

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, November 15, 2016** 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, Director Thom Besett, and Director Jerry Butler.

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

Oath of office for new director, Jerry Butler

Legal Counsel swore in Jerry Butler as Director.

Agenda Item No. 3

Approval of Minutes: Regular Meeting: 10/18/16

A motion was made by Vice Chairman Reski to approve the minutes of the Regular Meeting of October 18, 2016 as presented. Director Dudash seconded the motion which passed unanimously.

Agenda Item No. 4

Call to public.

There was no public comment.

Agenda Item No. 5

District Manager's report; items to be discussed include plant and recharge statistics for November, 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, Eagle Mountain Parcel 15 Sewer Service Lines, and general direction from Board.

- District Manager reported the District's total recharge credit available as of October 31, 2016 was 549,987,284 gallons.

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- On October 11, 2016, the District exceeded its fecal coliform limit of 23CFU/100ml at the UV disinfection unit at the AWTF with a sample value of 41 CFU/100ml. The problem was a result of improper placement of the sample pump after cleaning the channel in which it sits.
- Work continues with the electrical wiring and enclosures for the Pump Station No. 14 Improvements.
- The preliminary design report was reviewed by staff and comments were returned to Carollo for the Solids Handling and Headworks Improvement project. A meeting was held on November 8, 2016 to discuss aspects of the project related to electrical and controls.
- Last month, the District responded to a customer complaint regarding a blockage in their sewer line within the road right-of-way. The service line was televised and a 4-inch sag (belly) was discovered. While the District was making repairs, it became aware of other similar situations in the Eagle Mountain Parcel 15 sewer service lines. The District Manager directed staff to televise all 54 service lines in the parcel and to date, 10 of the 22 televised have sags which need repair.

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.

The District Manager reported that the General Fund Income Statement for October was favorable to budget.

Billing is on track.

Agenda Item No. 7

Discussion and direction to staff regarding Park Place Service Agreement.

District Manager and Legal Counsel presented the Board with a payment agreement for Park Place for their review.

After a discussion, a motion was made by Vice Chairman Reski to set the payment terms at \$80,800 due upon execution of Service Agreements for the retail space, 70% of the District's current capacity fees for residential is due upon execution of a service agreement, and 30% balance is due by March 31, 2017. Director Dudash seconded the motion which passed with a vote of 4-1 with Director Besett voting no.

Agenda Item No. 8

Discussion and consideration to approve the purchase of holiday gift cards for the District employees.

Vice Chairman Reski made a motion to approve the purchase of holiday gift cards for the District employees excluding the Board members. Director Dudash seconded the motion which passed unanimously.

Agenda Item No. 9

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

District Manager informed the Board that he would like to start interviews for his replacement the first part of December. Chairman Thomson suggested District Manager email the Directors possible dates and times to conduct interviews. He also suggested that a special meeting be held in advance to go over possible interview questions.

Agenda Item No. 10

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 Butler informed the Board that several of the Leadership Academy graduates expressed how impressed they were with the District Manager's tour that they had taken.

Director Butler also informed the Board that a subject of the Town taking over the District had come up in one of his meetings. Chairman Thomson suggested that this item be agendaized at a later Board meeting.

Agenda Item No. 11

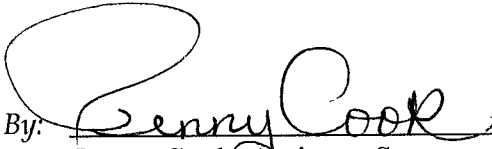
Adjournment.

Director Dudash made a motion to adjourn the meeting at 7:15 p.m. Vice Chairman Reski seconded the motion which passed unanimously.

Dated this 16th day of November, 2016.

Fountain Hills Sanitary District

Minutes Prepared By:


Penny Cook, Assistant Secretary