description for Special Assistant to District Manager.

Direction was given to staff to approve the position description for Special Assistant to District Manager at a pay rate of \$70.00 per hour.

Agenda Item No. 13

Discussion regarding Assistant District Manager's performance and consideration to promote Assistant District Manager to District Manager effective August 2, 2017.

District Manager is recommending that the Asst. District Manager be promoted to District Manager effective August 2, 2017.

Vice Chairman Reski made a motion to promote Assistant District Manager to District Manager effective August 2, 2017. Director Butler seconded the motion which passed unanimously.

Agenda Item No. 14

Approval of Resolution No. 271, Resolution of Appreciation for Ronald Huber, District Manager.

Director Dudash made a motion to approve Resolution No. 271, Resolution of Appreciation for Ronald Huber, District Manager. Vice Chairman Reski seconded the motion which passed unanimously.

Agenda Item No. 15

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. 16

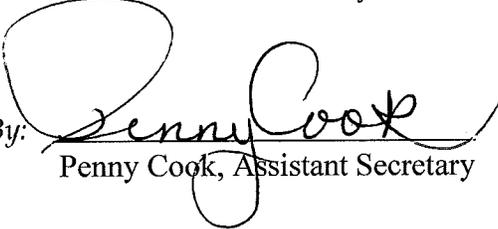
Adjournment.

Vice Chairman Reski made a motion to adjourn the meeting at 8:02 p.m. Director Dudash seconded the motion which passed unanimously.

Dated this 19th day of July, 2017.

Fountain Hills Sanitary District

Minutes Prepared By:


Penny Cook, Assistant Secretary