

# 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, February 21, 2018** at **5:30 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 Tom Reski, Vice Chairman Gregg Dudash, Director Jerry Butler, Director Michael Maroon, and Director Robert Thomson.

*The following Executive Staff members were present:*

Dana Trompke, District Manager, Bill Sullivan, Legal Counsel, Tori Myers, District CPA, and Penny Cook, Assistant Secretary.

## **Agenda Item No. 2**

### **Approval of Minutes: Special Meeting: January 10, 2018 and Regular Meeting: January 17, 2018.**

A motion was made by Director Butler to approve the minutes of the Special Meeting of January 10, 2018 as presented. Director Maroon seconded the motion which passed unanimously.

A motion was made by Director Thomson to approve the minutes of the Regular Meeting of January 17, 2018 with discussed changes. Vice Chairman Dudash seconded the motion which passed unanimously.

## **Agenda Item No. 3**

### **Call to public.**

There was no public comment.

## **Agenda Item No. 4**

### **District Manager's report; items to be discussed include plant and recharge statistics for January, permit compliance, new and existing sewer services, Solids Handling and Headworks Improvement Project, recent activities and Public communication efforts, Town communication and/or coordination efforts, and general direction from Board.**

- District Manager reported for the month of January: The average daily influent flow was 1.96 MGD, total WW treated was 60,805,000 gallons, and RW delivered to reusers was 22,723,700 gallons.
- District Manager reported the District's total recharge credit available as of January 31, 2018 was 571,816,512 gallons.
- District facilities were in compliance with all permit requirements for the month of January.

- There were eight new sewer service agreements issued in January – five single-family, two multi-family units, and one non-residential unit.
- The CMAR is working on-site for the Solids Handling and Headworks Improvements project. A temporary dewatering unit is running while the new equipment is being installed. The Influent Pump Station will be refurbished May-July. The contractor's schedule is slipping a little, which means a portion of this project will roll into the 2018-19 FY.
- Staff has completed FOG literature that is now available at the front desk and for mailing to FOG customers. Also, staff has created Best Management practices to control Fats, Oils, and Grease that can be handed out to the restaurant owners when inspections are being done. Another brochure is being developed pertaining to Odors, Backups, and Roach complaints.

Staff is drafting the first newsletter to accompany the quarterly billing scheduled for April.

Staff is working on permitting and new development checklists for publication.

Staff met with representatives from the Fountain Hills Coalition (a non-profit Youth Drug Abuse Prevention Program) and the local MCSO Captain Brandimarte to partner on getting the word out to NOT flush unused prescriptions down the drain. The District will partner with them on a public awareness announcement prior to the next "National Prescription Drug Take Back" day in April.

- Weber Water Resources completed their work for chemical rehabilitation of ASR Well #5. The well was put back into operation on February 20<sup>th</sup> and may take 2-3 weeks to determine how successful the rehabilitation was.
- District Manager met with Town Manager Grady Miller, Community Services Director Rachael Goodwin, and Park Supervisor Kevin Snipes regarding the needed ASR well vault replacement project which will occur at Fountain Park. The District will move forward with the replacement of vaults at ASR Wells 2 and 4. The Town approves and is appreciative of the bathrooms at these two locations. Because of the amenities in the Great Lawn area, where ASR well No. 1 is located, replacement of this well vault is postponed. Town staff and Flood Control District will be completing a new flood study later this year which may affect what can be done with ASR Well No. 1.

Field staff have worked closely with the Town on the new Fire Station #2. The sewer lateral was completed and staff discovered a downstream section of the sewer was severely deteriorated. Agenda Item #8 will address the repairs and cost for this section of sewer.

Staff coordinated with Town staff regarding the necessity of encroachment permits for various District activities. The District does not have to file and pay for an encroachment permit when the work is being done by District employees. When work is being done by a contractor, an encroachment permit needs to be filed.

#### **Agenda Item No. 5**

#### **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 that the General Fund Income Statement for January was favorable to budget. The variance in expenditures is mainly timing issues.

Billing is on track. Director Thomson requested that a statement be added to the Billing report stating that "Billing is on track".

District CPA has a call into the County to discuss the restrictions on what investments can be done.

**Agenda Item No. 6**

**Discussion of District's Inter-Governmental Agreement (IGA) with Town.**

Vice Chairman Dudash requested information on what is included in the Inter-Government Agreement with Town.

Town's responsibilities: The District does not have to file for encroachment permits, and does not have to file building permits on District facilities. The Town does not charge for annual fire inspection and provides street sweeping.

District's responsibilities: District does not charge sewer user fees and connection fees for Town owned facilities. The District provides CCTV inspection assistance and combination sewer cleaner assistance.

**Agenda Item No. 7**

**Discussion regarding Historical Review of Funding Sources (fees, taxes, bonds, etc.).**

District Manager and District CPA presented an overview of a historical review of funding sources. This information is in advance of preparing the FY 2018-2019 budget for information on sewer user fees and taxes that were charged in the past.

There was a discussion to consider, in connection with the budget process, increasing user fees according to the cost of living rate. Director Thomson suggested considering the 2018-2019 budget/fee schedule reflect an increase of 50 cents per month (1.9% increase) to keep up with the cost of inflation on operating expenses.

**Agenda Item No. 8**

**Discussion and consideration to establish a Facility and Equipment Replacement Reserve Fund beginning in Fiscal Year 2018-2019.**

District Manager is requesting that a fund be started in 2018-19 to establish a Facility and Equipment Replacement Reserve Fund (FERRF). This fund would allow for the accumulation of funds to be used specifically for the planned and unplanned replacement of equipment and facilities.

A portion of General Fund revenues (taxes and user fees) would be directed to this fund each fiscal year. If equipment replacement expenditures are under budget, the funds will roll over to the next fiscal year. This account will be purposely funded to accumulate reserves needed for future large replacement projects, so that future tax rates may remain fairly constant and avoid large spikes.

This fund is needed to pay for items that break that were not specifically identified in the current year's budget.

After a discussion, direction was given to establish the fund beginning in the 2018-19 budget. Also, the contingency fund policy will be revised to incorporate this FERRF fund and will be agendized for the next meeting.

**Agenda Item No. 9**

**Discussion and consideration to authorize In Depth Underground, LLC to replace a section of sewer main near the Fire Station No. 2 project for the amount of \$66,025.**

District Manager is requesting authorization to engage In Depth Underground, LLC to replace a section of sewer main near the Fire Station No. 2 project for the amount of \$66,025. Staff discovered a downstream section of the sewer was severely deteriorated when installing the service lateral at Fire Station #2.

Director Thomson made a motion to authorize District Manager to engage In Depth Underground LLC to replace a section of sewer main near the Fire Station No. 2 project for the amount of \$66,025. Director Butler seconded the motion which passed unanimously.

**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 Thomson wished Vice Chairman Dudash Happy Birthday.

**Agenda Item No. 11**

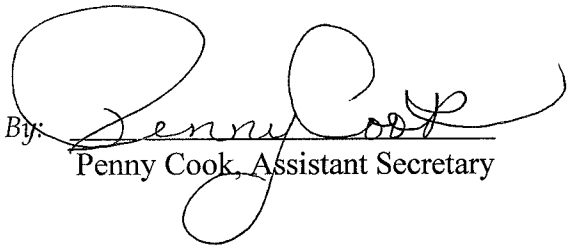
**Adjournment.**

Vice Chairman Dudash made a motion to adjourn the meeting at 7:28 p.m. Director Thomson seconded the motion which passed unanimously.

*Dated this 22<sup>nd</sup> day of February, 2018.*

Fountain Hills Sanitary District

Minutes Prepared By:



Penny Cook, Assistant Secretary