

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 Wednesday, December 20, 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

Approval of Minutes: Regular Meeting: November 15, 2016, Special Meetings: December 8, 2016, December 13, 2016, and December 15, 2016

A motion was made by Director Besett to approve the minutes of the Regular Meeting of November 15, 2016, Special Meetings of December 8, 2016, December 13, 2016, and December 15, 2016 as presented. Vice Chairman Reski seconded the motion which passed unanimously.

Agenda Item No. 3

Call to public.

There was no public comment.

Agenda Item No. 4

Presentation of Service Recognition Awards: Ron Huber for 30 years of service, and Tim Shepherd for 20 years of service.

District Manager thanked Tim Shepherd for his 20 years of service and presented him with a service recognition award.

Chairman Thomson thanked Ron Huber for his 30 years of service, and presented him with a service recognition award.

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 November 30, 2016 was 560,452,284 gallons.
- The District was in compliance with all permit requirements for the month of November.
- The electrical portion of the Pump Station No. 14 Improvements Project continues and the new electrical should be switched with the old electrical December 21, 2016.
- Carollo staff continues to prepare final plans and specifications for the Solids Handling and Headwoks Improvement Project.
- A total of 35 homes have sags in the service line within the road right-of-way in Eagle Mountain Parcel 15. Two have already been repaired at a cost of approximately \$5,000 each. The District will start making repairs to the remaining 33 services after January 1, 2017 starting with the worst ones.

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's report indicated the Income Statement for November was favorable to budget.

Billing is on track.

Agenda Item No. 7

Discussion and direction to staff regarding Park Place.

District Manager informed the Board that Park Place had been issued a building permit for the residential portion of Building C without obtaining a Sewer Service Agreement from the District. District Manager presented the Board with draft Sewer Service Agreements for Building C and Building D.

Agenda Item No. 8

VOTE TO GO INTO EXECUTIVE SESSION FOR THE FOLLOWING PURPOSE: Pursuant to A.R.S. Section 38-431.03A(3)&(4) for the discussion and consultation with District's legal counsel for legal advice on criteria for the establishment and/or collection of fees and service charges including, but not limited to, any or all of the fees listed in subsection G of A.R.S. Section 48-2027.

Vice Chairman Reski moved and Director Dudash seconded to go into executive session pursuant to A.R.S. Section 38-431.03(3) for the discussion or consultation with District's legal counsel for legal advice on criteria for the establishment and/or collection of fees and service charges, including, but not limited to, any or all of the fees listed in subsection G of A.R.S. Section 48-2027. Motion carried and the regular session adjourned into an executive session at 6:25 p.m.

Regular session resumed at 7:15 p.m.

There were no comments

Agenda Item No. 9

Discussion and consideration to extend the water right lease agreement with Phoenix Country Club.

Staff is requesting that the District extend the water right lease with Phoenix Country Club for another year at a cost of \$28,500.

Director Butler made a motion to authorize District Manager to extend the water right lease agreement with Phoenix Country Club at a cost of \$28,500. Vice Chairman Reski seconded the motion which passed unanimously.

Agenda Item No. 10

Consideration to purchase new pickup to replace S-22.

District Manager is requesting authorization to purchase a 2017 Ford F-150 Super-Crew pickup from Sanderson Ford on the State of Arizona contract for \$29,808.87 to replace S-22.

Vice Chairman Reski made a motion to authorize District Manager to purchase a 2017 Ford F-150 Super-Crew pickup for \$29,808.87. Director Besett seconded the motion which passed unanimously.

Agenda Item No. 11

Discussion regarding a possible attempt by the Town to take over the Sanitary District.

Chairman Thomson requested that this item be tabled until the January 17, 2017 regular meeting.

Agenda Item No. 12

Discussion and possible selection of semi-finalists for District Manager position and selection of questions for second round of interviews.

There was no discussion

Agenda Item No. 13

VOTE TO GO INTO EXECUTIVE SESSION PURSUANT TO A.R.S. SECTION 38-431.03(A)(1) for the purpose of consideration of employment, assignment and salary associated with the position of District Manager, including selecting candidates for second-round interviews, developing questions of applicants to shape the appropriate scope of employment, assignment and salary.

Vice Chairman Reski moved and Director Dudash seconded to go into executive session pursuant to A.R.S. Section 38-431.03(A)(1) for the purpose of consideration of employment, assignment and salary associated with the position of District Manager, including selecting candidates for second-round interviews, developing questions of applicants to shape the appropriate scope of employment, assignment and salary. Motion carried and the regular session adjourned into an executive session at 7:16 p.m.

Agenda Item No. 14

Return to Regular Session.

Regular session resumed at 7:31 p.m.

There was no discussion.

Agenda Item No. 15

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

There was no discussion.

Agenda Item No. 16

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. 17

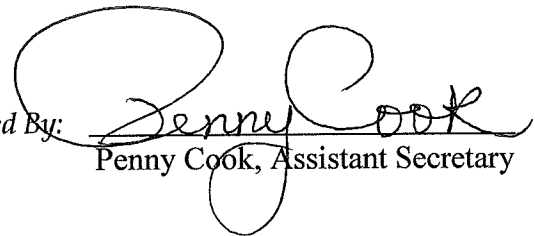
Adjournment.

Vice Chairman Reski made a motion to adjourn the meeting at 7:32 p.m. Director Dudash seconded the motion which passed unanimously.

Dated this 21st day of December, 2016.

Fountain Hills Sanitary District

Minutes Prepared By:

A handwritten signature in black ink that reads "Penny Cook". The signature is written in a cursive style with a large, looping initial "P".

Penny Cook, Assistant Secretary